Draft Report

State of Indiana Consolidated Plan

2009 Action Plan

Draft Report

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2009 Indiana Action Plan

Prepared for

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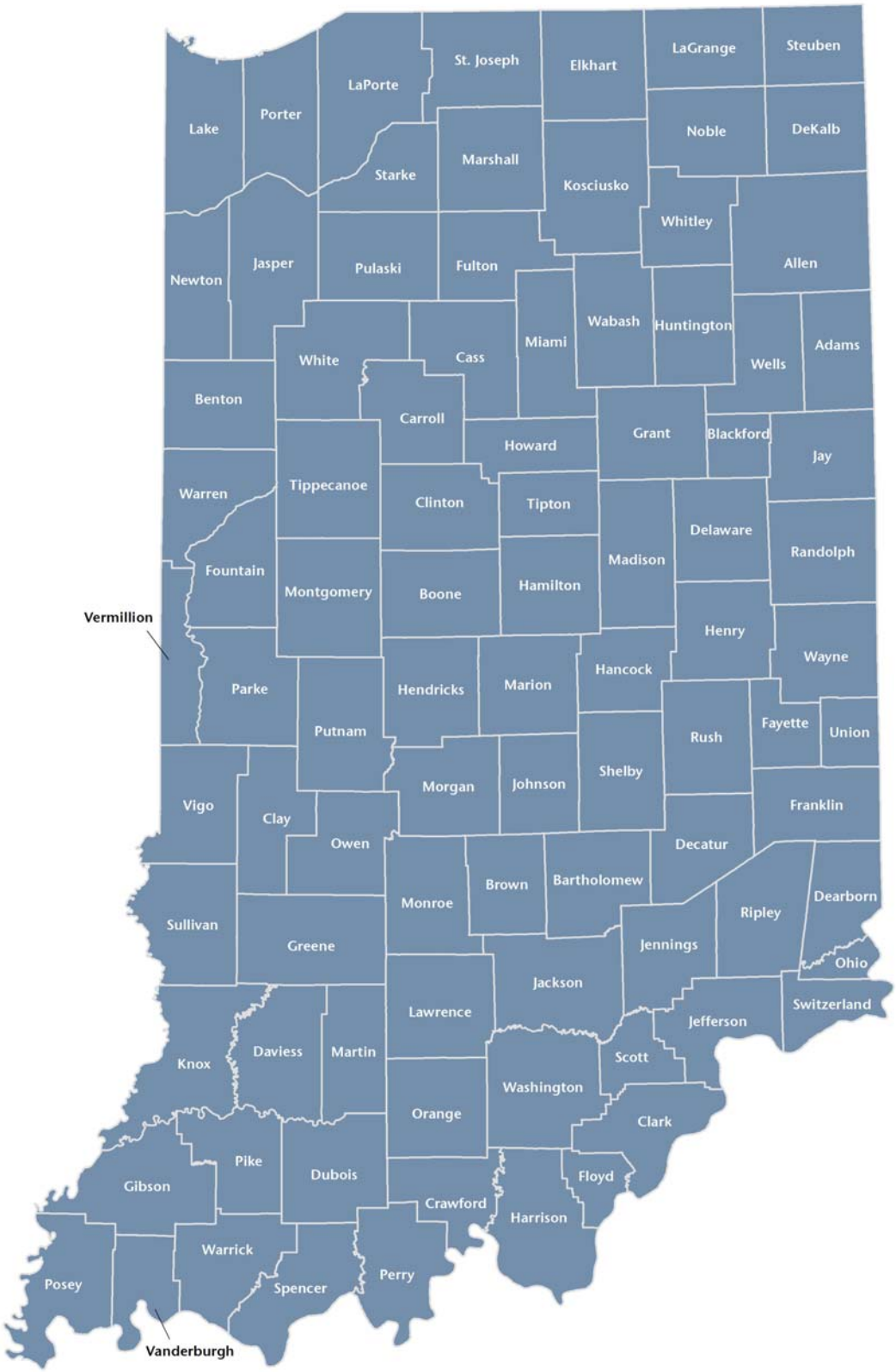
Map of Indiana Counties



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 Shelter Grant—operating grants for emergency shelters. Applied for through the IHCDA
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
ICHHI	Indiana Coalition on Housing and Homeless Issues, Inc.
IDEM	Indiana Department of Environmental Management
IFA	Indiana Finance Authority

Acronym	Definition
IHCDA	Indiana Housing and Community Development Authority
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

EXECUTIVE SUMMARY

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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. 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[1].

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.

In addition to the Consolidated Plan, every year states and local jurisdictions must prepare two other documents related to the Consolidated Plan:

- **Annual Action Plan**—this document details how the HUD block grants *are planned to be* allocated to meet a state's/county's/city's housing and community development needs; and

- **Consolidated Annual Performance and Evaluation Report (CAPER)**—this document reports how each year's dollars were *actually allocated* and where the actual allocation varied from what was planned.

This report is the State of Indiana's 2009 Action Plan. The State of Indiana Five-Year Consolidated Plan was prepared in 2005, and covers the years from 2005 through 2009. The 2009 Action Plan report contains a plan for how the State proposes to allocate the CDBG, HOME, ADDI, ESG and HOPWA during the 2008 program year, July 1, 2009 to June 30, 2010. In 2010, a new five-year plan will be prepared.

Compliance with Consolidated Plan Regulations

The State of Indiana's Five-Year Consolidated Plan and 2009 Action Plan were prepared in accordance with Sections 91.300 through 91.330 of the U.S. Department of Housing and Urban Development's Consolidated Plan regulations.

Lead and Participating Agencies

The Indiana Office of Community and Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA) are the lead agencies responsible for overseeing the development of the 2009 Action Plan. OCRA administers the State's CDBG grant. IHCDA administers the State's HOME, ADDI, ESG and HOPWA grant programs.

[1] Some cities and counties in Indiana, mostly because of their size, are able to receive HUD grant dollars for housing and community development directly. These "entitlement" areas must complete a Consolidated Plan separately from the State's to receive funding.

The State of Indiana retained BBC Research & Consulting (BBC), an economic research and consulting firm specializing in housing research, to assist in the preparation of the 2009 Action Plan.

Citizen Participation Process and Consultation

Citizens had the opportunity to comment on the draft 2009 Action Plan for CDBG, HOME, ADDI, ESG and HOPWA through two public hearings held on April 24th during the 30-day public comment period, April 6 through May 5, 2009.

In addition, residents completed a survey and stakeholders were consulted about the State's greatest needs and encouraged to provide comments on the Action Plan through personal interviews conducted in February 2008; this information on needs was considered during the development of the 2009 Action Plan.

The State of Indiana accepted public comments on the draft 2009 Action Plan between April 6 and May 5, 2009. All of the comments received—both verbal and written—will be appended to the Action Plan, unless otherwise requested by the commenter.

Updated Research Findings

Section III of the Action Plan contains updated information on socioeconomics and the housing market in Indian. In sum, incomes have been stagnant, home prices stable and unemployment increasing, reflective of the economic downtown nationally.

The effect of the current economic conditions on housing and community development needs have been closely monitored by the State. The 2009 Action Plan reflects the State's intention to address the growing needs through:

- Emphasizing programs to address homelessness, including persons who are newly homeless;
- Supporting neighborhood revitalization efforts and investing in public infrastructure;
- Combining funding with job creation activities wherever possible; and
- Continuing to support rehabilitation efforts to ensure that affordable housing units do not fall into disrepair as household finances tighten.

The 2009 Action Plan

This section presents the State's planned distribution of funding for the 2009 program year. The State has not changed its allocation substantially for the current program year.

2009 funding levels. Exhibit ES-1 provides the estimated 2009 program year funding levels for each of the four HUD programs. These resources will be allocated to address the identified housing and community development strategies and actions.

Exhibit ES-1. 2009 Consolidated Plan Funding by Program and State Agency

Source: HUD and State of Indiana, 2008.

Program	FY 2009 Funding Allocations
CDBG (Indiana Office of Community and Rural Affairs)	$30,866,525
HOME (Indiana Housing and Community Development Authority)	$15,012,167
ADDI (Indiana Housing and Community Development Authority)	$127,867
ESG (Indiana Housing and Community Development Authority)	$1,925,813
HOPWA (Indiana Housing and Community Development Authority)	$863,000
Total	**$48,795,372**

Five-Year Strategic Goals

Four goals were established to guide funding during the FY2005–2009 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 following section describes the FY2009 Action Plan in detail.

Objective Category: Decent Housing

1. **Availability/Accessibility and Affordability—HOME.** During FY2009, the State will allocate $10.1 million of HOME funds to assist in the production and/or rehabilitation of 336 housing units. The type of units will be determined based on the greatest needs in nonentitlement areas.

   Eligible unit types include:

   - Transitional housing (Availability/Accessibility of Housing);
   - Permanent supportive housing (Availability/Accessibility of Housing);
   - Affordable rental housing (Affordability); and
   - Affordable owner housing (Affordability).

   In addition, the State will provide $700,000 to CHDO operating support and $200,000 to CHDO predevelopment seed money loans.

   During FY2009, the State will also provide $2 million for homeownership assistance to 500 households (Affordability).

2. **Availability/Accessibility and Affordability—CDBG.** In the 2009 program year, the State will allocate $4.2 million of CDBG funding to produce 244 units of housing for special-needs populations, to acquire and demolish units in support of affordable housing development, and to conduct affordable housing feasibility studies.

   In addition, the State will allocate $1 million in ARRA funds to support an additional 9 projects that will result in HRI activities in an additional 55 households.

   The type of units will be determined based on the greatest needs in nonentitlement areas. Eligible unit types include:

   - Emergency shelters;
   - Youth shelters;
   - Migrant/Seasonal Farm Worker—rehabilitation/new construction;[2]
   - Transitional housing;
   - Permanent supportive housing;
   - Rental housing; and
   - Owner-occupied housing.

3. **Availability/Accessibility and Sustainability of shelters.** In FY2009, the State will use CDBG, HOME, ESG and HOPWA dollars to improve the accessibility and availability of decent housing to special-needs populations. The dollars will also be used to ensure the sustainability of the shelters.

   ESG dollars will be used for the following:

   - ***Operating support***—83 shelters receiving support totaling $1,443,000, for assisting clients with access to emergency housing and basic needs (Sustainability for shelters);
   - ***Homelessness prevention activities***—22 shelters provided with homelessness prevention activity funding of $74,000. These 22 shelters will provide direct rental assistance to prevent eviction, utility assistance and legal services for tenant mediation to 80 percent of the clients who ask for assistance, serving approximately 970 clients. (Availability/Accessibility);
   - ***Essential services***—53 shelters provided with funding totaling $400,000 for essential services, assisting 16,000 clients. These services will assist approximately 80 percent of clients at each shelter in the form of case management, mainstream resources referral and counseling, as needed. (Availability/Accessibility); and

[2] Migrant Seasonal Farm Worker Housing and Rental Housing Rehabilitation will not be targeted priorities, rather they will be considered for funding under a "special projects" set-aside.

- ***Permanent Supportive Housing***—Increase the availability and access to services, mainstream resources, and case management, and financial assistance, employment assistance, counseling for drug/alcohol abuse, mental illness, domestic violence, veterans, and youth pregnancy. By utilizing these activities it will increase their ability to access permanent housing and decrease the likelihood of repeated homelessness. Anticipate that approximately 25 percent of the clients who are housed by emergency housing or transitional housing will have accessed permanent housing upon leaving the facility (clients who stay at least 30 days at the facility).

Altogether, approximately 19,000 of clients will be assisted with temporary emergency housing.

HOPWA dollars will be used for the following:

- ***Housing Information***—HOPWA care sites provide community-based advocacy and information/referral services for the purposes of either placement into housing or homelessness prevention. Via care site case management, homeless outreach will occur to increase the number of those living with HIV/AIDS that become housed.

- ***Operating Costs***—HOPWA care sites provide housing costs that are specific to HIV/AIDS housing, such as furniture for group homes and utilities. Operating costs may also include the salaries of security and maintenance crews.

- ***Rental Assistance***—HOPWA care sites provide case management, mainstream resource assistance and housing assistance for up to 12 months of a HOPWA program to increase housing stability for those living with HIV/AIDS and their families.

- ***Short-Term Rent, Mortgage and Utility Assistance***—HOPWA care sites provide case management, mainstream resource assistance and housing assistance for up to 21 weeks of a HOPWA program year to increase housing stability for those living with HIV/AIDS and their families. Short-term rent, mortgage and utility payments will be provided to prevent homelessness of the tenant.

- ***Supportive Services***—HOPWA care sites provide the following forms of assistance in order to increase housing stability for those living with HIV/AIDS, including, but not limited to, food/nutrition, transportation, housing case management, mental health treatment, substance abuse treatment and basic telephone provision.

- ***Permanent Housing Placements***—Funds used to help establish permanent residence when continued occupancy is expected including: housing referral, tenant counseling, understanding a residential lease and its obligations, mediation of disputes, costs associated with placement in housing, application fess and credit check expenses, first month's rent and security deposit (not to exceed two month's rent), one-time utility connection fees and processing costs.

Objective Category: Economic Opportunities

In FY2009, CDBG will be allocated to provide downtown revitalization, job creation and micro-enterprise activities. Downtown/neighborhood revitalization projects are eligible under the CFF program and OCRA anticipates receiving applications for 6 to 10 projects in 2009.

The State will also continue the use of the OCRA's Community Economic Development Fund (CEDF), which funds job training and infrastructure improvements in support of job creation for low- to moderate-income persons. The projected allocation in 2009 is $1,200,000 to support the creation of 240 jobs. The State will also fund a Micro-enterprise Assistance Program, which funds training and micro-lending for low- to moderate-income persons. The projected allocation in 2009 is $225,000.

Objective Category: Suitable Living Environment

Community development. In FY2009, CDBG will be allocated to provide various activities that improve living environments of low- to moderate-income populations. The following performance measures are expected to be achieved:

- ***Construction/rehabilitation of 20 wastewater, water and storm water infrastructure systems.*** Projected allocation: $12,048,549.
- ***Construction of 6-7 Fire and/or EMS Stations.*** Projected allocation:$3,050,000.
- ***Purchase of 2-3 Fire Trucks.*** Projected Allocation: $450,000.
- ***Construction of 8 public facilities projects*** (e.g. libraries, community centers, social service facilities, youth centers, etc.). Projected allocation: $4,000,000.
- ***Completion of 4 Downtown Revitalization projects.*** Projected Allocation: $2,000,000.
- ***Completion of 2 Historic Preservation projects.*** Projected Allocation: $1,000,000.
- ***Completion of 2-5 Clearance projects.*** Projected Allocation: $500,000.
- Anticipated match, above activities: $4,609,710.

Continue the use of the planning and community development components that are part of the Planning Grants and Foundations programs funded by CDBG and HOME dollars. These programs 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.

2009 Expected Accomplishments, Planning Grants and Foundations Program

- ***Planning grants:***
  - Twenty-nine planning grants;
  - Projected allocation: $1,200,000; and
  - Anticipated match: $120,000.
- ***Foundation grants:*** Funded on an as needed basis.

Essential service activities. ESG dollars will also be used to provide a suitable living environment for those who are homeless and at risk of homelessness. ESG will provide funding to emergency shelters and/or transitional housing for case management, housing search, substance abuse counseling, mainstream resource assistance, employment assistance and individual assistance to clients who are homeless.

Operations activities. Emergency shelters and/or transitional housing will provide temporary housing for homeless individuals and families. The shelters provide all of the client's necessities of food, clothing, heat, bed, bathroom facilities, laundry facilities, and a mailing address. The facilities provide assistance to achieve self-sufficiency.

Operating costs. HOPWA care sites provide housing costs that are specific to HIV/AIDS housing, such as furniture for group homes and utilities. Operating costs may also include the salaries of security and maintenance crews.

Supportive services. HOPWA care sites provide the following forms of assistance in order to increase housing stability for those living with HIV/AIDS, including, but not limited to, food/nutrition, transportation, housing case management, mental health treatment, substance abuse treatment and basic telephone provision.

Action Plan Matrix

A matrix that outlines the Consolidated Plan Strategies and Action Items for the FY2009 program year appears on the following page. The matrix includes:

- The State's Five-Year Strategic Goals;
- Type of HUD grant;
- Objective category the funding will address;
- Outcome category the funding will address;
- The activities proposed to address housing and community development needs;
- Funding targets (by dollar volume); and
- Assistance goals (by number of households, number of facilities, etc).

Exhibit ES-15.
Strategies and Action Matrix, 2009 Action Plan

Goals	Funds	Objective Category	Outcome Categories	Activities	Specific Objectives	Funding Goals	Assistance Goals
1. **Expand and preserve affordable housing opportunities throughout the housing continuum.**	HOME and ADDI	Decent Housing	Availability/Accessibility	Transitional Housing—Rehabilitation and New Construction	Improve range of housing options for special-needs populations.	$10,100,000	
		Decent Housing	Availability/Accessibility	Permanent Supportive Housing—Rehabilitation and New Construction	Increase number of homeless in permanent housing.		
		Decent Housing	Affordability	Rental Housing—Rehabilitation and New Construction	Increase the supply and improve the quality of affordable rental housing.		For Housing from Shelters to Homeownership, QAP, OOR = 336 units, For First Home = 500 units
		Decent Housing	Affordability	Homebuyer—Rehabilitation and New Construction	Increase the supply and improve the quality of affordable homeownership.		
		Decent Housing	Availability/Accessibility	CHDO Operating Support	Improve services for low/mod income persons.	$700,000	
		Decent Housing	Affordability	CHDO Predevelopment and Seed Money Loans	Increase the supply of affordable housing.	$200,000	
		Decent Housing	Affordability	Downpayment Assistance	Increase the supply and improve the quality of affordable homeownership.	$2,000,000	
	CDBG	Decent Housing	Availability/Accessibility	Emergency shelters	End chronic homelessness.		
		Decent Housing	Availability/Accessibility	Youth shelters	End chronic homelessness.	$4,200,000 CDBG; $1,000,000 ARRA	Special Needs Housing = 244 units ARRA = 55 households
		Decent Housing	Availability/Accessibility	Transitional housing	Improve range of housing options for special-needs populations.		
		Decent Housing	Availability/Accessibility	Migrant/seasonal farmworker housing	Improve range of housing options for special-needs populations.		
		Decent Housing	Availability/Accessibility	Permanent supportive housing	Increase number of homeless in permanent housing		
		Decent Housing	Affordability	Rental housing	Increase the supply and improve the quality of affordable rental housing.		
		Decent Housing	Affordability	Owner-occupied units	Increase the supply and improve the quality of affordable homeownership.		
		Decent Housing	Sustainability	Voluntary acquisition/demolition	Improve the quality of rental and owner housing.		
		Decent Housing	Availability/Accessibility	Feasibility studies	Increase the supply of affordable housing.		
2. **Reduce homelessness and increase housing stability for special-needs populations.**	HOME	Decent Housing	Availability/Accessibility	See special-needs housing activities in Goal 1.	Improve range of housing options for special-needs populations.		
	CDBG	Decent Housing	Availability/Accessibility	See special-needs housing activities in Goal 1.	Improve range of housing options for special-needs populations.		
	ESG	Decent Housing	Availability/Accessibility	Operating support	Improve range of housing options for special-needs populations.	$1,443,000	83 shelters
		Decent Housing	Availability/Accessibility	Homeless prevention	End chronic homelessness.	$74,000	22 shelters
		Decent Housing	Availability/Accessibility	Essential services	End chronic homelessness.	$400,000	53 shelters
		Decent Housing	Availability/Accessibility	Accessibility Rehab	Improve range of housing options for special-needs populations.	$57,000	3-4 shelters
							For all activities = 30,000 unduplicated clients served
	HOPWA	Decent Housing	Availability/Accessibility	Rental assistance	Improve range of housing options for special-needs populations.	$425,000	200 households/units
		Decent Housing	Availability/Accessibility	Short-term rent, mortgage, utility assistance	Improve range of housing options for special-needs populations.	$200,000	300 households/units
		Suitable Living Environment	Availability/Accessibility	Supportive Services	Improve range of housing options for special-needs populations.	$65,000	200 households
		Decent Housing	Availability/Accessibility	Housing information	Improve range of housing options for special-needs populations.	$30,000	75 households
		Decent Housing	Availability/Accessibility	Operating costs	Improve range of housing options for special-needs populations.	$25,000	10 units
		Decent Housing	Availability/Accessibility	Permanent housing placement	Improve range of housing options for special-needs populations.	$70,000	100 households
3. **Promote livable communities and community revitalization through addressing unmet community development needs.**	CDBG			**Community Focus Fund:**			
		Suitable Living Environment	Sustainability	Construction/rehabilitation of wastewater water and storm water systems	Improve quality/quantity of public improvements for low/mod persons.	$12,048,500	26 systems
		Suitable Living Environment	Availability/Accessibility	Community development projects (Senior Centers, Youth Centers, Community Centers, Historic Preservation Downtown Revitalization, ADA Accessability, Fire Stations, Fire Trucks)	Improve quality/quantity of neighborhood services for low/mod persons.	$11,000,000	24-29 facilities/projects
	CDBG	Suitable Living Environment	Sustainability	Planning/Feasibility Studies	Improve quality/quantity of public improvements for low/mod persons.	$1,200,000	29 planning grants
4. **Promote activities that enhance local economic development efforts.**	CDBG	Economic Opportunities	Sustainability	Community Economic Development Fund	Improve economic opportunities for low/mod persons.	$1,200,000	240 jobs
				Micro-enterprise Assistance Program	Improve economic opportunities for low/mod persons.	$225,000	

Source: Office of Community and Rural Affairs and Indiana Housing and Community Development.

SECTION I.
Introduction

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Introduction

Purpose of the Consolidated Plan

Beginning in fiscal year 1995, the U.S. Department of Housing and Urban Development (HUD) required local communities and states to prepare a Consolidated Plan in order to receive federal housing and community development funding. The Plan consolidates into a single document the previously separate planning and application requirements for Community Development Block Grants (CDBG), Emergency Shelter Grants (ESG), the HOME Investment Partnerships Program, Housing Opportunities for People with AIDS (HOPWA) funding and the Comprehensive Housing and Affordability Strategy (CHAS). Consolidated Plans are required to be prepared every three to five years; updates are required annually.

The purpose of the Consolidated Plan is:

1. To identify a City's or state's housing and community development (including neighborhood and economic development) needs, priorities, goals and strategies; and
2. To stipulate how funds will be allocated to housing and community development activities.

Annual Action Plan. In addition to the Consolidated Plan, cities and states receiving block grant funding must compete an annual Action Plan. The Action Plan designates how cities and states propose to spend the federal block grant funds in a given program year.

This document is the 2009 Action Plan for the State of Indiana. This is the last Action Plan in the State's five-year Consolidated Plan cycle for 2005-2009.

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.

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 e 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 Analysis of Impediments to Fair Housing Choice has been updated for 2009 and submitted to HUD under separate cover.

Compliance with Consolidated Plan Regulations

The State of Indiana's 2009 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.

Lead and Participating Organizations

The lead agencies for completion of the State's 2009 Action Plan include:

- The Indiana Office of Community and Rural Affairs (OCRA), administer of CDBG;
- The Indiana Housing and Community Development Authority (IHCDA), which administers HOME, ADDI, 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 2009 Action Plan.

Organization of the Report

The remaining sections of this report include:

- Section II—Citizen Participation Plan that has governed the citizen participation process during the five-year Consolidated Planning period. It summarizes the public input opportunities that were available during development of the 2009 Action Plan.
- Section III—Updated information on socioeconomic and housing market conditions in Indiana.
- Section IV—The 2009 Action Plan.
- Appendix A—HUD required certifications and forms submitted with the final Consolidated Plan.
- Appendix B—Information about the public hearings conducted for the 2009 Action Plan and (for final version) public comments received during the 30-day comment period.
- Appendix C—CDBG Allocation Plan for 2009.
- Appendix D—HOME Allocation Plan for 2009.
- Appendix E—ESG Allocation Plan for 2009.
- Appendix F—HOPWA Allocation Plan for 2009.
- Appendix G—HUD required needs and projects tables.

SECTION II.
Citizen Participation Plan

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Citizen Participation Plan

The Citizen Participation Plan (CPP) described below is based on the CPP established for the State's five-year Consolidated Plan, covering program years 2005–2009. 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.

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 federal Community Development Block Grant (CDBG), HOME Investment Partnerships Program funding (HOME), American Dream Downpayment Initiative (ADDI), Emergency Shelter Grant (ESG) and Housing Opportunity for Persons with AIDS (HOPWA) funding.

This document guides the CPP for the five-year Consolidated Planning period. 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.

A special effort is during year five-year plan to enhance the participation efforts of the plan and to reach sub-populations who are marginalized in most active participation processes. For example, for the FY2005–2009 five-year Consolidated Plan, a telephone survey was conducted of residents in the State's non-entitlement areas to obtain broad input into the Consolidated Planning process. Through this survey, 300 residents were able to participate in the process from the convenience of their homes. In addition, a similar citizen survey was distributed to the State's housing and social service organizations, including public housing authorities, to maximize input from the State's low-income citizens and citizens with special needs.

From the onset of the first community forum to the distribution of the surveys and writing of the Plan, the needs of the Indiana residents, government officials, nonprofit organizations, special-needs populations and others and have been carefully considered and reflected in the drafting of the document.

Five-Year Consolidated Plan Participation Process

The participation process for the five-year Consolidated Plan included four phases and took nine months to complete. There were multiple approaches used to inform residents of the process and then gather community opinions. Citizens throughout the State were actively sought out to participate and provide input for the process.

Phase I. Citizen Participation Plan development. The citizen participation plan (CPP) was crafted by the administering agencies and Consolidated Plan Coordinating Committee in late 2005. The CPP was modified with an eye toward obtaining broader public input and facilitating more direct input from low-income individuals and persons with special needs.

Phase II. Survey preparation and implementation. Four survey instruments were prepared for the Consolidated Plan CPP:

- A key person survey to capture stakeholder input;
- A telephone survey, the Indiana Rural Poll, conducted of Indiana residents living outside of Indiana's urbanized areas;
- A citizen survey targeted to special-needs and low-income individuals, including persons who had been or are currently homeless; and
- A survey of public housing authorities.

Drafts of the survey instruments were reviewed with the Coordinating Committee. The Committee assisted in developing the list of organizations to receive the mail/email citizen survey, which was passed onto clients. The Committee also helped spread the word about the citizen survey and its importance to the Consolidated Plan. The Indiana Housing and Community Development Authority (IHCDA) sent an announcement about the citizen survey to their email subscribers and encouraged public participation. They also posted a downloadable version of the survey on their website.

Phase III. Strategic, Action and Allocation Plan development. After the Consolidated Plan research was completed, the administering agencies reviewed and discussed the FY2005–2009 Strategic Plan Strategies and Actions to develop new five-year goals. These goals are used to guide the funding allocation of CDBG, HOME, ADDI, ESG and HOPWA during each program year covered by the Plan.

In addition, OCRA consulted 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.

Phase IV. Public hearing and comment period. Citizens and agency representatives were notified of the publication of the Draft Consolidated Plan during the surveys and by public notification in newspapers throughout the State. The draft report was posted on the Indiana Housing and Community Development Authority and Office of Community and Rural Affairs websites.

Residents had the opportunity to comment on the Draft Consolidated Plan in verbal or written form during a 30-day public comment period. During the comment period, copies of the Draft Plan were provided on agency websites, and Executive Summaries were distributed to the public. Two public hearings were held in non-entitlement areas to give residents an opportunity to discuss the Draft Plan in person. Residents were informed through the public hearings and notices about how to submit comments and suggestions on the Plan.

The State has a policy to provide citizens and units of general local government with reasonable and timely access to records regarding the past and proposed use of CDBG funds, as such records are requested.

2008 and 2009 Action Plan Participation Processes

The State had chosen to rotate a comprehensive citizen input process every other Action Plan year to ensure that funding is allocated to the greatest needs in the State while also being conscious of reduced federal and state budgets. To this end, the State's participation process during the 2009 Action Plan consisted of statewide public hearings through its Ivy Tech video conferencing system. The resident surveys and stakeholder interviews that were conducted during the 2008 Action Plan process were also considered during the funding allocation decisions for 2009.

Public hearings. Citizens had the opportunity to comment on the draft 2009 Action Plan for CDBG, HOME, ADDI, ESG and HOPWA through two public hearings held on April 24th during the 30-day public comment period, April 6 through May 5, 2009. The public hearings were publicized through legal advertisements in 13 regional newspapers with general circulation statewide. In addition, the notice was distributed by email to more than 1,000 local officials, nonprofit entities and interested parties statewide. A copy of the notice appears in Appendix B.

On April 25, 2009, two virtual public hearings were held in several locations across Indiana, the first began at 2:00 p.m. and the second began at 5:30 p.m. OCRA coordinated with Ivy Tech Community College of Indiana to do a video conference with 8 Ivy Tech locations. The presentation is broadcast from Lawrence (Indianapolis) out to Valparaiso, Warsaw, Richmond, Salem, Batesville, Crawfordsville and Tell City.

During the session, executive summaries of the Plan were distributed and instructions on how to submit comments were given. In addition, participants were given an opportunity to provide feedback or comment on the Draft Plan. A summary of the public hearing comments is available in Appendix B.

Resident and stakeholder input. A resident survey was distributed to several housing and community development organizations throughout the state in February 2008 to better understand housing and community development needs in rural areas. These organizations were asked to distribute the survey to their clients to ensure input from people with low incomes, people who are homeless, persons with disabilities, at-risk youth, public housing clients and persons with special needs. The survey was also available to complete electronically on IHCDA's website. Of the 280 individuals that began the survey, 239 completed the survey in its entirety.

Stakeholders were also directly consulted about the State's greatest needs and encouraged to provide comments on the Action Plan through personal interviews conducted in February 2008.

Comments Accepted, Considered and Not Accepted or Considered. The State of Indiana accepted public comments on the draft 2009 Action Plan between April 6 and May 5, 2009. All of the comments received—both verbal and written—are summarized and appended to the Action Plan, unless otherwise requested by the commenter.

Annual Performance Report

Before the State submits a Consolidated Plan 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 two to three weeks 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 follow 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.

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 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 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.

Key Informant and Citizen Input

To collect additional information from key informants and citizens about Indiana's housing and community development needs, interviews were conducted during February 2008 with key persons who are knowledgeable about these needs in the State. The input from this comprehensive key informant effort was also considered during development of the allocation of 2009 funding.

These key persons included economic development organizations, local government representatives, an engineering consultant, housing providers, community service providers, advocates and others. The interviews provided information about the housing market in general and about the top housing and community development needs in the State. Their responses build upon those received through

key person interviews conducted as part of the five-year Consolidated Plan and following Action Plans.

The following is a list of organizations and agencies who participated in the planning process as part of key person interviews. Their input was very welcome and their thoughts much appreciated.

Exhibit II-1.
Organizations/Agencies Consulted

Organizations/Agencies	Organizations/Agencies
AARP Indiana	Indiana University
Administrative Resources Assoc.	Kankakee Iraqouis Regional Planning Commission
Ball State University	Office of Tourism and Devel.
Center for Urban Policy and the Environment	Partners in Housing Devel. Corp.
Commonwealth Engineering	Pathfinder Services
Community Action Program of Western Indiana	Providence Self-Sufficiency Ministries
FSSA Division of Aging	Randolph County Economic Devel.
Grant County Economic Development Council	Region III-A Economic Devel.
Hoosier Uplands	River Hills Economic Devel.
Indiana Assoc. for Community Economic Devel.	Rural Opportunities, Inc.
Indiana Assoc. of Homes for the Aging	Southern Indiana Devel. Commission
Indiana Assoc. of Realtors	Southern Indiana Regional Planning Commission
Indiana Assoc. of United Ways	Southwest Indiana Regional Devel.
Indiana Builders Assoc.	State Farm Insurance
Indiana Coalition for Housing and Homeless Issues	Tikijian Associates
Indiana Community Action Assoc.	Vectren Energy
Indiana Rural Health Assoc.	West Central Indiana Economic Devel.

Source: 2008 Key Informant Interviews.

In addition to the interviews, a resident survey was distributed to several housing and community development organizations throughout the state in February 2008 to better understand housing and community development needs in rural areas. These organizations were asked to distribute the survey to their clients to ensure input from people with low incomes, people who are homeless, persons with disabilities, at-risk youth, public housing clients and persons with special needs. The survey was also available to complete electronically on IHCDA's website. Of the 280 individuals that started the survey, 239 completed the survey in its entirety.

SECTION III.
Socioeconomic and Housing Analysis

SECTION III.
Socioeconomic and Housing Analysis

Section III discusses the socioeconomic and housing characteristics of the State of Indiana, which includes changes in population, household characteristics, employment, education, housing prices and affordability.

Population Growth

The U.S. Census Bureau's Population Estimates calculated Indiana's 2008 population at 6,376,792 residents, an increase of approximately 31,500 residents from 2007. Despite an overall increase from 2000 (6,080,485) and last year's estimate of 6,376,792, the state's population growth has slowed. Between 1990 and 2000, the state grew at average annual rate of 1.0 percent per year. Between 2000 and 2008, the state grew at an average annual growth rate of 0.6 percent.

From a regional perspective, Indiana grew most similarly to Kentucky. Indiana's population increased 4.9 percent between 2000 and 2008, compared to Kentucky's population increase of 5.6 percent. Michigan's population increase of 0.7 percent during 2000 to 2008 made it the slowest growing of Indiana's neighboring states. Illinois grew by 3.9percent and Ohio grew by 1.2 percent over the same time period.

City and County growth rates. Many of Indiana's top twenty growth cities 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 2007, the County grew by 43 percent.

Exhibit III-1 depicts county-specific growth patterns between 2000 and 2007. The entitlement counties of Lake and Hamilton experienced population growth overall; however, as can be seen in Exhibit III-2, 11 of the 21 entitlement cities in Indiana experienced population declines. Fourteen of the 20 fastest cities in towns from 2000 to 2007 are located in the Indianapolis MSA. This may indicate Indiana's city and rural residents are 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 east and north of the Indianapolis MSA and along the western border shared with Illinois.

Exhibit III-1. Population Change of Indiana Counties, 2000 to 2007

Note:

Indiana's population change was 4.4 percent from 2000 to 2007.

Source:

U.S. Census Bureau's 2000 Census and 2007 American Community Survey 1-year Estimates, compiled by Indiana Business Research Center, and BBC Research & Consulting.

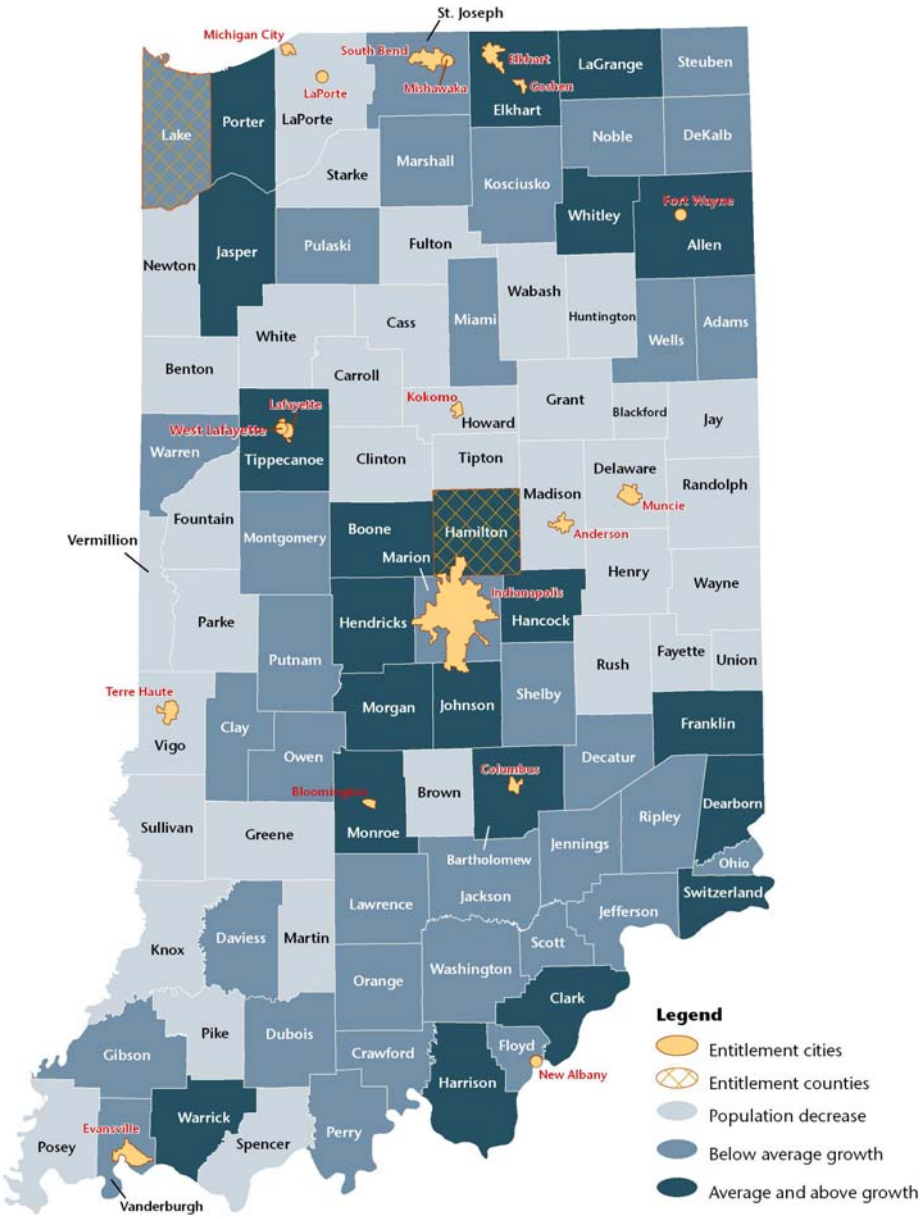


Exhibit III-2 shows population growth from 2000 to 2007 in Community Development Block Grant (CDBG) entitlement and non-entitlement areas. As of 2007, 58 percent of Indiana's total population resides outside of CDBG entitlement areas. Higher growth was seen in non-entitlement areas (5.0 percent) from 2000-2007 compared to entitlement area growth (3.5 percent) during the same period.

Exhibit III-2.
2000 to 2007 Population Growth

	2000		2007		Percent Change
	Number	Percent	Number	Percent	2000 - 2007
Indiana	6,080,485	100%	6,345,289	100%	4.4%
Non-Entitlement	3,493,149	57%	3,666,157	58%	5.0%
CDBG Entitlement	2,587,336	43%	2,679,132	42%	3.5%
CDBG Entitlement Areas:					
Hamilton County	**185,422**		**261,661**		**41.1%**
Lake County	484,687		492,104		1.5%
East Chicago	32,340		30,151		-6.8%
Gary	102,301		96,429		-5.7%
Hammond	82,850		77,175		-6.8%
Balance of Lake County	267,196		288,349		7.9%
Cities					
Anderson	59,693		57,311		-4.0%
Bloomington	71,599		72,254		0.9%
Columbus	39,179		39,817		1.6%
Elkhart	52,538		52,647		0.2%
Evansville	121,156		116,253		-4.0%
Ft. Wayne	250,153		251,247		0.4%
Goshen	**29,687**		**31,893**		**7.4%**
Indianapolis (balance)	781,837		795,458		1.7%
Kokomo	46,568		45,902		-1.4%
LaPorte	21,609		21,093		-2.4%
Lafayette	61,161		63,679		4.1%
Michigan City	32,884		31,851		-3.1%
Mishawaka	46,980		49,439		5.2%
Muncie	67,922		65,410		-3.7%
New Albany	37,839		37,033		-2.1%
South Bend	108,241		104,069		-3.9%
Terre Haute	59,506		58,932		-1.0%
West Lafayette	**28,675**		**31,079**		**8.4%**

Note: Columbus, Michigan City, LaPorte and Hamilton County are included as entitlement areas. 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: Bloomington, Each Chicago, Evansville, Fort Wayne, Gary, Hammond, Indianapolis, Lake County, St. Joseph County Consortium, Terre Haute, Tippecanoe County Consortium.

Source: U.S. Census Bureau's 2000 Census and 2007 Population Estimates, compiled by Indiana Business Research Center.

Components of population change. Exhibit III-3 shows the components of the population change for 2001 through 2008. Population growth from 2000 to 2008 has primarily been attributed to natural increase. However, the State saw an increase in net migration in 2005 and 2006 from previous years. Net migration decreased to 8,500 persons in 2007 and 5,600 persons in 2008.

Exhibit III-3.
Components of Population Change in Indiana, 2001 to 2008

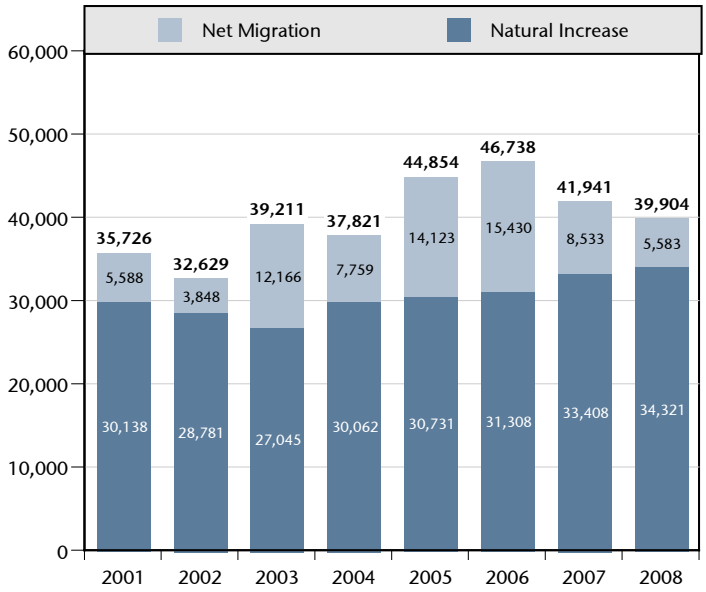
Note:

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.

Natural increase is births minus deaths.

Source:

U.S. Census Bureau's Population Estimates, compiled by Indiana Business Research Center.



Future growth. The Indiana Business Research Center (IBRC) projects a State population of 6,427,236 in 2010 and 6,581,875 in 2015. This equates to a growth rate of 3.2 percent from 2008 to 2015, which is 1.5 percentage points less than the growth rate experienced in the years 2000 to 2008. Simply stated, growth in Indiana is slowing.

Population Characteristics

In 2007, Indiana's median age was estimated to be 36.5, compared to 35.2 in 2000 and 36.3 in 2006. Similar to the rest of the nation, Indiana's baby boomers are close approaching old age and the overall age distribution of the State is shifting older. In 2007, approximately 62 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 2007.

Seventy-two of Indiana's 92 counties had a higher percentage of residents aged 65 and older than the total state average. Exhibit III-4 shows which counties have a large proportion of residents aged 65 years and older.

Exhibit III-4. Counties Where Population 65 Years and Over is Higher than State Average, 2007

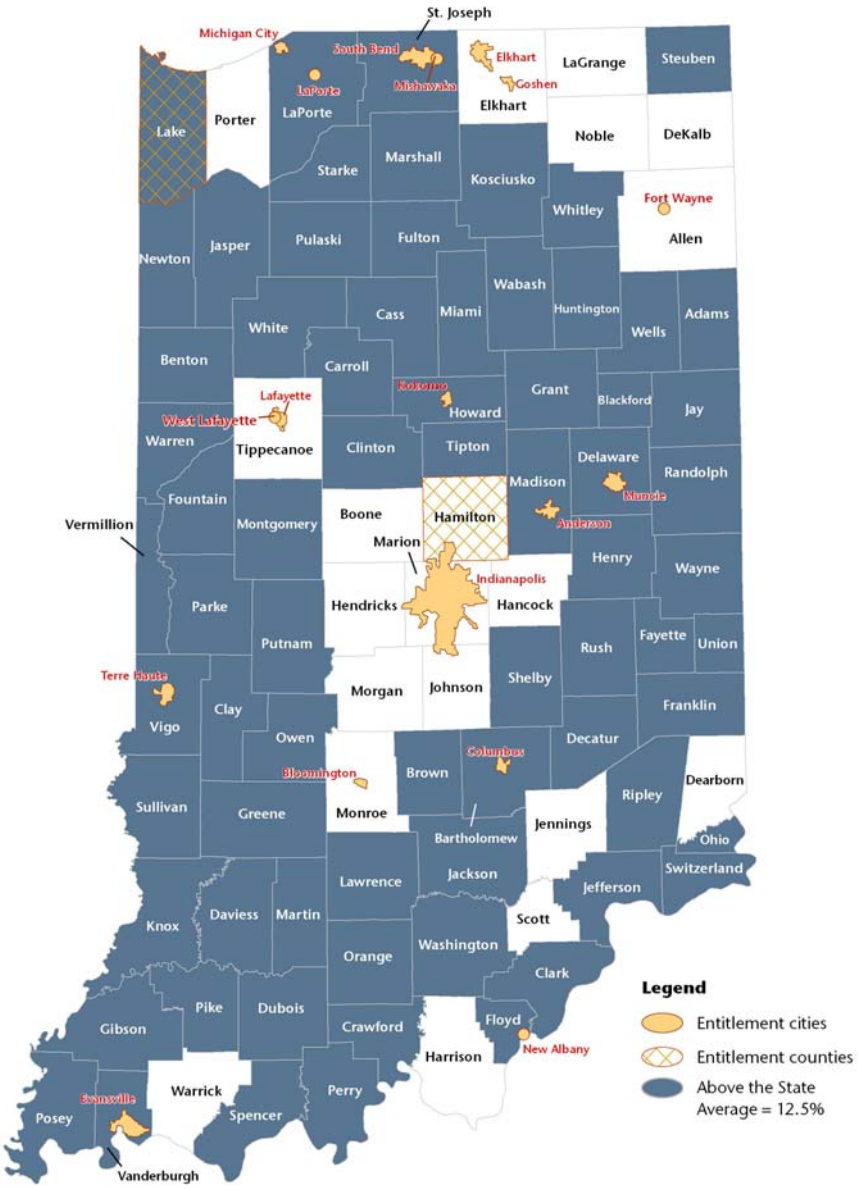
Note:

In 2007, 12.5 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:

2007 U.S. Census Bureau's Population Estimates, compiled by Indiana Business Research Center and BBC Research & Consulting.



Racial/ethnic diversity. Indiana's racial composition changed very little between 2000 and 2007. Individuals defining themselves as White comprised 89 percent of the population in 2000 and 88 percent of the population in 2007. The state did experience a slight increase in Asian residents, Black or African American residents, and those residents recorded as being of Two or More Races over that same time period. 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 3.6 percent of the State's population in 2000, and grew to 4.8 percent by 2007. Exhibit III-5 shows the breakdown by race and ethnicity of Indiana's 2000 and 2007 populations.

Exhibit III-5.
Indiana Population by Race and Ethnicity, 2000 and 2007

	2000		2007	
	Number	*Percent*	*Number*	*Percent*
Total Population	**6,091,955**	**100%**	**6,345,289**	**100%**
American Indian and Alaska Native Alone	15,834	0.3%	19,455	0.3%
Asian Alone	60,638	1.0%	86,079	1.4%
Black or African American Alone	518,077	8.5%	571,685	9.0%
Native Hawaiian/Other Pacific Islander Alone	2,332	0.0%	2,999	0.0%
White Alone	5,439,298	89.3%	5,592,502	88.1%
Two or More Races Alone	55,776	0.9%	72,569	1.1%
Hispanic or Latino (of any race)	216,919	3.6%	315,089	5.0%

Source: U.S. Census Bureau -- 2000 Census and 2007 ACS 1-year estimates.

Concentration of race/ethnicity. The State's population of African Americans and persons of Hispanic/Latino descent are highly concentrated in counties with urban areas, most of which contain entitlement areas. Exhibits III-6 and III-7 show the counties that contain the majority of these population groups.

Exhibit III-6 displays the counties that have a larger percentage of African Americans in their population than the State average. Indiana's African American population is highly concentrated in the State's urban counties. Lake, LaPorte, St. Joseph, Marion, and Allen 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.

Exhibit III-6. Counties Whose African American Population is Greater than the State Average, 2007

Note:

In 2007, African Americans made up 9.0 percent of the State's population.

The shaded counties have a higher percentage of their population that is African American than the State overall.

Source:

U.S. Census Bureau's Population Estimates, compiled by Indiana Business Research Center and BBC Research & Consulting.

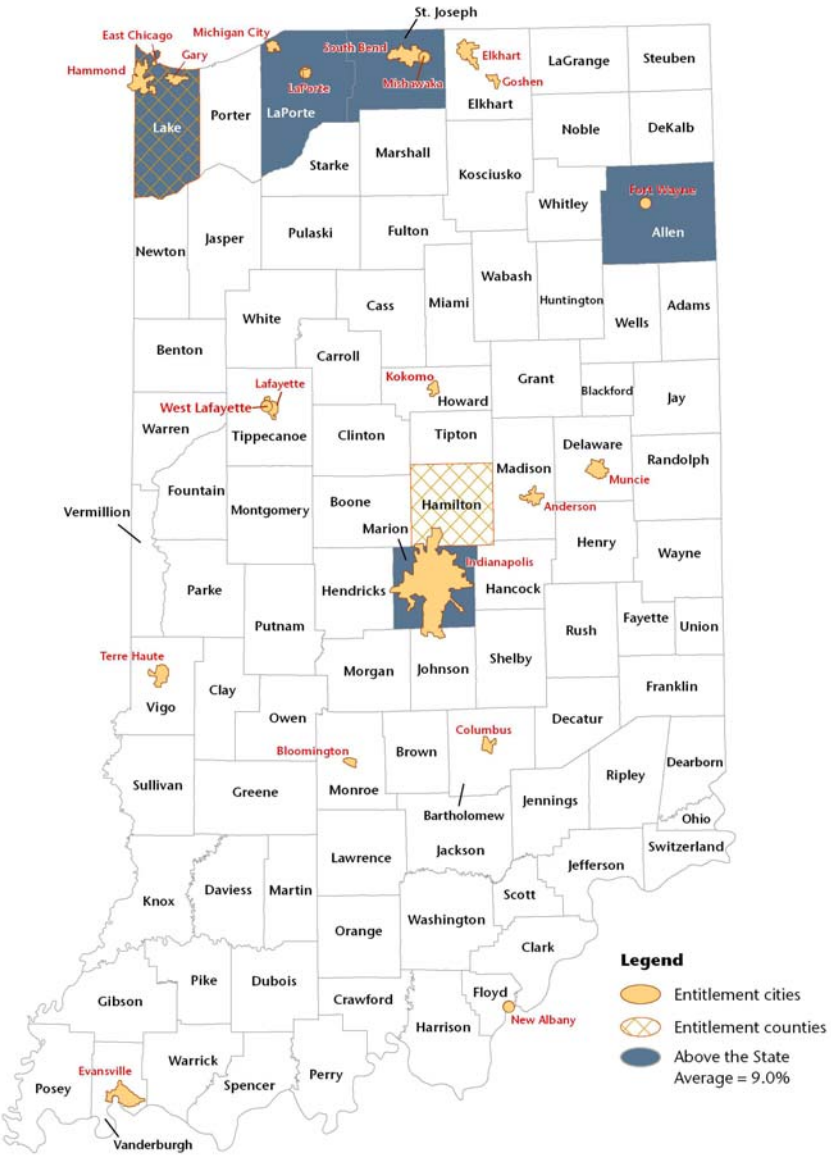


Exhibit III-7 shows the 14 counties whose population had a greater concentration of the Hispanic/Latino population than the 2007 State average of 5.0 percent.

Exhibit III-7. Counties Whose Hispanic/Latino Population is Greater than the State Average, 2007

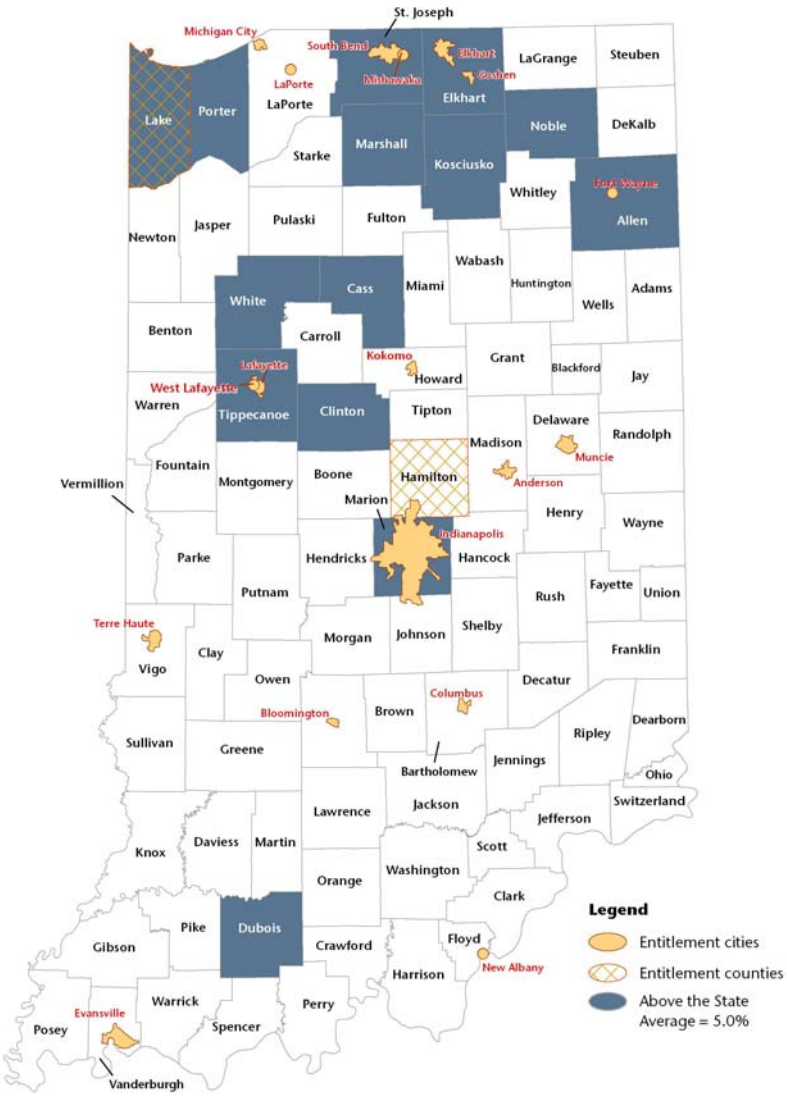
Note:

In 2007, 5.0 percent of the State's population was Hispanic/Latino.

The shaded counties have a higher percentage of persons of Hispanic/Latino ethnicity than the State overall.

Source:

U.S. Census Bureau's 2007 Population Estimates, 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." In 2000, 29,358 households (or 1.3 percent of total households) in Indiana were reported to be linguistically isolated. Of these households, 15,468 spoke Spanish; 13,820 spoke an Asian or Pacific Islander language; 7,960 spoke another Indo-European language; and the remainder spoke other languages. By 2006, 1.8 percent of households were linguistically isolated.

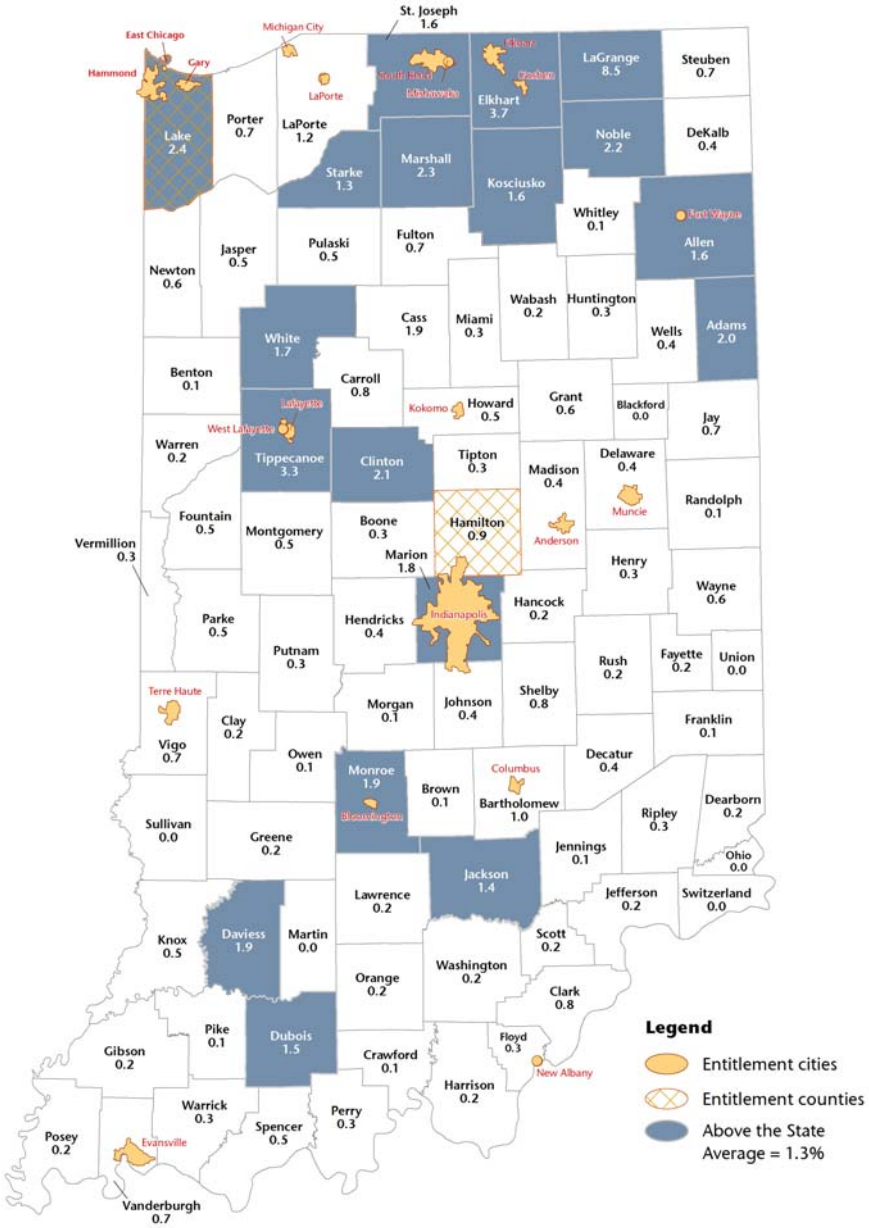
Exhibit III-8 shows the percentage of households that were reported to be linguistically isolated in 2000 by county, with the shaded areas representing counties with a higher percentage than the State overall.

Exhibit III-8. Counties Whose Linguistically Isolated Population is Greater than the State Average, 2000

Note:
In 2000, 1.3 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:
U.S. Census Bureau's 2000 Census.



Income growth. Indiana's median household income in 2007 was $47,448, compared to $41,567 in 2000 and $45,394 in 2006. Exhibit III-9 shows the distribution of income in the State in 2000 compared to 2007 in inflation-adjusted dollars. The percentage of residents in the higher income brackets has risen since 2000. For example, approximately 10 percent of all Indiana households earned $100,000 or more in 2000; in 2007, the percentage had risen 14 percent of all households.

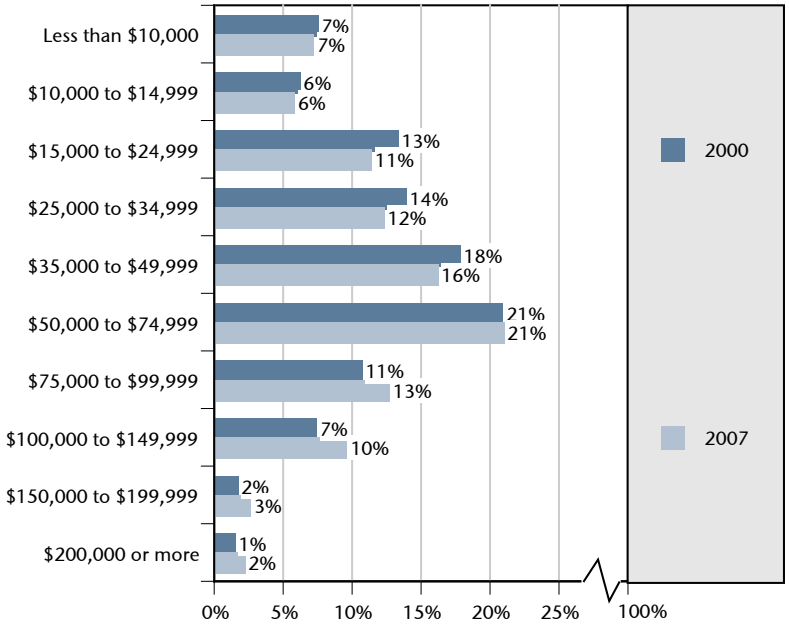
Exhibit III-9. Percent of Households by Income Bracket, State of Indiana, 2000 and 2007

Note:

Data are adjusted for inflation.

Source:

U.S. Census Bureau's 2000 Census and 2007 American Community Survey 1-year estimates.



Poverty. In 2007, the U.S. Census Bureau reported that 12.3 percent of Indiana residents were living below the poverty level. This is an increase of 2.8 percentage points from 2000 (9.5 percent of all residents living below poverty level). As seen in Exhibit III-10, the percentages of many age groups and family types living below the poverty level has increased from 2000 to 2007. For example, 17.3 percent of Indiana residents under age 18 lived below the poverty level in 2007, an increase of 5.1 percentage points from 2000. Similarly, 37.4 percent of female-headed households with children and no husband present lived below the poverty level in 2007, an increase of 7.0 percentage points from 2000.

Exhibit III-10. Residents Living Below the Poverty Level, State of Indiana, 2000 and 2007

Source:

U.S. Census Bureau – 2000 Census and 2007 American Community Survey 1-year Estimates.

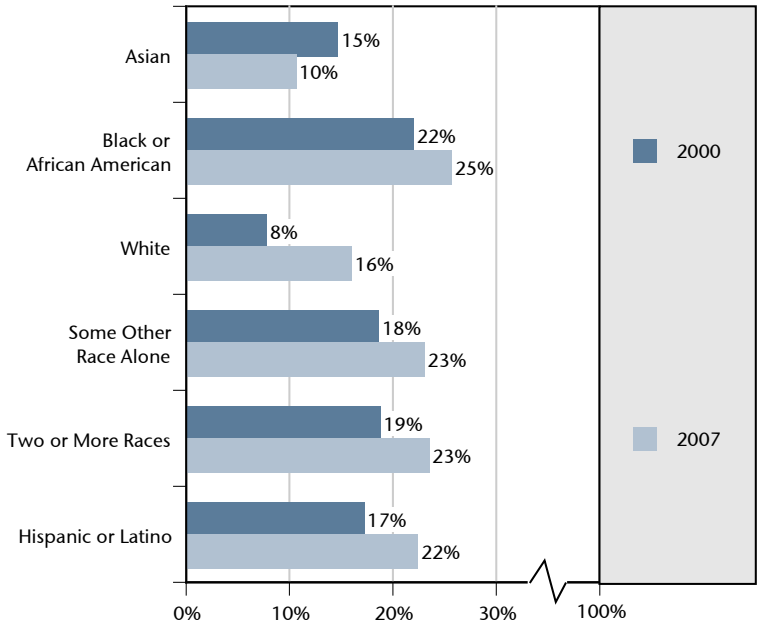
	2000	2007	Net Change from 2000 to 2007
All Residents	9%	12%	3%
Persons under age 18	12%	17%	5%
Persons age 18 to 64	9%	11%	2%
Persons age 65 and older	8%	8%	0%
Households with related children under 18 years	10%	14%	4%
Female head of household with children present	30%	37%	7%

Exhibit III-11 compares the percentage of persons living in poverty for each race and ethnicity in 2000 and 2007. Indiana residents who were White had the lowest poverty rate in 2007; 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. However, a higher percentage of every race excluding Asians lived below the poverty level in 2007 than in 2000.

Exhibit III-11. Percentage of Population Living Below the Poverty Level by Race and Ethnicity, State of Indiana, 2000 and 2007

Source:

U.S. Census Bureau – 2000 Census and 2007 American Community Survey 1-year Estimates.



Of the State of Indiana's total population of persons living in poverty in 2007, 67 percent were White, 16 percent were Black/African American, 8 percent were Hispanic/Latino and 2 percent were Two or More Races. This compares to the general population distribution of 88 percent White, 9 percent Black/African American, 5 percent Hispanic/Latino and 1 percent Two or More Races. Therefore, the State's Black/African American and Hispanic/Latino populations are disproportionately more likely to be living in poverty.

In addition, 19.9 percent of persons with disabilities, or 178,189 persons, lived below the poverty level in 2007.

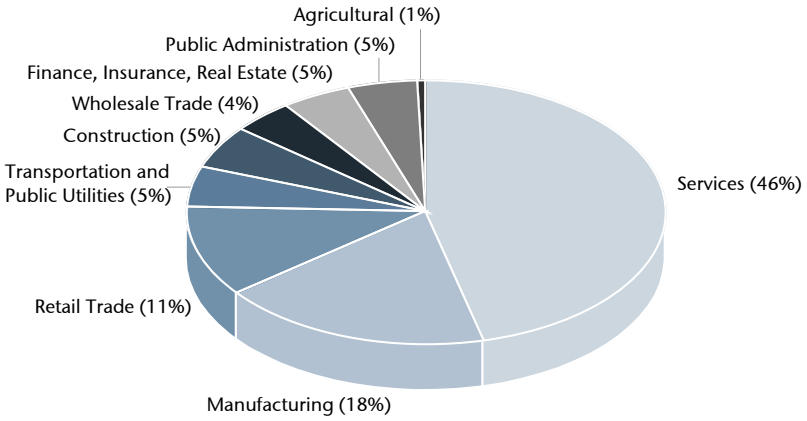
Employment and Education

This section addresses the State's economy in terms of employment and workforce education.

Manufacturing continues to play a large role in Indiana's job market, providing more than 18 percent of the State's jobs in the second quarter of 2008 (the most recent data available), however this was down slightly from 19 percent in 2007. The retail trade industry employed 11 percent of the State's workforce, and services—which includes management, educational and healthcare services—employed the largest share at 46 percent. Exhibit III-12 shows the distribution of jobs by industry for the second quarter of 2008.

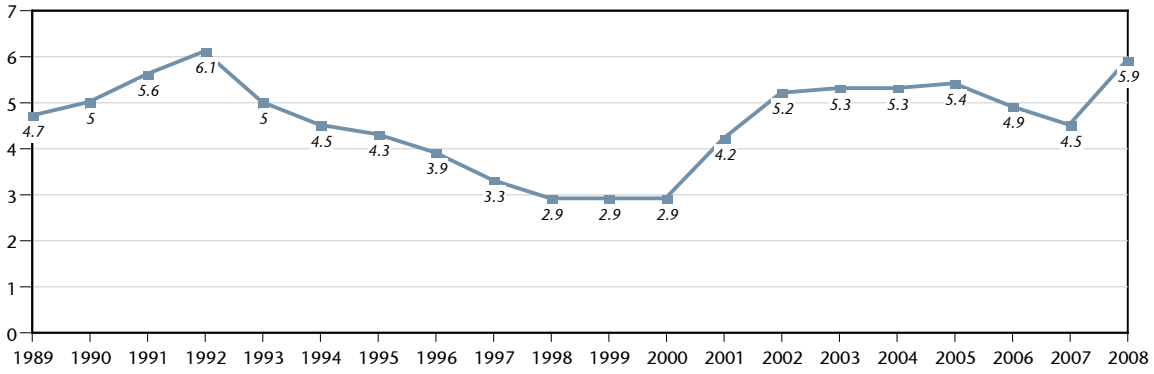
Exhibit III-12.
Employment by Industry, State of Indiana, Second Quarter 2008

Source:
Indiana Business Research Center, IU Kelley School of Business.



Unemployment. As of 2008, the average unemployment rate in Indiana was 5.9 percent. This represents the highest unemployment rate for the State since 1992 (6.1 percent unemployment). In 2008, monthly unemployment rates reached a low of 4.7 percent in April before increasing to a high of 8.1 percent in December. Exhibit III-13 displays the broad trend in unemployment rates since 1989.

Exhibit III-13.
Indiana's Average Annual Unemployment Rate from 1989 to 2008



Source: Indiana Department of Workforce Development, Bureau of Labor Statistics and Indiana Business Research Center, IU Kelley School of Business.

County unemployment rates ranged from a low of 3.8 percent in Daviess County to a high of 10.7 percent in Fayette County. Exhibit III-14 shows the 2008 average annual unemployment rates by county, as reported by the Indiana Department of Workforce Development. The shaded counties have an average unemployment rate equal to or higher than the statewide average.

Exhibit III-14. Average Annual Unemployment Rates by County, 2008

Note:

Indiana's unemployment rate was 5.9 percent in 2007.

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

Source:

: Indiana Department of Workforce Development, Bureau of Labor Statistics and Indiana Business Research Center.

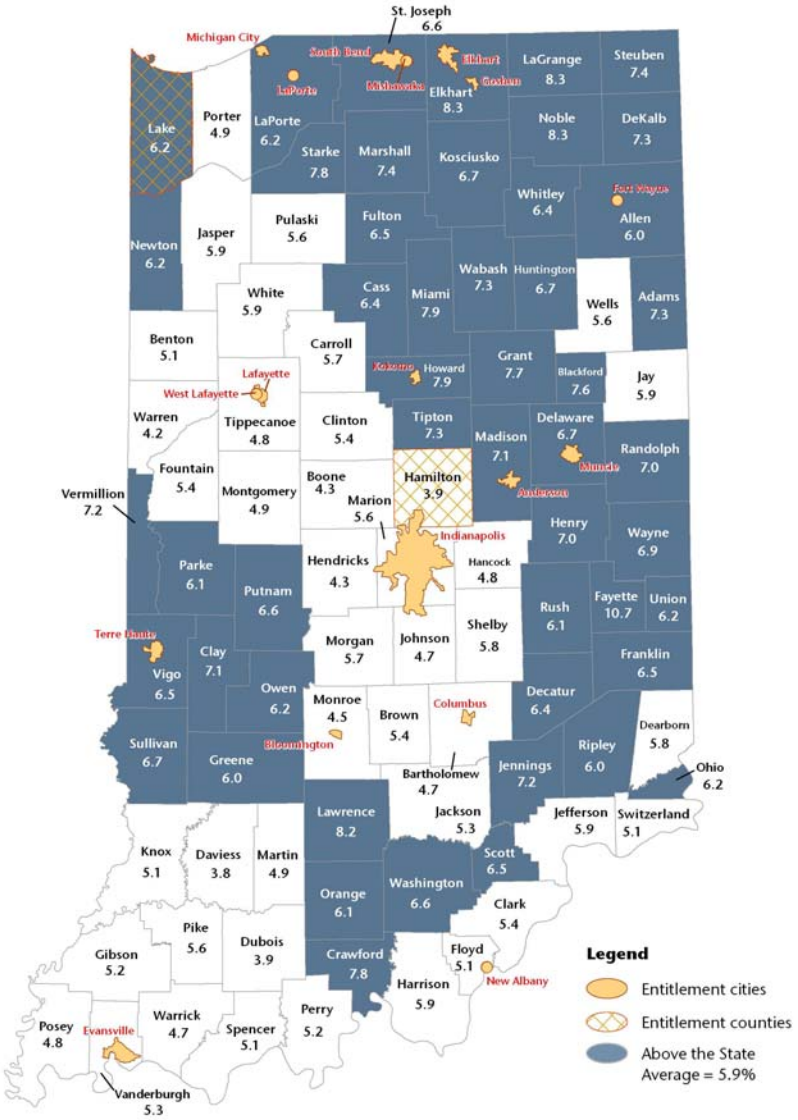


Exhibit III-15 shows the 2nd quarter 2008 average weekly wage by employment industry for Indiana. The highest wage industries are "Management of Companies and Industries" and "Utilities". The lowest wage industries include "Accommodation and Food Services" followed by "Retail Trade."

Exhibit III-15.
Average Weekly Wage by Industry, State of Indiana, Second Quarter 2008

Source:
Indiana Business Research Center (based on ES202 data).

	Average Weekly Wages
Total	**$715**
Management of Companies and Enterprises	$ 1,294
Utilities	$ 1,284
Mining	$ 1,077
Professional, Scientific, and Technical Services	$ 994
Wholesale Trade	$ 962
Manufacturing	$ 961
Finance and Insurance	$ 955
Construction	$ 874
Information	$ 803
Transportation & Warehousing	$ 755
Public Administration	$ 754
Health Care and Social Services	$ 736
Educational Services	$ 690
Real Estate and Rental and Leasing	$ 611
Agriculture, Forestry, Fishing and Hunting	$ 575
Unallocated	$ 575
Admin. & Support & Waste Mgt. & Rem. Services	$ 492
Other Services(Except Public Administration)	$ 469
Arts, Entertainment, and Recreation	$ 464
Retail Trade	$ 437
Accommodation and Food Services	$ 241

Exhibit III-16 on the following page maps the average weekly wage by county. Indiana's highest average weekly wages are in Martin County ($1,111). Martin County's employment composition is comprised mostly of Manufacturing, Professional, Scientific, and Technical Services, and Public Administration jobs (72 percent of all jobs). Brown County possesses the lowest average weekly wage in Indiana ($416). Over 38 percent of Brown County jobs are in Accommodation and Food Services and Retail, which are typically low-waged jobs.

Exhibit III-16. Average Weekly Wage by County, Second Quarter, 2008

Note:

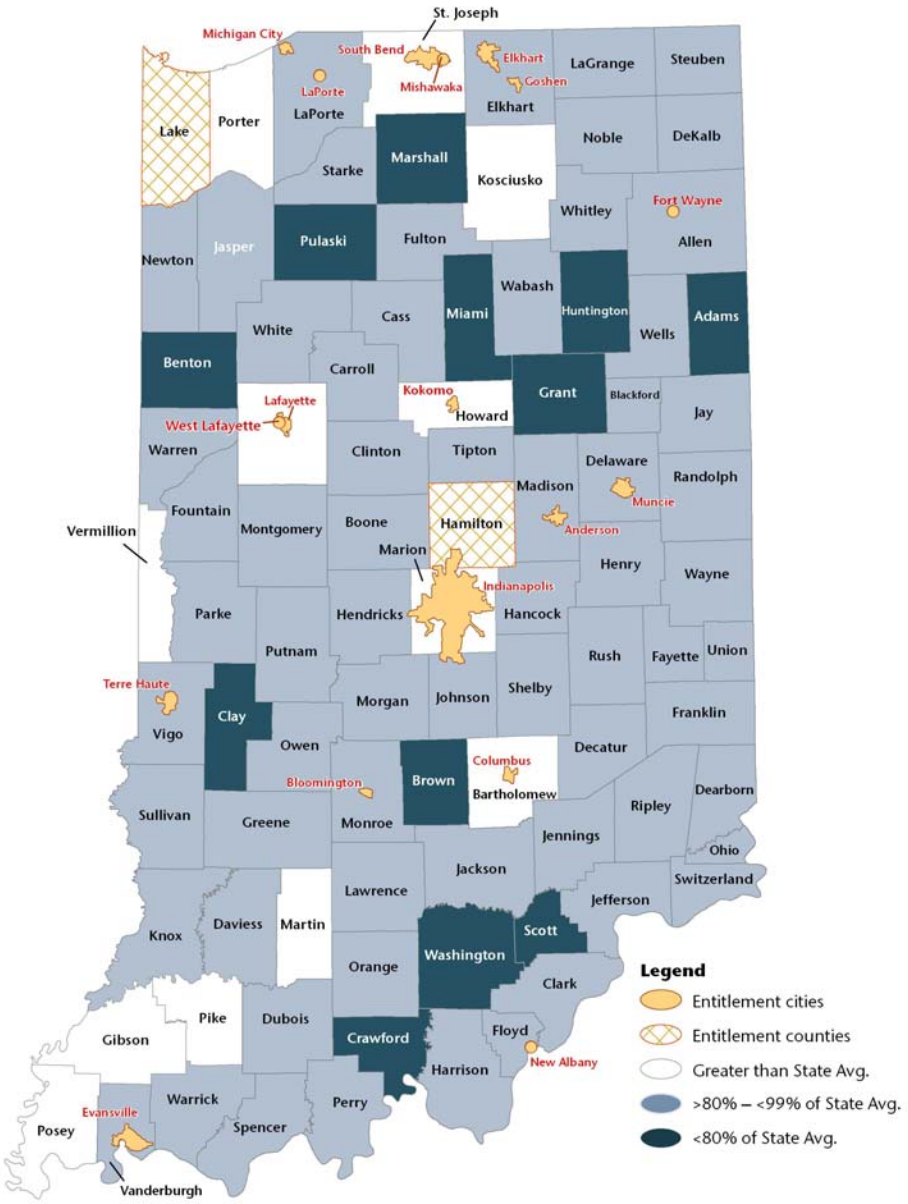
In 2008, the average weekly wage for the State was $715.

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

The darker shaded counties indicate counties whose average weekly wage is less than $572, or 80 percent of the State's overall average.

Source:

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



Educational attainment. The percent of college-educated Indiana residents increased moderately between 2000 (19 percent) and 2007 (22 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.

Exhibit III-17 maps all counties with a higher percent increase in high school dropouts from 2000 to 2007 than the overall population percent increase of 4.4 percent. In all, 45 of the 92 counties had a larger percentage increase in high school dropouts than the overall population increase.

Exhibit III-17. High School Dropouts, Percent Increase Greater Than That of Population, 2000-2007

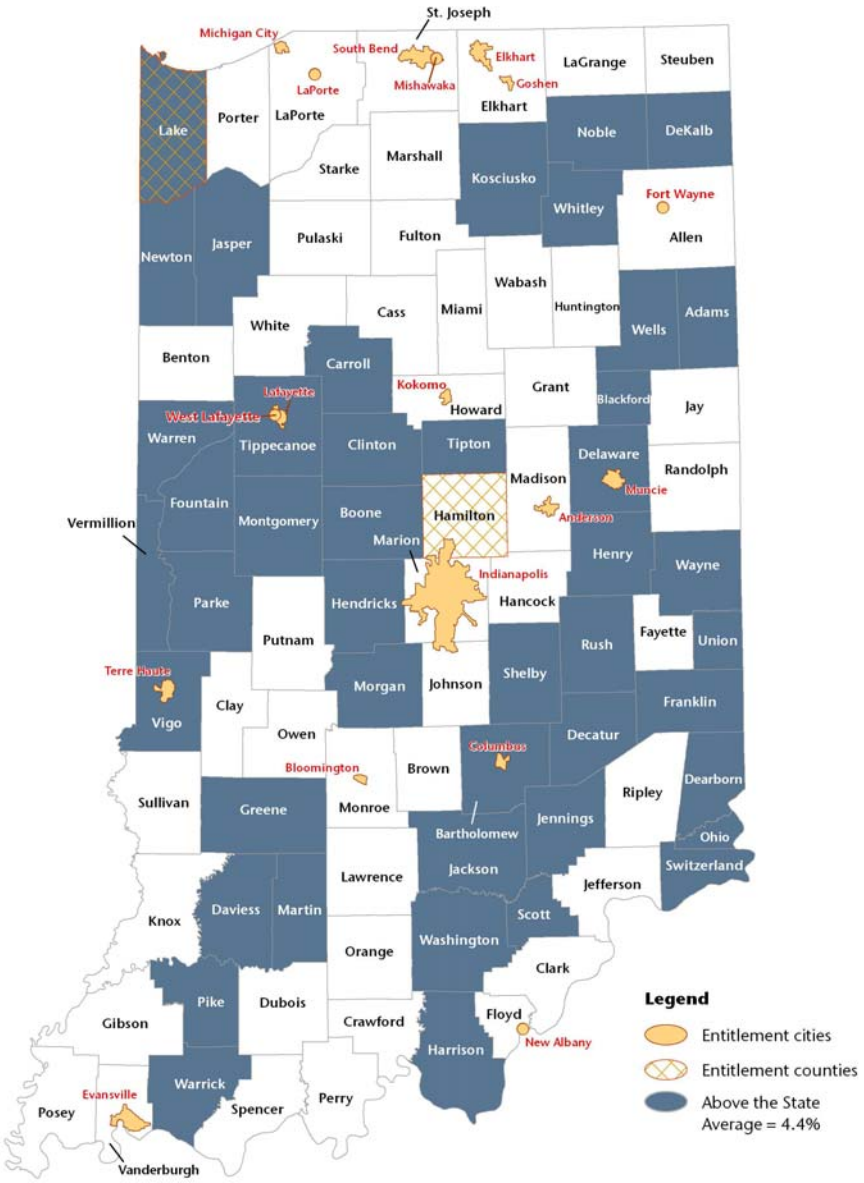
Note:

The data do not include students who do not participate in public schools.

The shaded counties have a higher percent increase in high school dropouts from 2000 to 2007 than the overall State population percent increase of 4.4 percent

Source:

STATS Indiana, Indiana Business Research Center at Indiana University's Kelley School of Business.



Housing and Affordability

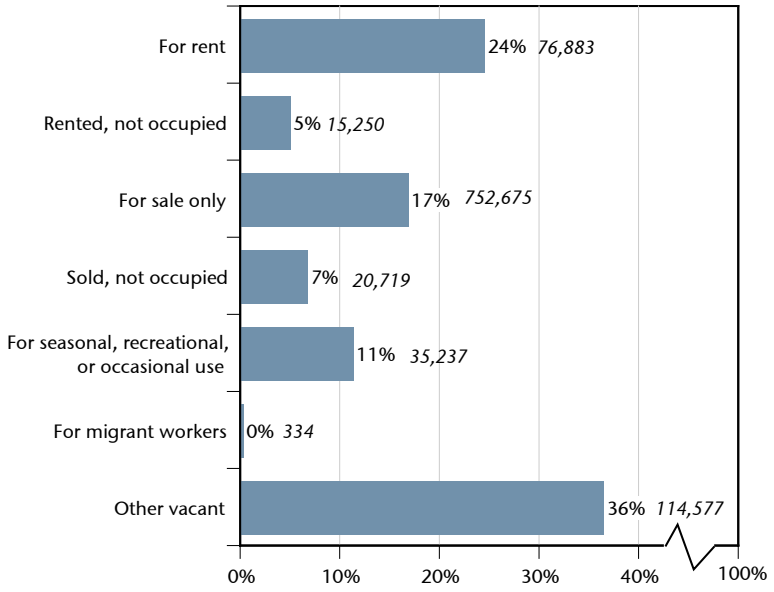
Data from the 2007 ACS indicates that Indiana's housing stock is primarily comprised of single-family, detached homes (73 percent). Over 78 percent of Indiana's housing stock were structures with two or fewer units. Sixteen percent of homes were structures with 3 units or more and 6 percent of homes were mobile or other types of housing.

Vacant units. The 2007 statewide homeownership vacancy rate was estimated by the Census Bureau's ACS to be 2.9 percent. The 2007 rental vacancy rate was estimated at 9.7 percent. In 2007, over half of all vacant units in Indiana (52 percent) consisted of owner or renter units that were unoccupied and/or for sale or rent. Eleven percent of vacant units were considered seasonal units, while 36 percent 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.

Exhibit III-18 shows the vacant units in the State by type.

Exhibit III-18.
Vacant Units by Type in Indiana, 2007

Source:
U.S. Census Bureau's
2007 American Community Survey
1-year Estimates.



Housing to buy. The ACS estimated the median value of an owner occupied home in Indiana as $122,900 in 2007, which is slightly higher than the 2006 median value of $120,700. This is substantially lower than the U.S. median home price of $194,300. Regionally, Indiana trails Illinois, Ohio and Michigan in median home prices, as shown in Exhibit III-19.

Exhibit III-19.
Regional Median Owner Occupied Home Values, 2007

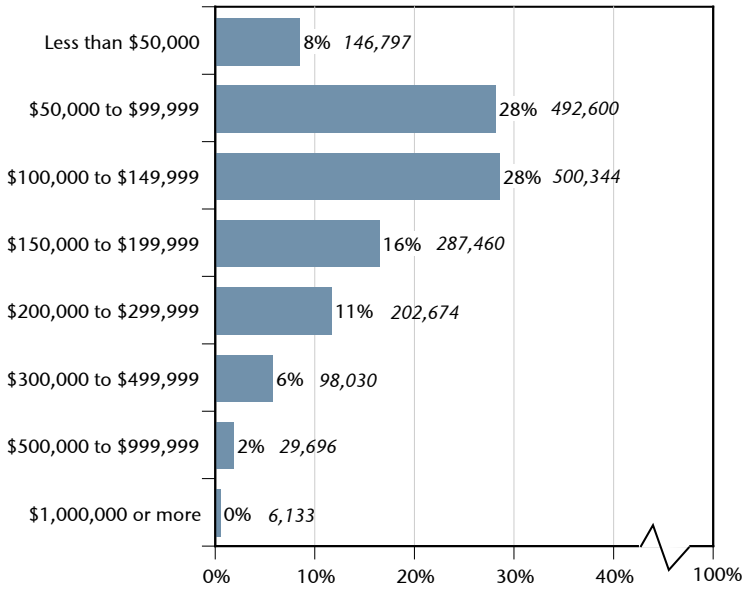
Note:
The home values are in inflation-adjusted dollars for specified owner-occupied units.

Source:
U.S. Census Bureau's
2007 American Community Survey 1-year Estimates.

In Indiana, 36 percent of owner occupied units had values less than $100,000, and about 65 percent were valued less than $150,000. Exhibit III-20 presents the price distribution of owner occupied homes in the State.

Exhibit III-20. Owner Occupied Home Values, State of Indiana, 2007

Source:
U.S. Census Bureau's 2007 American Community Survey 1-year Estimates.

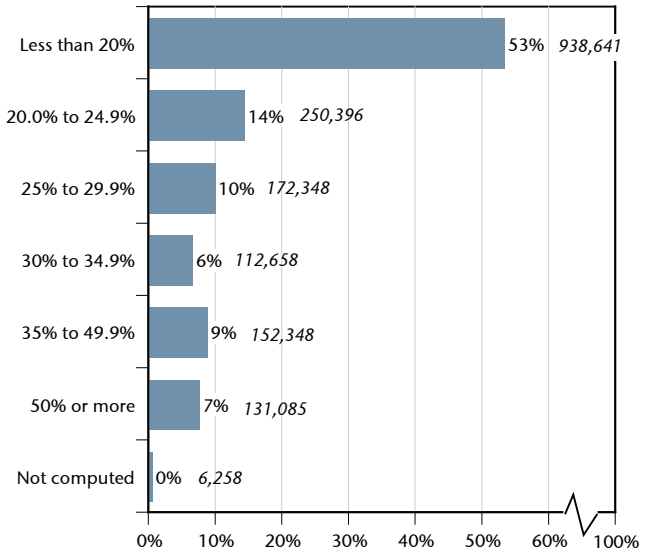


Although housing values in Indiana are still affordable relative to national standards, many Indiana households have difficulty paying for housing. Housing affordability is typically evaluated by assessing the share of household income spent on housing costs. For owners, these costs include mortgages, 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 2007, 22 percent of all homeowners (about 396,000 households) in the State were paying 30 percent or more of their household income for housing, and 7 percent (131,000 households) were paying 50 percent or more. Exhibit III-21 presents these data.

Exhibit III-21.
Owners' Housing Costs as Percent of Household Income, State of Indiana, 2007

Source:
U.S. Census Bureau's
2007 American Community Survey 1-year Estimates.



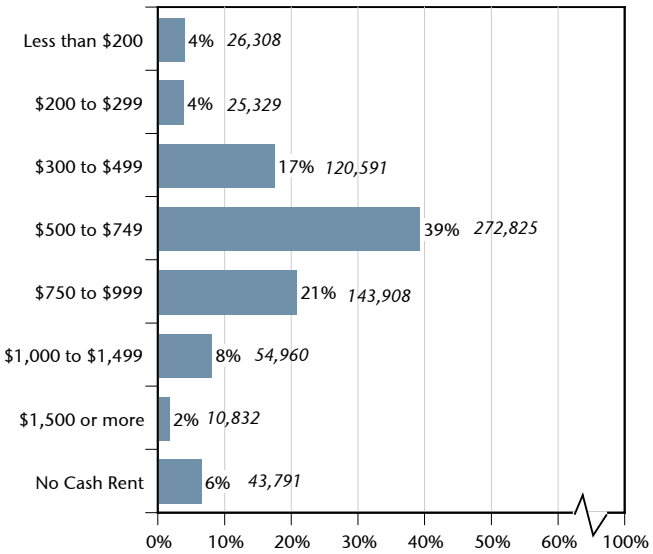
Among homeowners *with* mortgages, approximately 27 percent were reported as cost burdened. However, only 12 percent of homeowners *without* mortgages reported being cost burdened.

Housing to rent. The Census Bureau reported that the median gross rent in Indiana was $638 per month in 2007. Gross rent includes contract rent and utilities.[1] About 25 percent of all units statewide were estimated to rent for less than $499 in 2007, while another 39 percent were estimated to rent for $500 to $749. The distribution of statewide gross rents is presented in Exhibit III-22.

Exhibit III-22.
Distribution of Statewide Gross Rents, State of Indiana, 2007

Note: "No Cash Rent" represents units that are owned by friends or family where no rent is charged and/or units that are provided for caretakers, tenant farmers, etc.

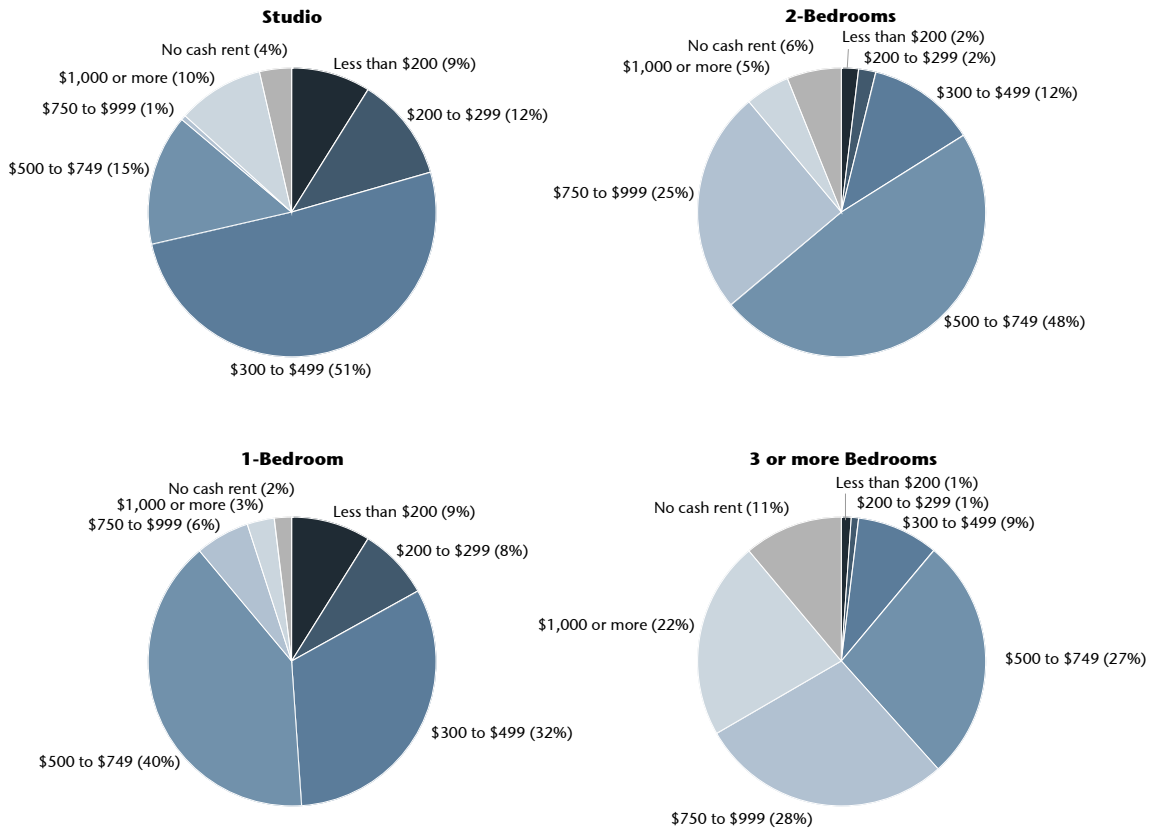
Source:
U.S. Census Bureau's
2007 American Community Survey 1-year Estimates.



[1] According to the U.S. Census, 82 percent of rental units do not include utilities in the rent price.

Exhibit III-23 shows the distribution of rent costs by size of housing unit.

Exhibit III-23.
Distribution of Rents by Size of Unit, State of Indiana, 2007

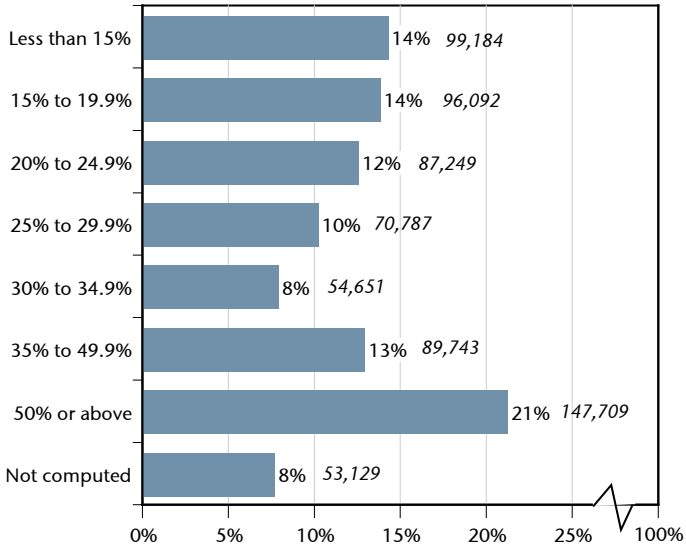


Source: U.S. Census Bureau's 2007 American Community Survey.

Rent burdens can be evaluated by comparing rent costs to household incomes. The 2007 ACS estimates that almost 42 percent of Indiana renters – or 292,100 – paid more than 30 percent of household income for gross rent, with over half of these (21 percent of renters, or 147,700) renters paying more than 50 percent of their incomes. Rentals constituted only 28 percent of the State's occupied housing units in 2007; however, a much higher percentage of the State's renters were cost burdened (42 percent) than the States owners (22 percent). Exhibit III-24 on the following page presents the share of income paid by Indiana renters for housing.

Exhibit III-24.
Renters' Housing Costs as Percent of Household Income, State of Indiana, 2007

Source:
U.S. Census Bureau's
2007 American Community Survey.



Mortgage Lending and Home Loan Foreclosure

The following section contains a review of recent studies that examined subprime lending and predatory lending activity in Indiana. A complete lending analysis is provided in Section II of the 2008 Analysis of Impediments to Fair Housing Choice.

Indiana Legislature. In 2007, the Indiana Legislation established the Interim Study Committee on Mortgage Lending Practices and Home Loan Foreclosures to study mortgage lending practices and home loan foreclosures in Indiana, and to devise solutions to the problem. The Committee received information, heard testimony, and reviewed proposed bills concerning foreclosures and mortgage lending in Indiana.

Foreclosures. The testimony heard indicated that 2.98 percent of all loans in Indiana are in foreclosure, compared to a national foreclosure rate of 1.28 percent. This statistic places Indiana second in the nation (behind Ohio) among states with the highest foreclosure rates.

In addition, a Senior Policy Analyst at the Center for Urban Policy and the Environments presented a study he conducted on statewide patterns of foreclosures. According to the study, the data showed that areas with higher concentrations of foreclosures had higher percentages of low income residents. It was also reported that areas with high concentrations of foreclosures also tend to occur in neighborhoods in which:

- The housing supply outstrips demand;
- Home prices range from $80,000 to $120,000;
- Home prices are declining or appreciating at a slower rate; or
- There is a high rate of property abandonments.

An attorney for the Indiana Mortgage Bankers Association pointed out that in Indiana, the high foreclosure rate is not as highly correlated with the subprime market as it is in other states. Rather, Indiana's 2.98 percent foreclosure rate is largely connected with a loss of manufacturing jobs, low home price appreciation rate, and a loan mix that consists of a high percentage of low-down payment loans.

Other testimony from the Indiana Association of Realtors discussed a study suggesting that the five key factors to the widening gap of the Indiana foreclosure rate versus the national foreclosure rate include:

- Job losses in Indiana;
- The number of first-time homebuyers in Indiana;
- Loans with high LTV ratios;
- The state's slow rate of home price appreciation; and
- Certain lending practices.

Mortgage fraud. Testimony included an estimate of the percentage of foreclosures that involve mortgage fraud ranges from 5 percent to 13 percent. Mortgage fraud cases were described as being very complex and that 10 to 20 people are typically charged in connection with a scheme, including brokers, appraisers and title agents. It was also noted that mortgage fraud cases can take over four years to prosecute and that the investigation phase alone can take up to two years.

Subprime loans. Subprime loans are—as the name would suggest—mortgage loans that carry higher interest rates than those priced for "prime," or less risky, borrowers. Initially, subprime loans were marketed and sold to customers with blemished or limited credit histories who would not typically qualify for prime loans. In theory, the higher rate of interest charged for each subprime loan reflects increased credit risk of the borrower.

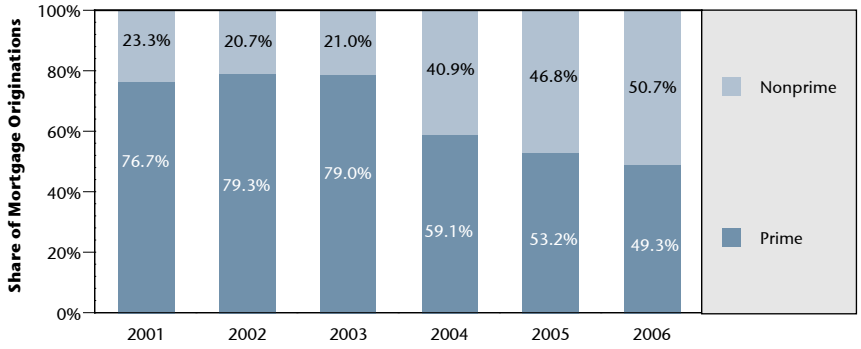
Estimates of the size of the national subprime market vary between 13 to 20 percent of all mortgages. Holden Lewis, who writes for CNNMoney.com and Bankrate.com, estimates that the subprime market made up about 17 percent of the mortgage volume in 2006. This is based on Standard & Poors' estimate of subprime loan originations and the Mortgage Bankers Associations' estimate of total loan originations during the year. The number of subprime borrowers could be higher than 17 percent if the average amount of a subprime loan is lower than non-subprime loans. In Indiana, about 13 percent of all 2006 mortgage loan transactions for owner-occupied properties were subprime.

The subprime market in the United States grew dramatically during the current decade. The share of mortgage originations that had subprime rates in 2001 was less than 10 percent; by 2006, this had grown to 20 percent. This was coupled with growth of other nonprime products, such as "Alt-A" loans (somewhere between prime and subprime) and home improvement products. Exhibit III-25 shows the growth in these non-prime products—and the movement away from conventional, prime products.

Exhibit III-25. Share of Mortgage Originations by Product, 2001 to 2006

Note:

Harvard Joint Center for Housing Studies and Inside Mortgage Finance, 2007 Mortgage Market Statistical Annual, adjusted for inflation by the CPI-UX for all Items.



Not all subprime loans are predatory loans (discussed below), but many predatory loans are subprime. A study released by the University of North Carolina, Kenan-Flagler Business School in 2005,[2] discussed how predatory loan terms increase the risk of subprime mortgage foreclosure. The study reported in the fourth quarter of 2003, 2.13 percent of all subprime loans across the country entered foreclosure, which was more than ten times higher than the rate for all prime loans.

Subprime lending has fallen under increased scrutiny with the increase in foreclosures and the decline in the housing market. Some argue that because minorities are more likely to get subprime loans than white or Asian borrowers, and since subprime loans have a greater risk of going into foreclosure, minorities are disproportionately harmed by subprime lending.

Subprime lending has implications under the Fair Housing Act when the loans are made in a discriminatory and/or predatory fashion. This might include charging minorities higher interest rates than what their creditworthiness would suggest and what similar non-minorities are charged; charging minorities higher fees than non-minorities; targeting subprime lending in minority-dominated neighborhoods; adding predatory terms to the loan; and including clauses in the loan of which the borrower is unaware (this is mostly likely to occur when English is a second language to the borrower).

Predatory lending. There is no one definition that sums up the various activities that comprise predatory lending. In general, predatory loans are those in which borrowers are faced with payment structures and/or penalties that are excessive and which set up the borrowers to fail in making their required payments. Subprime loans could be considered as predatory if they do not accurately reflect a risk inherent in a particular borrower.

Although there is not a consistent definition of "predatory loans," there is significant consensus as to the common loan terms that characterize predatory lending. There is also the likelihood that these loan features may not be predatory alone. It is more common that predatory loans contain a combination of the features described below.

Most legislation addressing predatory lending seeks to curb one or more of the following practices:

- Excessive fees;
- Prepayment penalties;
- Balloon payments;
- Debt packaging;
- Yield spread premiums;
- Unnecessary products; and/or
- Mandatory arbitration clause.

[2] Roberto G. Quercia, Michael A. Stegman and Walter R. Davis, "The Impact of Predatory Loan Terms on Subprime Foreclosures: The Special Case of Prepayment Penalties and Balloon Payments," *Center for Community Capitalism, Kenan Institute for Private Enterprise, University of North Carolina at Chapel Hill*, January 25, 2005.

It is difficult to identify and measure the amount of predatory lending activity in a market, largely because much of the industry is unregulated and the information is unavailable. For example, HMDA data do not contain information about loan terms. In addition, predatory activity is difficult to uncover until a borrower seeks help and/or recognizes a problem in their loan. As such, much of the existing information about predatory lending is anecdotal.

UNC Study. A recent study by the Center for Community Capitalism at the University of North

Carolina (UNC) at Chapel Hill linked predatory loan terms, specifically prepayment penalties and balloon payments, to increased mortgage foreclosures. The foreclosure rate in the subprime mortgage market was over 10 times higher than in the prime market. The study also provide supplemental tables that reported 31.2 percent of Indiana's subprime first-lien refinance mortgage loans had been in foreclosure at least once. This is the second highest rate of all states (South Dakota was the highest with 34.8 percent) and over 10 percentage points higher than the national rate of 20.7 percent.

Conclusions. A number of recent studies have analyzed the reasons for the increasing foreclosure rate nationally and in Indiana and subprime and predatory lending activities. Although a more comprehensive analysis of data over time is required to identify the particular causes of the State's foreclosures and the link to the subprime lending market, these studies point out a number of issues relevant to fair lending activities:

- Largely because of their loan terms, subprime loans have a higher probability of foreclosure than conventional loans.
- At 13 percent, subprime loans make a small, but growing proportion of mortgage lending in Indiana.
- Subprime lenders serve the State's minorities at disproportionate rates.
- Other factors—high homeownership rates, use of government guaranteed loans, high loan to value (LTV) ratios and low housing price appreciation—have likely contributed to the State's increase in foreclosures.

Special Needs Population 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 section include:

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

Exhibit III-26 displays summary population and housing statistics by special needs group. Special needs data is often difficult to obtain and update. Thus, these statistics incorporate the most current data available to estimate the specified living arrangements, unmet housing needs and homeless numbers by special needs population.

Exhibit III-26.
Special Needs Groups in Indiana

Special Needs Group			Number
Youth	***Population***	**Total aging out of foster care each year**	**787**
	Housing	Youth shelters (17 years and under)	6 shelters
		Sheltered homeless youth (point-in-time)	726
		Former foster youth in 4 or more foster homes	315
		Former foster youth ending up homeless	315
Elderly	***Population***	**Total population over 65 (2006)**	**780,992**
	Housing	Group quarters population (2000)	50,034
		Cost burdened owners	96,763
		Cost burdened renters	44,233
		Nursing facilities	484 units/53,000 beds
		Living in substandard housing (nonentitlement areas)	27,000
		Living in units with condition problems:	
		Renters	48,599
		Owners	83,255
Persons Experiencing Homelessness	***Population***	**Total:**	**18,811**
		Individuals	6,600
		Persons in families with children	12,211
		Balance of Indiana:	15,932
		Individuals	4,591
		Persons in families with children	11,341
	Housing *(Balance of Indiana, excluding metro areas)*	Emergency beds	2,080
		Transitional housing	1,859
		Permanent supportive housing	1,449
		Chronically homeless	2,777
		Unmet need, literally homeless	5,963
Persons with Developmental Disabilities	***Population***	**Total**	**70,787**
		DD population receiving services from state or non-state agencies (2003)	10,097
	Housing	Facilities for DD (2002)	2,039
		Persons in congregate care	4,729
		Persons in host home/foster home	782
		Living in own home	4,586
		Living with family member and receiving supportive services	4,587
		Unmet housing need	7,000

Source: BBC Research & Consulting.

Exhibit III-26. (Continued)
Special Needs Groups in Indiana

Special Needs Group			Number
Persons with HIV/AIDS	***Population***	**Total living with HIV/AIDS (2003)**	**7,588**
	Housing	Units for persons with HIV/AIDS	143
		Tenant-based rental assistance units	144
		Short term rent/mortgage and/or utility assistance	239
		Sheltered homeless with HIV/AIDS (point-in time)	633
		Housing need	2,086
		Homeless or at-risk of experiencing homelessness	2,276 - 3,797
Persons with Physical Disabilities	***Population***	**Total (2000)**	**1,054,757**
	Housing	Living in poverty (rural areas)	71,000
Persons with Mental Illness	***Population***	**Total**	**236,831**
		Target population for State services	68,311
		SMI population served by DMHA (SFY 2002)	48,018
	Housing	Living in rural areas	11,999
		Living in urban areas	36,019
		Beds reported by CMHCs (2001)	1,900
		Sheltered homeless with SMI (point-in-time)	3,510
Persons with Chronic Substance Abuse	***Population***	**Total**	**87,946**
		Chronically addicted population served by DMHA (SFY 2002)	24,295
	Housing	Beds for substance abuse treatment	5,662
		Homeless with substance dependencies (1-year period)	30,000 - 71,000
		Sheltered homeless with chronic substance abuse (point-in-time)	4,176
Migrant Farmworkers	***Population***	**Total**	**8,000**
	Housing	State licensed camps (2003)	52
		Living in substandard housing	1,760
		Living in crowded conditions	4,160
		Substandard, cost burdened and crowded conditions	480

Source: BBC Research & Consulting.

Housing Affordability. 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 (earning $17,609, which is 30 percent of the AMI of $58,695) in Indiana can afford a monthly rent of no more than $440, while the HUD Fair Market Rent for a two bedroom unit in the State is $674. For single-earner families at the minimum wage, it would be necessary to work 89 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 14.8 percent from 2000 to 2008. However, the fair market rent for a two-bedroom apartment increased by 26 percent during the same time period, indicating a decline in housing affordability over the past eight years. Exhibit III-27 reports the key findings from the study.

Exhibit III-27.
Housing Cost Burden, Indiana Non-Metro Areas, 2008

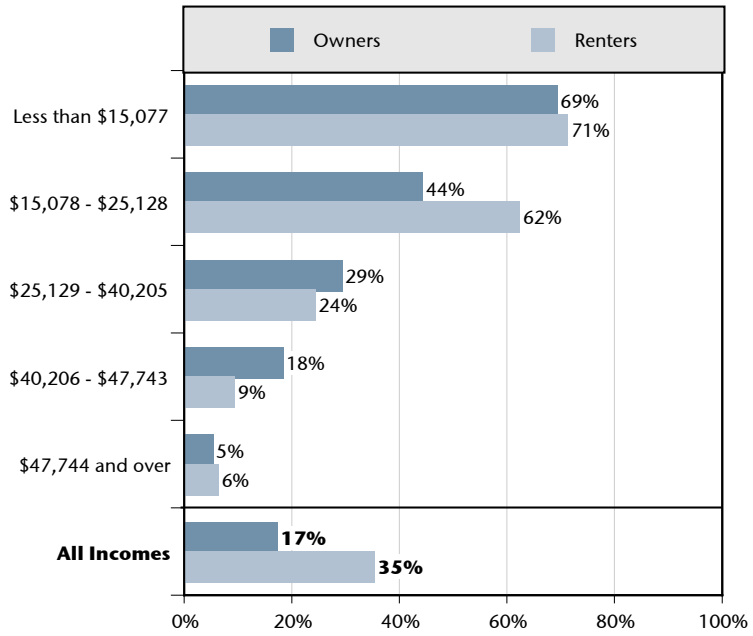
	No Bedrooms	One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms
Median Rent	**$436**	**$480**	**$596**	**$767**	**$850**
Percent of median family income needed	33%	36%	45%	58%	64%
Work hours/week needed at the minimum wage	57	63	78	101	112
Income needed	$17,424	$19,197	$23,829	$30,686	$33,993

Note: The HUD 2008 family annual median income was estimated at $52,812 for non-metropolitan Indiana.

Source: National Low-Income Housing Coalition, Out of Reach 2007-2008.

Exhibit III-28 displays the correlation that exists between HUD-defined housing unit problems and the residing household's income level. In sum, lower-income households are more likely to be living in homes lacking in basic amenities.

Exhibit III-28.
HUD-Defined Housing Unit Problems by Household Income in 1999, Indiana



Note:

The 1999 HUD Area Median Family Income for Indiana is $50,256.

Housing unit problems: Lacking complete plumbing facilities, or lacking complete kitchen facilities, or with 1.01 or more persons per room, or with cost burden more than 30.0 percent.

Elderly households: 1 or 2 person household, either person 62 years old or older.

Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

Source:

U.S. Census Bureau's 2000 Census, HUD and BBC Research & Consulting.

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.

Elderly individuals and individuals with physical disabilities and mental illnesses comprise a large portion of the special needs population in Indiana. In the case of the elderly population, many may be living with elderly spouses or may be widowed and living alone. Because of income constraints, many elderly individuals may be living in sub-standard housing conditions. For example, according to the 2000 U.S. Census, 38 percent of renters aged 62 to 74 and 46 percent of renters 75 and above were living in housing units with identified problems. According to the 2006 Indiana Action Plan, it is advised that the elderly population capitalize on funding opportunities available through Section 8, Section 202, and the Home Equity Conversation Mortgage Program, amongst others. Because individuals with physical disabilities and mental illnesses often reside in group homes, community funding sources, such as CDBG, HOME and tax credit funds can be used by communities for the development of new housing opportunities. Exhibit III-29 summarizes resources available for special needs groups.

Exhibit III-29.
Summary of Special Needs and Available Resources

Population	Housing Need	Community Need	Primary Resource Available
Youth	Affordable housing Transitional housing with supportive services Rental vouchers with supportive services	Job training Transitional living programs Budgeting	HUD's FUP Medicaid Transitional Living Program Chafee Foster Care Independence Program IHCDA Education and Training Voucher Program
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 Medicaid Public Housing Section 202 Section 8 USDA Rural Housing Services
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 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

Source: BBC Research & Consulting, updated 2006.

Exhibit III-29. (continued)
Summary of Special Needs and Available Resources

Population	Housing Need	Community Need	Primary Resource Available
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 HOME/IHCDA SSI Medicaid Section 811 Olmstead Initiative Grant DDARS BDDS Supported Living Supported Group Living
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
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

Source: BBC Research & Consulting, updated 2006.

Exhibit III-29. (continued)
Summary of Special Needs and Available Resources

Population	Housing Need	Community Need	Primary Resource Available
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 CHIP Division of Mental Health Section 811 Hoosier Assurance Plan Olmstead Initiative Grant
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. Comprando Casa Program USDA Rural Development 514 & 516 Programs

Source: BBC Research & Consulting, updated 2006.

SECTION IV.
2009 Action Plan

SECTION IV.
2009 Action Plan

Pursuant to Section 91.315 of the Consolidated Plan regulations, this section contains the following:

- A reiteration of the State's philosophy of addressing housing and community development issues;
- How the State intends to address the identified housing and community development needs;
- How the State determined priority needs and fund allocations;
- A discussion of the general obstacles the State faces in housing and community development; and
- The State's FY2009 One-Year Action Plan.

This section also fulfills the requirements of Section 91.320 of the Consolidated Plan regulations. The additional information concerning Section 91.320—a discussion of funding activities and allocation plans, geographic distribution of assistance, and program-specific requirements—are found in the attached FY2009 Allocation Plans.

Approach and Methodology

Planning principles. The State determined and followed the following guiding principles during its FY2005–2009 strategic planning process. These principles were retained for the FY2009 Action Plan process:

- Focus on the findings from citizen participation efforts (key person interviews, consultation with housing and social service providers, community surveys, public comments);
- Allocate program dollars to their best use, with the recognition that nonprofits and communities vary in their capacities and that some organizations will require more assistance and resources;
- Recognize that the private market is a viable resource to assist the State in achieving its housing and community development goals;
- Emphasize flexibility in funding allocations, and de-emphasize geographic targeting;
- Maintain local decision making and allow communities to tailor programs to best fit their needs;
- Leverage and recycle resources, wherever possible; and
- Understand the broader context within which housing and community development actions are taken, particularly in deciding where to make housing and community development investments.

Geographical allocation of funds. In the past, 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.

2009 funding levels. Exhibit IV-1 provides the estimated 2009 program year funding levels for each of the four HUD programs. These resources will be allocated to address the identified housing and community development strategies and actions.

Exhibit IV-1. Estimated 2009 Consolidated Plan Funding by Program and State Agency

Source:
HUD and State of Indiana, 2009.

Program	FY 2009 Funding Allocations
CDBG (Indiana Office of Community and Rural Affairs)	$30,866,525
HOME (Indiana Housing and Community Development Authority)	$15,012,167
ADDI (Indiana Housing and Community Development Authority)	$127,867
ESG (Indiana Housing and Community Development Authority)	$1,925,813
HOPWA (Indiana Housing and Community Development Authority)	$863,000
Total	**$48,795,372**

Five-Year Strategic Goals

Four goals were established to guide funding during the FY2005–2009 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 following section outlines the FY2005–2009 Strategic Plan and FY2009 Action Plan in detail.

Strategic Plan and Action Plan

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

HOME and ADDI Program Activities

HOME funds will be allocated by the Indiana Housing and Community Development Authority (IHCDA) via the following funding programs:

- HOME application, which will include funding for owner-occupied rehabilitation and CHDO Works activities;
- HOME portion of the Qualified Allocation Plan; and
- HOME owner-occupied rehabilitation and HOME tenant based rental assistance (TBRA).

ADDI funds are allocated via IHCDA's First HOME program. Resale and recapture guidelines associated with ADDI are located in the Program Description and Allocation Plan 2009 for HOME and ADDI, which is appended to this report. To be eligible for downpayment assistance using ADDI, borrowers must successfully complete a homeownership training program, provided by the participating lender.

To achieve the desired outcomes related to Goal 1, these programs make available funding for the following activities for applicants utilizing HOME funds:

- Rental Housing—rehabilitation/new construction;
- Homebuyer Education Counseling & Downpayment Assistance;
- Homebuyer—rehabilitation/new construction;
- CHDO Operating Support, CHDO Predevelopment Loans; and CHDO Seed Money Loans.

Down payment assistance is another activity that is used to achieve Goal 1. In recent years, IHCDA used both ADDI and HOME funding via the First Home program to fund this initiative. While IHCDA will continue to offer down payment assistance through the First Home program, it also provides HOME funds for homeownership education, counseling and down payment assistance through the Community Development Department's HEC/DPA Program.

HOME and ADDI 2009 Outcomes

IHCDA will use the indicators listed below to determine their ability to achieve the desired outcomes associated with Goal 1.

Indicators:	Indicators:
Via the Housing from HOME application, HOME portion of the Qualified Allocation Plan, and Development Fund Owner-Occupied Rehabilitation Programs ■ Match ■ Number of units ■ Income level of units by AMI ■ Number of counties assisted (primary development county) ■ Current racial/ethnic and special-needs categories ■ Number of homebuyers that successfully purhcase a home	Via the First Home Program ■ Match ■ Number of units ■ Income level of units by AMI ■ Number of counties assisted ■ Current racial/ethnic and special-needs categories

Using these indicators, a numeric goal was determined for the FY2009 HOME and ADDI allocations. Exhibit IV-2 identifies the numeric indicators associated with the HOME application, HOME portion of the Qualified Allocation Plan, and the HOME Owner-Occupied Rehabilitation section of the HOME application, and the HOME Homeownership Counseling and Downpayment Assistance Programs. Exhibit IV-2 represents HOME and ADDI via the First Home program.

Exhibit IV-2.
HOME 2009 Goals and OOR Indicators

Source:
Indiana Housing and Community Development Authority.

	FY 2009 Goal
Anticipated Match	$3,300,000
Anticipated Number of Units	425
Anticipated Number Units by AMI:	
Below 30% AMI	118
30.1–40% AMI	63
40.1–50% AMI	110
50.1–60% AMI	80
60.1–80% AMI	54
Anticipated Number of Counties Assisted	92
Anticipated Number Assisted by Race/Ethnicity:	
White	350
Black/African American	50
Asian	0
American Indian/Alaskan Native	0
Native Hawaiian/Other Pacific Islander	0
American Indian/Alaskan Native and White	0
Asian and White	0
Black/African American & White	0
American Indian/Alaskan Native & Black/African American	0
Other Multi-Racial	25
Anticipated Number Assisted by Special Needs Category:	
Disabled	45
Elderly	90
Female-Headed Household	60

Exhibit IV-3. HOME and ADDI 2009 Goals for First Home Indicators

Source:
Indiana Housing and Community Development Authority

	FY 2009 Goal
Anticipated Match	$375,000
Anticipated Number of Units	500
Anticipated Number Units by AMI:	
Below 30% AMI	10
30.1–50% AMI	89
50.1–60% AMI	125
60.1–80% AMI	276
Anticipated Number of Counties Assisted	65
Anticipated Number Assisted by Race/Ethnicity:	
White	388
Black/African American	60
Asian	20
American Indian/Alaskan Native	0
Native Hawaiian/Other Pacific Islander	0
American Indian/Alaskan Native and White	0
Asian and White	0
Black/African American & White	0
American Indian/Alaskan Native & Black/African American	0
Other Multi-Racial	32
Anticipated Number Assisted by Special Needs Category:	
Disabled	5

CDBG Program Activities (Housing)

CDBG funds allocated by both IHCDA and the Office of Community and Rural Affairs (OCRA) may be used to work to achieve Goal 1. $4,291,773 will be allocated in 2009.

To achieve the desired outcomes related to Goal 1, the following activities will be available to applicants using CDBG funds from IHCDA's programs:

- Migrant/Seasonal Farm Worker—rehabilitation/new construction;[1]
- Rental Housing—rehabilitation; and
- Homeowner Repair and Improvement.

NOTE: Migrant Seasonal Farm Worker Housing and Rental Housing Rehabilitation will still be eligible under the CDBG Program at a lower priority and not as specifically targeted activities.

[1] Migrant Seasonal Farm Worker Housing and Rental Housing Rehabilitation will not be targeted priorities, rather they will be considered for funding under a "special projects" set-aside.

CDBG (Housing) 2009 Expected Accomplishments

IHCDA will use the indicators to determine their ability to achieve the desired outcomes associated with Goal 1, as shown in the table to the right.

Indicators:

IHCDA

- Leverage
- Number of units
- Income level of units by AMI
- Number of assisted counties assisted (primary development county)
- Current racial/ethnic and special-needs categories

Using these indicators, a numeric goal has been determined associated with the FY2009 CDBG allocation for housing activities.

Exhibit IV-4.
CDBG (Housing) 2009 Goals

Source:

Indiana Housing and Community Development Authority.

	FY 2009 Goal
Anticipated Match	$600,000
Anticipated Number of Units	300
Anticipated Number Units by AMI:	
Below 30% AMI	141
30.1–40% AMI	42
40.1–50% AMI	37
50.1–60% AMI	35
60.1–80% AMI	45
Anticipated Number of Counties Assisted	40
Anticipated Number Assisted by Race/Ethnicity:	
White	265
Black/African American	35
Anticipated Number Assisted by Special Needs Category:	
Disabled	30
Elderly	45
Female-headed Houshold	60

Other Activities

- Work to reduce the environmental hazards in housing, including lead-based paint risks. Also, participate in meetings of the Lead-Safe Indiana Task Force, which convenes stakeholders quarterly to discuss current issues.

- Promote homeownership to the State's minority populations, specifically African American and Hispanic homebuyers, those living in manufactured housing, and residents of public housing.

- Promote housing solutions that meet the growing desire of Hoosiers to age in place.

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

HOME Program Activities

Via the HOME funds allocated by IHCDA through the HOME program and the HOME portion of the Qualified Allocation Plan programs, IHCDA is able to provide funding for activities that assist those that are at risk of being homeless or who would otherwise be homeless.

These activities include:

- Transitional Housing—rehabilitation/new construction
- Permanent Supportive Housing—rehabilitation/new construction

With special-needs populations, these beneficiaries have activities available to them via the HOME Program, HOME portion of the Qualified Allocation Plan, and the First Home program:

- Transitional Housing—rehabilitation/new construction
- Permanent Supportive Housing—rehabilitation/new construction
- Tenant based rental assistance—targeted special-needs populations
- Rental Housing—rehabilitation/new construction
- Homebuyer—rehabilitation/new construction
- Homebuyer Education, Counseling, and Down Payment Assistance
- Owner-Occupied Rehabilitation

For both the homeless population and those with special needs, IHCDA's programs often give preference or require applicants to target these types of beneficiaries. The Indiana Interagency Council on the Homeless' 10-Year State Plan to End Chronic Homelessness identifies the linkage of rental assistance and integrated case management and supportive services programs as a key action item in addressing the housing needs of special-needs populations. IHCDA will utilize tenant-based rental assistance on a limited basis to serve targeted populations.

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.

In partnership with the Corporation for Supportive Housing, IHCDA will continue the Indiana Supportive Housing Institute (the Institute) in 2009. The Supportive Housing Institute helps non-profits learn how to navigate the complex process of developing housing with support services and is expected to reduce the time it takes to obtain funding for homeless housing by improving the planning and application process.

The Institute provides targeted training, technical assistance, and pre-development financing options to both new and experienced development teams. Teams receive over 80 hours of training including individualized technical assistance and resources to assist in completing their project. In addition, experts from across the state, including IHCDA, and national partners provide insight on property management, financing, and building design.

Institute benefits. Upon completion, participants in the Institute will have:

- A detailed, individualized supportive housing development and management plan that can be used to access funding for the project;
- Access to early pre-development financing through CSH to use on supportive housing projects planned through the Institute;
- Improved skills to operate existing supportive housing and develop new projects serving people who experience multiple barriers to housing;
- A strong, effective development team that leverages the strengths of each team member;
- A powerful network of peers and experts to assist in project development and to trouble-shoot problems; and
- Increased capacity and a competitive edge to provide supportive housing.

Institute deliverables. In the course of the Supportive Housing Institute, development teams will work closely to develop individual supportive housing project plans. Among the expected outcomes are:

- Memorandum of Understanding among members of the supportive housing development team, outlining the roles and responsibilities of each partner;
- Community support plan;
- Detailed program and project concepts including;
- Conditions of tenancy and plan for supportive services for tenants;
- Engagement strategies designed for specific target populations;
- Tenant selection plan;

- Affirmative fair housing marketing plan;
- Management plan;
- Operating policies and protocols between services provider and property manager;
- Preliminary project proposal and budgets;
- Preliminary feasibility analysis for potential housing site, if identified; and
- Draft components of IHCDA's applications for funding.

In 2008, the Transformation Work Group created the TWG –Supportive Housing Task Force to develop an Indiana service delivery model for supportive housing. IHCDA and CSH have requested the Technical Assistance Collaborative (TAC) to assist with these activities particularly those associated with determining feasibility for using the MRO from a service recipient eligibility perspective and from the perspective of how well the services needs, permanent supportive housing quality indicators and funding requirements match up using the MRO. TAC will offer technical assistance on how the IPSHI can take steps to improve these matches to gain the maximum potential from the MRO. Below is a list of working assumptions and objectives for the IPSHI to move this initiative from planning to implementation over the next year:

1. Assure assumptions about what is feasible through the newly defined MRO are correct. It is especially important to determine the number of people who are defined as needing permanent supportive housing who can benefit from services in MRO because they are or can be made eligible for Medicaid.

2. Determine if there is a potential match between providers who (can and/or will) deliver the permanent supportive housing interventions and eligible MRO providers. If there is not a good fit, what can be done to improve this fit?

3. Provide providers/ stakeholders with examples of how the new MRO services can be used singly or in combination as the permanent supportive housing intervention. This will also be informed by cross walking the MRO services interventions with the CSH quality dimensions.

4. Determine the number of people who qualify for supportive housing but who cannot be made eligible for Medicaid and provide options for services funding. Also determine what strategies are needed to increase Medicaid penetration with persons who need supportive housing but are not eligible for Medicaid at the time they are engaged in services.

5. Combine information regarding these matches with supportive housing capacity (current and coming online) in a pro forma to determine goodness of fit and where actions need to be taken to match access to services for newly developed housing. This pro forma should yield both gaps by service availability and by client eligibility.

Overall IPSHI Strategic Goals—Increase the supply of permanent supportive housing for homeless individuals and families with severe mental illness or chronic alcoholism or drug addiction:

1. Reduce the number of homeless individuals and families who cycle through emergency systems;
2. Reduce the recidivism of ex-offenders with severe mental illness or chronic substance abuse; and
3. Improve communities by ending long-term homelessness through community-based partnerships.

Demonstration Project: 2008 through 2010. The initial three-year Demonstration Project is divided into two phases. Phase I (2008) will increase the capacity of housing and service providers and develop new models of permanent supportive housing. Phase II (2009 -2010) will implement and test the new models and create a pipeline for future development.

2009 IPSHI Goals:

1. Increase permanent supportive housing units to reduce the number of individuals experiencing long-term homelessness;
2. Increase the capacity of local partners to develop permanent supportive housing.
3. Reduce use of emergency systems of care and other high-cost systems (e.g. jails, prison, emergency rooms, or state hospital)
4. Create an interagency IPSHI Council to direct resources to supportive housing projects.
5. Develop an Indiana model for service funding for IPSHI projects.
6. Improve the performance of homeless assistance system using the following domains: 1) housing stability, 2) increase income/employment, and 3) access to mainstream resources.
7. Develop a fidelity model for IPSHI projects by implementing the Seven Dimensions of Quality for Supportive Housing developed by CSH.
8. Engage local PHA's with IPSHI
9. Develop effective state policies that promote permanent supportive housing.
10. Increase funding streams for IPSHI projects.

Other Homelessness prevention Activities and Elements

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 as one of the lead agencies in the state's Interagency Council on the Homeless will undertake the following activities and strategies to address the plan priorities during program year 2009:

- ***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, some of the shelters that receive ESG funds allocate resources to homelessness prevention. Families can access homelessness prevention through local shelters to pay for rent and utility assistance.
- ***Provide preferences*** under the Section 8 Housing Choice Voucher program for the chronically homeless and for homelessness prevention.
- Though recognized as a population, homeless vets have not received sufficient attention. Presently, the Veterans Health Administration operates in fourteen locations throughout the state without a program to secure decent, safe, affordable supported housing for individuals (and families) who have served their country with distinction. IHCDA will ***partner with Partners in Housing Development Corporation*** to educate, build partnerships, link traditional housing financial resources, bring new resources and focus attention on a group that represents roughly 19 percent of the homeless population in Indiana. The first step in this endeavor will be a technical assistance application under HUD's VA Homeless Providers Grant and Per Diem Program.
- IHCDA has partnered with Great Lakes Capital Fund to open a ***Corporation for Supportive Housing (CSH) office in Indiana*** starting in June of 2008. This office will increase the capacity of local Continuum of Cares to develop permanent supportive housing. In addition, the CSH office will assist the state in implementing its 10 Year Plan to End Chronic Homelessness. CSH will also conduct its Supportive Housing Institute. The Institute is designed to provide technical assistance to 10 to 12 project teams over eight months, up to $250,000 in no-interest Project Initiation Loans to eligible project sponsors and up to $4 million in low-interest predevelopment/acquisition loans. It is expected to result in an estimated 200 to 250 new units added to the pipeline per year.

- ***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 in information on HOPWA clients who are chronically homeless. IHCDA is working with ICHHI and our HMIS provider to customize HMIS to facilitate entry of all HOPWA clients, not just those who are chronically homeless.

CDBG Program Activities (Housing)

IHCDA, provides funding for activities that assist those who are at risk of being homeless or who would otherwise be homeless.

These activities include:

- Emergency Shelter—rehabilitation/new construction
- Youth Shelter—rehabilitation/new construction
- Migrant/Seasonal Farm Worker—rehabilitation/new construction
- Transitional Housing—rehabilitation
- Permanent Supportive Housing—rehabilitation

With special-needs populations these beneficiaries use CDBG funding to support the following types of activities:

- Emergency Shelter—rehabilitation/new construction
- Youth Shelter—rehabilitation/new construction
- Migrant/Seasonal Farm Worker—rehabilitation/new construction
- Transitional Housing—rehabilitation
- Permanent Supportive Housing—rehabilitation
- Rental Housing—rehabilitation
- Homeowner Repair and Improvement

For both the homeless population and those with special needs, IHCDA's programs often give preference to or require applicants to target these types of beneficiaries.

CDBG Program Activities and 2009 Expected Accomplishments (Neighborhood Stabilization Program)

Through the Neighborhood Stabilization Program, non-profit organizations and local units of government will be able to reduce and/or eliminate neighborhood blight resulting from foreclosed or abandoned housing. IHCDA awards $50 million in grant requests to 10-15 communities for acquisition, demolition, rehabilitation, land banking, and community revitalization/stabilization activities in 10-15 communities.

These grant recipients will revitalize communities through partnerships that focus on acquisition, rehabilitation, and demolition to increase the quality and quantity of affordable housing in the state areas of greatest need.

Goal for types of activities:

- Invest $20.9 million of NSP funds to create over 350 rental housing units for households at or below 50 percent AMI through the Comprehensive Neighborhood Revitalization
- Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves and shared-equity loans for low-and moderate income homebuyers
- Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.
- Establish land banks for homes that have been foreclosed upon.
- Demolish blighted structures.
- Redevelop demolished or vacant properties.

CDBG Program Activities and 2009 Expected Accomplishments (Community Focus Fund)

Through the Community Focus Fund, provide funds for the development of 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.

Goal for types of activities:

- The Office of Community and Rural Affairs anticipates receiving 1-2 applications for this type of project through the Community Focus Fund.

ESG Activities and 2009 Expected Accomplishments

Through the ESG program, provide operating support to shelters, homelessness prevention activities and case management to persons who are homeless and at risk of homelessness.

Goals and outcomes for activities:

- Operating support—83 shelters receiving support, $1,443,000 allocated in 2009;
- Homelessness prevention activities—22 shelters provided with homelessness prevention activity funding, assisting 970 clients; $74,000 allocated in 2009;

- Essential services—53 shelters provided with funding for essential services, $400,000 allocated in 2009. 80 percent of clients will be provided with such services, for an estimated 16,000 clients assisted.
- Anticipated match: Shelters match 100 percent of their rewards;
- Anticipated number of counties assisted: 89; and
- Anticipated number of clients served: 30,000 (unduplicated count) with 19,000 assisted with temporary emergency housing.

Other ESG Activities

- Require the use of the Homeless Management Information System (HMIS). This will be accomplished by funding only entities that agree to participate in HMIS and only continue funding when information is entered in HMIS on a regular and consistent basis. ESG coordinator will periodically check with the HMIS software system coordinator to watch over regular participation. Reimbursed claims are based upon the completeness of HMIS

- Encourage ESG grantees to attend their local Continuum of Care Meetings regularly. The 2009 ESG RFP will have a scored question pertaining to attendance at the Continuum of Care Meetings in their regions.

HOPWA Activities

Through the HOPWA program, IHCDA provides recipients that assist persons with HIV/AIDS with funding for rental assistance, housing information, short-term rental, mortgage and utility assistance and supportive services. Housing Placement Services, Facility Based Operating Dollars, and Short Term Supportive Housing. (HOPWA money should go under the goals of Availability/Accessibility and Affordability NOT sustainability of Shelters. Housing Information, Housing Placement, and Supportive Services are categorized in IDIS as availability/Accessibility for decent housing. Short Term rental, mortgage, and utility assistance; Tenant Based Rental Assistance; Facility based Housing Operations; and Short Term Supportive Housing should are put under the affordability goal in IDIS.

HOPWA funds are used to support Goals 1 and 2 via the following activities:

- Rental Assistance, $425,000 allocated in 2009 to assist 200 households;
- Short-Term Rent, Mortgage and Utility Assistance, $200,000 allocated in 2009 to assist 300 households;
- Supportive Services, $65,000 allocated in 2009 to assist 200 households;
- Housing Information, $30,000 allocated in 2009 to assist 75 households;
- Operating Costs, $25,000 allocated in 2009 to support 10 units; and
- Permanent Housing Placement, $70,000 allocated in 2009 to support 100 households.

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

Indicators:

Via the HOPWA Program Application

- Rental Assistance—Households/Units
- Short-term Rent, Mortgage and Utility Assistance—Households/Units
- Supportive Services—Households
- Housing Information—Households
- Operating Cost—Number of units

Using these indicators, a numeric goal has been determined associated with the FY2009 HOPWA allocation. Exhibit IV-5 identifies the numeric indicators.

Exhibit IV-5.
HOPWA 2009 Goals

Source:
Indiana Housing and Community Development Authority.

	FY 2009 Goal
Rental Assistance—Households/Units	200
Short-term Rent, Mortgage and Utility Assistance—Households/Units	300
Supportive Services—Households	200
Housing Information—Households	75
Operating Cost—Number of units	10
Permanent Housing Placement Households	100

For program year 2009 funding, IHCDA chose to facilitate a competitive request for proposals (RFP) for HIV/AIDS service providers. The RFP was competitive in order to allocate funding competitively based on four dimensions:

- Organizational capacity;
- Budgets and leveraging;
- Services and housing placement; and
- Evaluation and performance options.

To ensure the broadest possible dissemination, IHCDA distributed the HOPWA RFP in February via the statewide Continua of Care network and posted 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 the 2009 program year due to the larger HIV/AIDS epidemiological burden in northwestern Indiana.

Via distribution of the HOPWA RFP, 12 HIV/AIDS service providers submitted letters of intent to apply for 2009 HOPWA funds. All were invited to submit RFPs detailing their intended use of HOPWA funds for the period of July 1, 2009 through June 30, 2010. In response, 12 of these service providers submitted RFPs. IHCDA will therefore fund 13 of these providers for the 2009 program year. The project sponsors that will be funded will be community-based organizations that serve persons with HIV/AIDS. HOPWA allocations for the 2009 program year will reflect a combination of regional epidemiological need and quantitative score of the RFPs.

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 2009 program year provided information on each program's ability to support this goal via submission of the RFPs.

Exhibit IV-6.
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 HOPWA Activities

- IHCDA will work with the State Interagency Council on the Homeless to provide oversight of the Homeless Management Information System to track data collection and tract program progress.

- Provide Indiana Civil Rights Commission contact information to concerned beneficiaries.

- Continue to submit an annual SuperNOFA application to fund continuum-of-care activities. The State will be responsible for ensuring that a competitive State Continuum of Care application is submitted to HUD annually. In 2008, IHCDA, working with the Interagency Council on the Homeless, developed new policies and project evaluation tools to better align the application with national HUD objectives and to increase funds made available for new permanent supportive housing projects.

- 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.

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

CDBG Program Activities (Community Focus Fund)

Continue funding OCRA's Community Focus Fund (CFF), which uses CDBG dollars for community development projects ranging from environmental infrastructure improvements to development of community and senior centers.

- ***Construction/rehabilitation of 20 wastewater, water and storm water infrastructure systems.*** Projected allocation: $12,048,549.
- ***Construction of 6-7 Fire and/or EMS Stations.*** Projected allocation:$3,050,000.
- ***Purchase of 2-3 Fire Trucks.*** Projected Allocation: $450,000.
- ***Construction of 8 public facilities projects*** (e.g. libraries, community centers, social service facilities, youth centers, etc.). Projected allocation: $4,000,000.
- ***Completion of 4 Downtown Revitalization projects.*** Projected Allocation: $2,000,000.
- ***Completion of 2 Historic Preservation projects.*** Projected Allocation: $1,000,000.
- ***Completion of 2-5 Clearance projects.*** Projected Allocation: $500,000.
- Anticipated match, above activities: $4,609,710.

Continue the use of the planning and community development components that are part of the Planning Grants and Foundations programs funded by CDBG and HOME dollars. These programs 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.

2009 Expected Accomplishments, Planning Grants and Foundations Program

- ***Planning grants:***
  - Twenty-nine planning grants;
  - Projected allocation: $1,200,000; and
  - Anticipated match: $120,000.
- ***Foundation grants:*** Funded on an as needed basis.

Goal 4. Promote activities that enhance local economic development efforts

Continue the use of the OCRA's Community Economic Development Fund (CEDF), which funds job training and infrastructure improvements in support of job creation for low- to moderate-income persons. The projected allocation in 2009 is $1,200,000 with a goal to create 240 jobs.

OCRA created a Micro-enterprise Assistance Program in 2008, which funds training and micro-enterprise lending for low- to moderate income persons. The proposed allocation in 2009 is $225,000.

Through its CEDF and Micro-enterprise Assistance Program, OCRA coordinates with private industry, businesses and developers to create jobs for low- to moderate-income populations in rural Indiana.

Priority Needs

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. Exhibits IV-7 and IV-8 show the prioritization of housing and community development activities for FY2009.

Exhibit IV-7.
Community Development Needs, Priorities for FY2009

Priority Community Development Needs	Need Level	Priority Community Development Needs	Need Level
Public Facility Needs		**Planning**	
Asbestos Removal	Medium	Community Center Studies	Medium
Health Facilities	High	Day Care Center Studies	Medium
Neighborhood Facilities	Medium	Downtown Revitalization	Medium
Non-Residential Historic Preservation	Medium	Health Facility Studies	Low
Parking Facilities	Low	Historic Preservation	Medium
Parks and/or Recreation Facilities	Low	Parks/Recreation	Low
Solid Waste Disposal Improvements	High	Senior Center Studies	Medium
Other	Low	Water/Sewer/Stormwater Plans	High
		Youth Center Studies	Medium
Infrastructure			
Flood Drain Improvements	High	**Youth Programs**	
Sidewalks	Low	Child Care Centers	Medium
Stormwater Improvements	High	Child Care Services	Low
Street Improvements	Medium	Youth Centers	Medium
Water/Sewer Improvements	High	Youth Services	Low
Other Infrastructure Needs	Medium	Other Youth Programs	Medium
Public Service Needs		**Economic Development**	
Employment Training	Low	CI Infrastructure Development	High
Handicapped Services	Low	ED Technical Assistance	Medium
Health Services	Low	Micro-Enterprise Assistance	High
Substance Abuse Services	Low	Other Commercial/ Industrial Improvements	Medium
Transportation Services	Low		
Other Public Service Needs	Low	Rehab of Publicly or Privately-Owned Commercial/Industrial	Medium
Senior Programs		Other Economic Development	Medium
Senior Centers	Medium		
Senior Services	Medium	**Anti-Crime Programs**	
Other Senior Programs	Medium	Crime Awareness	Low
		Other Anti-Crime Programs	Low

Source: Indiana Office of Community and Rural Affairs.

Exhibit VI-8.
Housing Needs, Priorities for FY2009

Source:
Indiana Housing and Community Development Authority.

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

During the program planning period (FY2009), the State will monitor housing conditions and, through its scoring criteria used to evaluation award applications, adjust funding allocations as appropriate to address changes in housing market conditions.

HOME/ADDI Funds

IHCDA will implement the following activities in conjunction with administration of the HOME/ADDI grant.

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

Exhibit IV-9.
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

If there is both development subsidy and homebuyer subsidy or just homebuyer subsidy, the "recapture" provision must be implemented. If the development consists of development subsidy only (homebuyer awards only), "resale" provisions must be executed on the property. These requirements must be included in the applicant's program guidelines as outlined in the application.

If the funds are provided as a grant, the funds will be subject to a "resale". If funds are provided as a loan, the funds will be subject to a "recapture" and subject to the recapture based on the length of the affordability period that has been met. For rental units the deed restriction for this activity must be for the affordability period and state that the property will run for the affordability period as the activity is was funded.

Resale guidelines. Where the program design calls for no recapture (for homebuyer developments—home could only receive development subsidy), the guidelines for resale will be adopted in lieu of recapture guidelines. Resale restrictions will require the seller to sell the property only to a low-income family that will use the property as their principal 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.

The purchasing family should pay no more than 29 percent of its gross family income towards the principal, interest, taxes and insurance for the property on a monthly basis. Recipients should describe in the application, program guidelines or award agreement their guidelines in utilizing the resale guidelines. 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.

Recapture guidelines. The maximum amount of HOME funds subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy or lease the dwelling unit. This includes any HOME assistance that reduced the purchase price from the fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value (i.e., development subsidy).

The amount to be recaptured is based on a prorata 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 recipient and the beneficiary based on the number of years of the affordability period that have been fulfilled, not to exceed the original HOME investment.

The net proceeds are the total sales price minus all loan and/or lien repayments. The net proceeds will be split between the IHCDA recipient and borrower as outlined according to the forgiveness schedule below for the affordability period associated with the property. The IHCDA recipient must then repay IHCDA the recaptured funds.

Targeted outreach. IHCDA will make the Indiana Association of Realtors, the Public Housing Authorities located in Indiana and the Indiana Manufactured Housing Association aware of the ADDI program and how members of their respective organizations can obtain additional information to educate their clients on IHCDA programs and how to join the IHCDA List-Serve.

Homeownership stability. To ensure that families receiving ADDI funds are suitable to undertake and maintain homeownership, clients receiving ADDI funding will be required to complete a homeownership training program. It is strongly recommended that clients participated in a face-to-face or classroom course given by a HUD-approved counselor.

Performance Measurements

This section provides Specific Outcome Indicators that the State will use to evaluate its performance during FY2009. The indicators are organized around HUD's Objective Categories.

Objective Category: Decent Housing

1. Availability/Accessibility and Affordability—HOME. During FY2009, the State will allocate $10.1 million of HOME funds to assist in the production and/or rehabilitation of 336 housing units. The type of units will be determined based on the greatest needs in nonentitlement areas.

Eligible unit types include:

- Transitional housing (Availability/Accessibility of Housing);
- Permanent supportive housing (Availability/Accessibility of Housing);
- Affordable rental housing (Affordability); and
- Affordable owner housing (Affordability).

In addition, the State will provide $700,000 to CHDO operating support and $200,000 to CHDO predevelopment seed money loans.

During FY2009, the State will also provide $2 million for homeownership assistance to 500 households (Affordability).

2. Availability/Accessibility and Affordability—CDBG. In the 2009 program year, the State will allocate $4.2 million of CDBG funding to produce 244 units of housing for special-needs populations, to acquire and demolish units in support of affordable housing development, and to conduct affordable housing feasibility studies.

In addition, the State will allocate $1 million in ARRA funds to support an additional 9 projects that will result in HRI activities in an additional 55 households.

The type of units will be determined based on the greatest needs in nonentitlement areas. Eligible unit types include:

- Emergency shelters;
- Youth shelters;
- Migrant/Seasonal Farm Worker—rehabilitation/new construction;[2]
- Transitional housing;
- Permanent supportive housing;
- Rental housing; and
- Owner-occupied housing.

[2] Migrant Seasonal Farm Worker Housing and Rental Housing Rehabilitation will not be targeted priorities, rather they will be considered for funding under a "special projects" set-aside.

3. Availability/Accessibility and Sustainability of shelters. In FY2009, the State will use CDBG, HOME, ESG and HOPWA dollars to improve the accessibility and availability of decent housing to special-needs populations. The dollars will also be used to ensure the sustainability of the shelters.

ESG dollars will be used for the following:

- ***Operating support***—83 shelters receiving support totaling $1,443,000, for assisting clients with access to emergency housing and basic needs (Sustainability for shelters);

- ***Homelessness prevention activities***—22 shelters provided with homelessness prevention activity funding of $74,000. These 22 shelters will provide direct rental assistance to prevent eviction, utility assistance and legal services for tenant mediation to 80 percent of the clients who ask for assistance, serving approximately 970 clients. (Availability/Accessibility);

- ***Essential services***—53 shelters provided with funding totaling $400,000 for essential services, assisting 16,000 clients. These services will assist approximately 80 percent of clients at each shelter in the form of case management, mainstream resources referral and counseling, as needed. (Availability/Accessibility); and

- ***Permanent Supportive Housing***—Increase the availability and access to services, mainstream resources, and case management, and financial assistance, employment assistance, counseling for drug/alcohol abuse, mental illness, domestic violence, veterans, and youth pregnancy. By utilizing these activities it will increase their ability to access permanent housing and decrease the likelihood of repeated homelessness. Anticipate that approximately 25 percent of the clients who are housed by emergency housing or transitional housing will have accessed permanent housing upon leaving the facility (clients who stay at least 30 days at the facility).

Altogether, approximately 19,000 of clients will be assisted with temporary emergency housing.

HOPWA dollars will be used for the following:

- ***Housing Information***—HOPWA care sites provide community-based advocacy and information/referral services for the purposes of either placement into housing or homelessness prevention. Via care site case management, homeless outreach will occur to increase the number of those living with HIV/AIDS that become housed.

- ***Operating Costs***—HOPWA care sites provide housing costs that are specific to HIV/AIDS housing, such as furniture for group homes and utilities. Operating costs may also include the salaries of security and maintenance crews.

- ***Rental Assistance***—HOPWA care sites provide case management, mainstream resource assistance and housing assistance for up to 12 months of a HOPWA program to increase housing stability for those living with HIV/AIDS and their families.

- ***Short-Term Rent, Mortgage and Utility Assistance***—HOPWA care sites provide case management, mainstream resource assistance and housing assistance for up to 21 weeks of a HOPWA program year to increase housing stability for those living with HIV/AIDS and their families. Short-term rent, mortgage and utility payments will be provided to prevent homelessness of the tenant.

- ***Supportive Services***—HOPWA care sites provide the following forms of assistance in order to increase housing stability for those living with HIV/AIDS, including, but not limited to, food/nutrition, transportation, housing case management, mental health treatment, substance abuse treatment and basic telephone provision.
- ***Permanent Housing Placements***—Funds used to help establish permanent residence when continued occupancy is expected including: housing referral, tenant counseling, understanding a residential lease and its obligations, mediation of disputes, costs associated with placement in housing, application fess and credit check expenses, first month's rent and security deposit (not to exceed two month's rent), one-time utility connection fees and processing costs.

Objective Category: Economic Opportunities

In FY2009, CDBG will be allocated to provide downtown revitalization, job creation and micro-enterprise activities. Downtown/neighborhood revitalization projects are eligible under the CFF program and OCRA anticipates receiving applications for 6 to 10 projects in 2009.

The State will also continue the use of the OCRA's Community Economic Development Fund (CEDF), which funds job training and infrastructure improvements in support of job creation for low- to moderate-income persons. The projected allocation in 2009 is $1,200,000 to support the creation of 240 jobs. The State will also fund a Micro-enterprise Assistance Program, which funds training and micro-lending for low- to moderate-income persons. The projected allocation in 2009 is $225,000.

Objective Category: Suitable Living Environment

Community development. In FY2009, CDBG will be allocated to provide various activities that improve living environments of low- to moderate-income populations. The following performance measures are expected to be achieved:

- ***Construction/rehabilitation of 20 wastewater, water and storm water infrastructure systems.*** Projected allocation: $12,048,549.
- ***Construction of 6-7 Fire and/or EMS Stations.*** Projected allocation:$3,050,000.
- ***Purchase of 2-3 Fire Trucks.*** Projected Allocation: $450,000.
- ***Construction of 8 public facilities projects*** (e.g. libraries, community centers, social service facilities, youth centers, etc.). Projected allocation: $4,000,000.
- ***Completion of 4 Downtown Revitalization projects.*** Projected Allocation: $2,000,000.
- ***Completion of 2 Historic Preservation projects.*** Projected Allocation: $1,000,000.
- ***Completion of 2-5 Clearance projects.*** Projected Allocation: $500,000.
- Anticipated match, above activities: $4,609,710.

Continue the use of the planning and community development components that are part of the Planning Grants and Foundations programs funded by CDBG and HOME dollars. These programs 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.

2009 Expected Accomplishments, Planning Grants and Foundations Program

- ***Planning grants:***
  - Twenty-nine planning grants;
  - Projected allocation: $1,200,000; and
  - Anticipated match: $120,000.

- ***Foundation grants:*** Funded on an as needed basis.

Essential service activities. ESG dollars will also be used to provide a suitable living environment for those who are homeless and at risk of homelessness. ESG will provide funding to emergency shelters and/or transitional housing for case management, housing search, substance abuse counseling, mainstream resource assistance, employment assistance and individual assistance to clients who are homeless.

Operations activities. Emergency shelters and/or transitional housing will provide temporary housing for homeless individuals and families. The shelters provide all of the client's necessities of food, clothing, heat, bed, bathroom facilities, laundry facilities, and a mailing address. The facilities provide assistance to achieve self-sufficiency.

Operating costs. HOPWA care sites provide housing costs that are specific to HIV/AIDS housing, such as furniture for group homes and utilities. Operating costs may also include the salaries of security and maintenance crews.

Supportive services. HOPWA care sites provide the following forms of assistance in order to increase housing stability for those living with HIV/AIDS, including, but not limited to, food/nutrition, transportation, housing case management, mental health treatment, substance abuse treatment and basic telephone provision.

Other Resources to Fulfill Goals

Affordable Housing and Community Development Fund. For the first time, the state of Indiana has dedicated a revenue stream to its Affordable Housing and Community Development Fund. This revenue is expected to generate approximately $6,000,000 annually for investment in housing and community development activities across the Indiana. IHCDA administers the Development Fund and distributes proceeds through its Community Development, Community Services, and Multi-family departments.

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, operated by Momentive Consumer Credit Counseling Service, is available daily from 8:00 a.m. to 8:00 p.m. When ever 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.

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 is collaborating with the Indiana Association of Realtors to identify and train its members 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. Similarly, IFPN has reached out to the Indiana Legal Services, Indiana Bar Association, and the Pro Bono Commission to identify and train attorneys who may assist homeowners during the foreclosure process.

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 2009 Qualified Allocation Plan:

- Qualified Nonprofit;
- Special Housing Needs;
- Senior Housing;
- Housing First;
- Preservation;
- Development Location; and General.

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

Section 8 voucher program. In July 2006, Section 8 Housing Choice Voucher program was transferred from the Indiana Family and Social Services Administration to IHCDA. 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 new preferences.
- Residency—applicant is a legal resident of the State of Indiana.
- Chronic Homelessness—applicant is a homeless veteran, head of household of a homeless family with children or a homeless individual emancipated from foster care.
- 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—applicant has been diagnosed with a disability by a medical professional.

McKinney-Vento. In an effort to attract the maximum amount of McKinney-Vento dollars to Indiana, IHCDA has identified the following action steps that focus on providing technical assistance, integrating of Continuum of Care plans, and developing permanent supportive housing. As such, IHCDA proposes to:

- With other partners, provide technical and financial support for each CoC to have a ten-year plan to address homelessness.
- Support a comprehensive data collection system in order to develop housing and services pro formas for each CoC ten-year plan.
- With Great Lakes Capital Fund, support a Corporation for Supportive Housing office in Indiana to work with IHCDA and the thirteen Continua of Care pursuant to their ten-year plans.
- Support a Supportive Housing Institute that will be available to the thirteen Continua to develop permanent supportive housing in their communities. Agencies participating in the institute will be eligible for project initiation loans and grants.
- Establish a comprehensive planning process for new projects applying under the Balance of State Application. This process will involve early review and technical assistance for new application.

FSSA partnership. The Indiana Family and Social Services Administration Division of Aging is partnering with IHCDA to assist elderly persons transition from nursing homes back into the community of their choice where they can live more independently with appropriate support services. The Division of Aging will contribute $1 million to the Affordable Housing and Community Development Fund administered by IHCDA. These funds will be used to provide 100 to 125 seniors with reduced rents in IHCDA financed units that are made accessible based on the specific needs of the resident.

USDA. IHCDA received a $2.25 million-dollar loan from USDA to rehabilitate 15 to 20 rural multi-family properties. This loan will be matched dollar-for-dollar from the Affordable Housing and Community Development Fund. Owners are encouraged to utilize Rural and Preservation Set Aside Categories through IHCDA's LIHTC program to attract additional equity to offset project development costs. Nonprofit developers are encouraged to access HOME funds through the Community Development department for the acquisition of these rural properties ensuring a stable source of affordable housing remains in the community.

RECAP program. IHCDA in collaboration with the Office of Community and Rural Affairs and the Office of Tourism launched the Real Estate Capital Access Program (RECAP) in 2007. RECAP is designed to facilitate the development of commercial space and related residential space in areas or for projects that are not sufficiently attractive to the private market, particularly in the "Main Streets" of rural areas and small towns, as well as commercial nodes that may be outside the downtown area. RECAP provides predevelopment funds, a loan loss reserve pool, as well as matching grants for façade and beautification improvements. To date, 8 communities have been awarded over $1.5 million from the Affordable Housing & Community Development Fund administered by IHCDA.

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.

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.

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. Since July 1, 2006, IHCDA has administered the Housing Choice Voucher Program (also known as Section 8 vouchers), LIHEAP and Weatherization programs formerly housed at FSSA.

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. The State now has 50 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 Indiana Coalition on Housing and Homeless Issues (ICHHI) is instrumental in development and implementation of the State's policies for persons who are homeless. 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.

Monitoring Standards and Procedures

To ensure that all statutory and regulatory requirements are being met for activities with HUD funds, the Office of Community and Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (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.

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

- Desk monitoring is conducted by staff for non-construction projects. Desk monitoring confirms compliance with national objective, eligible activities, procurement and financial management.

- On-site monitoring is a structured review conducted by OCRA staff at the locations where project activities are being carried out or project records are being maintained. One on-site monitoring visit is normally conducted during the course of a project, unless determined otherwise by OCRA staff.

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

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

HOME and 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 inspection.

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

- On-site monitoring review:
  - Community Development Representative will contact recipient to set-up monitoring based on award expiration and completion/close-out documentation submitted and approved.
  - Recipient will receive a confirmation letter stating date, time, and general monitoring information.
  - On date of monitoring, IHCDA staff will need: files, an area to review files, and a staff person available to answer questions.
  - Before leaving, IHCDA staff will discuss known findings and concerns, along with any areas that are in question.

- Desk-top monitoring review:
  - Community Development Representative or Community Development Coordinator will request information/documentation from award recipient in order to conduct the monitoring. IHCDA staff will give approximately 30 days for this information to be submitted.
  - IHCDA staff will review information/documentation submitted and correspond via the chief executive officer the findings of the desk-top review. However, if during the course of the review additional information and/or documentation is needed, staff will contact the award administrator.

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.

ESG monitoring. The IHCDA is responsible for the state's allocation of ESG funding. IHCDA then allocates funds to eligible Grantees. As a grantee of ESG funding and a grantee through IHCDA, they are responsible for demonstrating compliance with all of the program requirements and the ESG Regulations at 24 CFR Part 576. The following is a list of the basic program requirements and responsibilities under the ESG program:

- Keeping Accurate Financial and Service Delivery Records
- Documentation of Homelessness
- Documentation for Homeless Prevention Activities
- Termination of Participation and Grievance Procedure
- Promising Practice: Participation of Homeless Persons
- Ensuring Confidentiality
- Building & Habitability Standards
- Sanctions for Noncompliance

Monitoring reports. Each grantee will be required to follow three (3) objectives under one category that best describes their shelter. These three performance based objectives must be followed throughout the fiscal year (July 1, 2009-June 30, 2010).

A Performance Report will be due quarterly: October 9, 2009, January 11, 2010, April 9, 2010, and July 9, 2010. The shelter must reach the percentage goal or above by the end of the fiscal year. The measurement for each goal should be documented and the reports should summarize the number of clients who met each goal within the specified reporting period. The report should not contain clients' personal identifying information.

- Day Shelter/Night Shelter Only:
    - 80 percent of all clients will establish a case/care plan within 7 days of admission.
    - 85 percent of clients will receive mainstream services if applicable to the programs. (Ex: Food Stamps, Medicaid, Medicare, VA benefits, SSI, SSDI, etc.)
    - 85 percent of clients will have a complete client assessments/intake within 72 hours.

- Emergency Shelter /Overnight Stay:
  - 40 percent of clients will access transitional or permanent housing upon successful completion from the program (for clients who stay at least 30 days or more).
  - 50 percent will increase their income or be employed upon exit from the program (for clients who stay 30 days or more in the program).
  - 80 percent of clients will receive case management/and or counseling at least 1 time a week that stay more than 7 days for emergency shelters.
- Transitional Housing (up to 24 month stay):
  - 50 percent of clients who stay at least 60 day will be employed upon exit from program.
  - 70 percent of the transitional residents will move from transitional to permanent housing.
  - 80 percent of clients who reside in transitional units will receive case management at least 1 time a month and reach 1 goal prior to exiting the program.

Hoosier Management Information System. Hoosier Management Information System (HMIS) is a secure, confidential electronic data collection system used to determine the nature and extent of homelessness. All ESG grantees are required to participate in HMIS. It is important that all ESG grantees enter client data in HMIS. The system is used to report to HUD on an annual basis.

HOPWA monitoring. The IHCDA is responsible for the state's allocation of HOPWA funding and allocates these funds to eligible Grantees. As a grantee of HOPWA funding and a grantee through IHCDA, they are responsible for demonstrating compliance with all of the program requirements and the HOPWA Regulations.

The HOPWA funded agencies are responsible for determining client eligibility for the national HOPWA objective and/or rental eligibility; maintaining financial documentation; and practicing fair housing equal opportunity requirements. After each monitoring conducted by IHCDA, a monitoring letter is sent to the agency outlining the categories that were reviewed as related to the award. Concerns and/or findings for insufficient or deficient items are listed in detail along with the required action needed to resolve the concern or finding.

Program Income Update

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 Action 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 U.S. 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. CDBG program income funds contained in a duly established local Revolving Loan Fund(s) for economic development or housing rehabilitation loans which have been formally approved by the Office of Community and Rural Affairs. However, all local revolving loan funds must be "revolving" and cannot possess a balance of more than $100,000 at the time of application of additional CDBG funds.

3. Program income generated by CDBG grants awarded by the Office of Community and Rural Affairs (State) using 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, except locally administered revolving loan funds approved by the Office of Community and Rural Affairs, 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 U.S. Treasury regulations apply to projects funded by both 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.

Lead-Based Paint Hazards

According to the 2006 ACS, approximately 1.8 million housing units in Indiana—65 percent of the total housing stock—were built before 1980. About 524,000 units, or 19 percent of the housing stock, are pre-1940 and 509,500 units (18 percent of the housing stock) were built between 1940 and 1959. Urban areas typically have the highest percentages of pre-1940 housing stock, although the State's nonentitlement areas together have about the same percentage of pre-1940 units as the State overall. Marion County Health Department issued more than 200 citations for lead hazards between January 1, 2000 and July 31, 2003. More than 99 percent of these homes were rental properties. Many small landlords (with less than 50 properties) are unaware of their responsibility to comply with code, and tenants are also often unaware of their responsibilities.

According to the Indiana Childhood Lead Poisoning Elimination Plan, Indiana children with the following characteristics are at high risk for exposure to lead hazards:

- Children living in older housing;
- Children living in poverty or families with low incomes;
- Children enrolled in Hoosier Healthwise (HH, Indiana's Medicaid and S-CHIP program); and
- Minority children.

Lower-income homeowners generally have more difficulty making repairs to their homes due to their income constraints. Low-income renters and homeowners often live in older housing because it is usually the least expensive housing stock. This combination of factors makes lower-income populations most susceptible to lead-based paint hazards. One measure of the risk of lead-based paint risk in housing is the number of households that are low-income and also live in older housing units. According to PUMS data, in 2002, there were 53,233 (8.1 percent) renter households who were very low-income (earning less than 50 percent of the State median) and who lived in housing stock built before 1940. There were also 77,919 (4.6 percent) owners with very low incomes and who lived in pre-1940 housing stock. These households are probably at the greatest risk for lead-based paint hazards.

According to the Indiana State Department of Health's Indiana Childhood lead Poisoning Prevention Program (ICLPPP) Blood Lead Level Screening and Elevated Levels Legislative Report for 2006, over 53,000 children under seven years were tested in the State for elevated blood lead levels. Six hundred twenty-eight children were confirmed to be lead poisoned. Marion County had the largest number (188 children) of children lead poisoned, followed by Allen County with 67, Lake County with 61 children, Elkhart County with 46 and Vanderburgh with 30 children poisoned by lead. The CDC reported in 2006 there were 569 Indiana children under age six with elevated blood lead levels.

PHA Assistance

During 2009, 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 HOME jurisdiction were designated as troubled: Bloomfield (Public Housing), Rome City (Public Housing), Bedford (Public Housing), Jasonville (Section 8), Franklin County (Section 8), and Portland (Section 8).

Barriers to Affordable Housing

See the Housing Market Analysis section of the full Consolidated Plan and the 2009 Update to the Analysis of Impediments to Fair Housing Choice for a complete discussion of barriers to affordable housing.

Additional information on barriers to affordable housing and services was gathered from housing and community development stakeholders throughout the state as a part of the citizen participation process t in previous years. The following are affordable housing and service barriers suggested by the stakeholders:

- *Very few surveyed believe exclusionary zoning has been an issue in developing affordable housing. Only one surveyed, who thinks there are restrictions, believes that certain zoning regulations are old and were created reactively.*
- *Echoed throughout the responses is the serious need for funding which produces affordable quality housing in all Indiana communities, structured programs which aid Hoosiers in credit/finance counseling, home ownership, education and job training and employment opportunities.*
- *Community perceptions/social stigma of low-income housing in certain communities prevents building.*
- *Drug dependency in rural areas.*
- *In many cases in rural areas, the lack of any land use or zoning regulations impedes development.*
- *Lack of education on available resources (public).*
- *Lack of good land use planning and subdivision planning.*
- *Lack of transportation to community services in rural areas.*
- *We need tax abatement ordinances put in place to encourage rehabilitation of homes (give owners a 5-year tax break).*

- *Not enough businesses to provide affordable housing.*
- *Poor government and state funding.*
- *The process is too labor-intensive for lenders to process government grants.*
- *The process is too paper-intensive and may be over-governed. (No public policies that impede access to fair housing.)*
- *There are zoning boards and commissions in Indiana that only want to approve homes for $200,000 and up, thinking if they approve those for $100,000 it will bring down property values. There is a zoning assumption that the lower the density, the better. Not always true.*
- *There may be some issues in regards to Planned Urban Development (PUDs) that could and should be addressed.*
- *There seems to be a propensity not to want anyone to plan in some areas. The only way homeowners can protect their investments is through restrictive covenants in subdivision planning.*
- *Uncooperative landlords/land owners who do not want to serve low-income tenants.*
- *We have empty lots in our community where we have torn down buildings. It is difficult to develop on these lots because we often run into special easements.*

Affirmatively further fair housing. The State of Indiana will undertake the following 2009 Fair Housing Action Plan to address the impediments identified in the 2009 update of the Analysis of Impediments to Fair Housing Choice:

1. All grantees of CDBG, HOME, ESG, and HOPWA funds will continue to be required to: 1) Have an up-to-date Affirmative Marketing Plan; 2) Display a Fair Housing poster in a prominent place; and 3) Include the Fair Housing logo on all print materials and project signage. All grantees of HOME, ESG, and HOPWA are still required to provide beneficiaries with information on what constitutes a protected class and instructions on how to file a complaint.

2. All grantees of CDBG, HOME, ESG, and HOPWA funds will continue to be monitored for compliance with the aforementioned requirements as well as other Fair Housing standards (e.g., marketing materials, lease agreements, etc.). As part of the monitoring process, OCRA and IHCDA staff will ensure that appropriate action (e.g., referral to HUD or appropriate investigative agency) is taken on all fair housing complaints at federally funded projects.

3. OCRA requires all CDBG projects to be submitted by an accredited grant administrator. Civil rights training, including fair housing compliance, will continue to be a required part of the accreditation process. IHCDA will continue to incorporate fair housing requirements in its grant implementation training for CSBG, HOME, ESG, and HOPWA grantees.

4. IHCDA will serve on the Indianapolis Partnership for Accessible Shelters and, through this Task Force, will educate shelters about Fair Housing and accessibility issues, and help identify way to make properties more accessible.

5. IHCDA will work with ICRC to have testers sent to IHCDA funded rental properties to ensure they are in compliance with the Fair Housing Act. The goal for the number of properties tested per year is 4 per year (equates to 10 percent of federally-assisted rental portfolio over the remaining period).

6. IHCDA will also ensure that the properties it has funded are compliant with uniform federal accessibility standards during on-going physical inspections, as part of the regular inspections that occur. The goal for the number of properties inspected per year for fair housing compliance is 100 per year.

7. IHCDA will expand its Fair Housing outreach activities by 1) Posting ICRC information and complaint filing links on IHCDA website, and 2) enhancing fair housing month (April) as a major emphasis in the education of Indiana residents on their rights and requirements under Fair Housing.

8. IHCDA will work with regional Mortgage Fraud and Prevention Task Forces to educate consumers about how to avoid predatory lending. IHCDA will also partner with National City Bank, IACED, and IAR to provide three trainings on foreclosure prevention and predatory lending. IHCDA established the Indiana Foreclosure Prevention Network (IFPN), a program to provide free mortgage foreclosure counseling to homeowners. IFPN was launched in the fall of 2007, and is a partnership of community-based organizations, government agencies, lenders, realtors, and trade associations that has devised a multi-tiered solution to Indiana's foreclosure problem. This statewide initiative includes a targeted public awareness campaign, a telephone helpline, an educational website, and a network of local trusted advisors.

9. IHCDA will receive regular reports from ICRC regarding complaints filed against IHCDA properties and within 60 days ensure an action plan is devised to remedy future issues or violations.

Anti-Poverty Strategy

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.

Discharge Policies

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 Interagency Council to End Homelessness. Beginning late 2006, the Interagency Council began developing a set of recommendations for an integrated, statewide discharge policy. The Interagency Council approved a set of recommendations in 2007. A synopsis of the current agency specific policies is provided below:

Foster care. 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.

Health care. 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 six months after transition regarding residential and support services.

Mental health. The Division of Mental Health and Addiction 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.

Corrections. The Department of Corrections 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.

Obstacles to Meeting 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 2009 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.

Action Plan Matrix

A matrix follows that outlines the Consolidated Plan Strategies and Action Items for the FY2009 program year. The matrix includes:

- The State's Five-Year Strategic Goals;
- Type of HUD grant;
- Objective category the funding will address;
- Outcome category the funding will address;
- The activities proposed to address housing and community development needs;
- Funding targets (by dollar volume); and
- Assistance goals (by number of households, number of facilities, etc.).

Exhibit IV-10.
Strategies and Action Matrix, 2009 Action Plan

Goals	Funds	Objective Category	Outcome Categories	Activities	Specific Objectives	Funding Goals	Assistance Goals
1. **Expand and preserve affordable housing opportunities throughout the housing continuum.**	HOME and ADDI	Decent Housing	Availability/Accessibility	Transitional Housing—Rehabilitation and New Construction	Improve range of housing options for special-needs populations.	$10,100,000	For Housing from Shelters to Homeownership, QAP, OOR = 336 units, For First Home = 500 units
		Decent Housing	Availability/Accessibility	Permanent Supportive Housing—Rehabilitation and New Construction	Increase number of homeless in permanent housing.		
		Decent Housing	Affordability	Rental Housing—Rehabilitation and New Construction	Increase the supply and improve the quality of affordable rental housing.		
		Decent Housing	Affordability	Homebuyer—Rehabilitation and New Construction	Increase the supply and improve the quality of affordable homeownership.		
		Decent Housing	Availability/Accessibility	CHDO Operating Support	Improve services for low/mod income persons.	$700,000	
		Decent Housing	Affordability	CHDO Predevelopment and Seed Money Loans	Increase the supply of affordable housing.	$200,000	
		Decent Housing	Affordability	Downpayment Assistance	Increase the supply and improve the quality of affordable homeownership.	$2,000,000	
	CDBG	Decent Housing	Availability/Accessibility	Emergency shelters	End chronic homelessness.	$4,200,000 CDBG; $1,000,000 ARRA	Special Needs Housing = 244 units ARRA = 55 households
		Decent Housing	Availability/Accessibility	Youth shelters	End chronic homelessness.		
		Decent Housing	Availability/Accessibility	Transitional housing	Improve range of housing options for special-needs populations.		
		Decent Housing	Availability/Accessibility	Migrant/seasonal farmworker housing	Improve range of housing options for special-needs populations.		
		Decent Housing	Availability/Accessibility	Permanent supportive housing	Increase number of homeless in permanent housing		
		Decent Housing	Affordability	Rental housing	Increase the supply and improve the quality of affordable rental housing.		
		Decent Housing	Affordability	Owner-occupied units	Increase the supply and improve the quality of affordable homeownership.		
		Decent Housing	Sustainability	Voluntary acquisition/demolition	Improve the quality of rental and owner housing.		
		Decent Housing	Availability/Accessibility	Feasibility studies	Increase the supply of affordable housing.		
2. **Reduce homelessness and increase housing stability for special-needs populations.**	HOME	Decent Housing	Availability/Accessibility	See special-needs housing activities in Goal 1.	Improve range of housing options for special-needs populations.		
	CDBG	Decent Housing	Availability/Accessibility	See special-needs housing activities in Goal 1.	Improve range of housing options for special-needs populations.		
	ESG	Decent Housing	Availability/Accessibility	Operating support	Improve range of housing options for special-needs populations.	$1,443,000	83 shelters
		Decent Housing	Availability/Accessibility	Homeless prevention	End chronic homelessness.	$74,000	22 shelters
		Decent Housing	Availability/Accessibility	Essential services	End chronic homelessness.	$400,000	53 shelters
		Decent Housing	Availability/Accessibility	Accessibility Rehab	Improve range of housing options for special-needs populations.	$57,000	3-4 shelters For all activities = 30,000 unduplicated clients served
	HOPWA	Decent Housing	Availability/Accessibility	Rental assistance	Improve range of housing options for special-needs populations.	$425,000	200 households/units
		Decent Housing	Availability/Accessibility	Short-term rent, mortgage, utility assistance	Improve range of housing options for special-needs populations.	$200,000	300 households/units
		Suitable Living Environment	Availability/Accessibility	Supportive Services	Improve range of housing options for special-needs populations.	$65,000	200 households
		Decent Housing	Availability/Accessibility	Housing information	Improve range of housing options for special-needs populations.	$30,000	75 households
		Decent Housing	Availability/Accessibility	Operating costs	Improve range of housing options for special-needs populations.	$25,000	10 units
		Decent Housing	Availability/Accessibility	Permanent housing placement	Improve range of housing options for special-needs populations.	$70,000	100 households
3. **Promote livable communities and community revitalization through addressing unmet community development needs.**	CDBG			**Community Focus Fund:**			
		Suitable Living Environment	Sustainability	Construction/rehabilitation of wastewater water and storm water systems	Improve quality/quantity of public improvements for low/mod persons.	$12,048,500	26 systems
		Suitable Living Environment	Availability/Accessibility	Community development projects (Senior Centers, Youth Centers, Community Centers, Historic Preservation Downtown Revitalization, ADA Accessability, Fire Stations, Fire Trucks)	Improve quality/quantity of neighborhood services for low/mod persons.	$11,000,000	24-29 facilities/projects
	CDBG	Suitable Living Environment	Sustainability	Planning/Feasibility Studies	Improve quality/quantity of public improvements for low/mod persons.	$1,200,000	29 planning grants
4. **Promote activities that enhance local economic development efforts.**	CDBG	Economic Opportunities	Sustainability	Community Economic Development Fund	Improve economic opportunities for low/mod persons.	$1,200,000	240 jobs
				Micro-enterprise Assistance Program	Improve economic opportunities for low/mod persons.	$225,000	

Source: Office of Community and Rural Affairs and Indiana Housing and Community Development.

APPENDIX A.
Consolidated Plan Certifications and Forms

APPENDIX A.
Consolidated Plan Certifications and Forms

The following includes the Consolidated Plan certifications and the Form SF-424, Application for Federal Assistance. Each certification and form is signed by a representative of the agency responsible for administering the funding. The Indiana Office of Community and Rural Affairs administers CDBG funds; and the Indiana Housing and Community Development Authority administers HOME funds, HOPWA funds and ESG funds.

Certifications are available upon request:

State of Indiana
Office of Community and Rural Affairs
One North Capitol Avenue, Suite 600
Indianapolis, IN 46204

APPENDIX B.
Public Hearings and Public Comments

APPENDIX B.
Public Hearing and Public Comments

The 30-day public comment period for the 2009 Action Plan was held between April 6 and May 5, 2009.

Citizens will have the opportunity to comment on the draft 2009 Action Plan for CDBG, HOME, ADDI, ESG and HOPWA through two public hearings held on April 24th during the 30-day public comment period. The public hearings were publicized through legal advertisements in 13 regional newspapers with general circulation statewide. In addition, the notice was distributed by email to more than 1,000 local officials, nonprofit entities and interested parties statewide.

On April 25, 2009, two virtual public hearings will be held in several locations across Indiana, the first beginning at 2:00 p.m. and the second beginning at 5:30 p.m. OCRA is coordinating with Ivy Tech Community College of Indiana to do a video conference with 8 Ivy Tech locations. The presentation will be broadcast from Lawrence (Indianapolis) out to Valparaiso, Warsaw, Richmond, Salem, Batesville, Crawfordsville and Tell City.

In the final version of the Action Plan submitted to HUD on May 15, 2009, all public comments received during public hearings and in written form during the 30-day public comment will appear in this section (unless the contributors ask not to have their comments in the document).

Written comments about the draft Action Plan may be submitted to:

Indiana Office of Community and Rural Affairs
One North Capitol – Suite 600
Indianapolis, IN 46204-2288

NOTICE OF PUBLIC HEARING
FY 2009 CONSOLIDATED PLAN FOR FUNDING

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 2009. In accordance with this regulation, the State is providing the opportunity for citizens to comment on the 2009 Consolidated Plan Update draft report, which will be submitted to the US Department of Housing and Urban Development (HUD) on or before May 15, 2009. 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 2009 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 Shelter Grant Program
Housing Opportunities for Persons With AIDS Program

These public hearings will be conducted **on Friday, April 24** 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 46208
2:00-4:00 p.m. or
5:30-7:30 p.m.

Lafayette
3101 South Creasy Lane
Ivy Hall
Room 1112
Lafayette, IN 47903
2:00-4:00 p.m. or

Warsaw
3755 Lake City Highway
Room 301
Warsaw, IN 46580
2:00-4:00 p.m. or
5:30-7:30 p.m.

Valparaiso
3100 Ivy Tech Drive
Room D110
Valparaiso, IN 46383
2:00-4:00 p.m. or
5:30-7:30 p.m.

Richmond
Johnson Hall
2357 Chester Boulevard
Room 1170W
Richmond, IN 47374
2:00-4:00 p.m.

Madison
590 Ivy Tech Drive
Lecture Hall
Madison, IN 47250
2:00-4:00 p.m.

Evansville
3501 N. First Avenue
Evansville, IN 47710
2:00-4:00 p.m. or
5:30-7:30p.m.

All times are listed as Eastern Daylight Time.

If you are unable to attend the public hearings, written comments are invited April 6, 2009 through May 6, 2009, at the following address:

Consolidated Plan
Indiana Office of Community and Rural Affairs
One North Capitol – Suite 600
Indianapolis, IN 46204-2288

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 2009 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 C.
CDBG 2009 Allocation Plan

STATE OF INDIANA

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

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS

FY 2009 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 2009. **The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds for FY 2009 is $30,866,525.**

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 2009, 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.

Activities and projects funded by the Office of Community and Rural Affairs must be eligible for CDBG assistance pursuant to 24 CFR 570, et. seq., and meet one of the three (3) national objectives prescribed under the Federal Housing and Community Development Act, as amended (Federal Act). To fulfill a national CDBG objective a project must meet one (1) of the following requirements pursuant to Section 104 (b)(3) of the Federal Act, and 24 CFR 570.483, et seq., and must be satisfactorily documented by the recipient:

1. Principally benefit persons of low and moderate income families; or,

2. Aid in the prevention or elimination of slums and blight; or,

3. Undertake activities, which have urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where no other financial resources are available to meet such needs.

In implementing its FY 2009 CDBG Consolidated Plan, the Indiana Office of Community and Rural Affairs will pursue the following goals respective to the use and distribution of FY 2009 CDBG funds:

GOAL 1: Invest in the needs of Indiana's low and moderate income citizens in the following areas:

a. Safe, sanitary and suitable housing
b. Health services
c. Homelessness
d. Job creation, retention and training
e. Self-sufficiency for special needs groups
f. Senior lifestyles

The Office of Community and Rural Affairs will pursue this goal of **investing in the needs of Indiana's low and moderate income citizens** and all applicable strategic priorities by distributing CDBG funds in a manner which promotes suitable housing, viable communities and economic opportunities.

GOAL 2: Invest in the needs of Indiana's communities in the following areas:

a. Housing preservation, creation and supply of suitable rental housing
b. Neighborhood revitalization
c. Public infrastructure improvements
d. Provision of clean water and public solid waste disposal
e. Special needs of limited-clientele groups
f. Assist local communities with local economic development projects, which will result in the attraction, expansion and retention of employment opportunities for low and moderate income persons

The Office of Community and Rural Affairs will pursue this goal of investing in the needs of Indiana's communities and all applicable strategic priorities by distributing CDBG funds in a manner which promotes suitable housing, preservation of neighborhoods, provision and improvements of local public infrastructure and programs which assist persons with special needs. The Office of Community and Rural Affairs will also pursue this goal by making CDBG funds available to projects, which will expand and/or retain employment opportunities for low and moderate income persons.

GOAL 3: Invest CDBG funds wisely and in a manner which leverages all tangible and intangible resources:

a. Leverage CDBG funds with all available federal, state and local financial and personal resources
b. Invest in the provision of technical assistance to CDBG applicants and local capacity building
c. Seek citizen input on investment of CDBG funds
d. Coordination of resources (federal, state and local)
e. Promote participation of minority business enterprises (MBE) and women business enterprises (WBE)
f. Use performance measures and continued monitoring activities in making funding decisions

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 2009 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 2009 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 2009 Consolidated Plan if the Office of Community and Rural Affairs' **Method of Distribution for FY 2009 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 2009 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 2009 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 2009 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 not 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. This requirement shall not apply to principal and interest balances within a local CDBG Revolving Loan Fund approved by the Office of Community and Rural Affairs pursuant to 24 CFR 570.489.

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

FY 2009 FUND DISTRIBUTION

Sources of Funds:

FY 2009 CDBG Allocation	$30,866,525
CDBG Program Income(a)	$0
Total:	$30,866,525

Uses of Funds:

1. Community Focus Fund (CFF)	$23,048,549
2. Housing Programs	$4,166,981
3. Community Economic Development Fund	$1,200,000
4. Micro-enterprise Assistance Program	$225,000
5. Quick Response Fund	$0
6. Technical Assistance Fund	$308,665
7. Planning Fund	$1,200,000
8. Administration	$717,330
Total:	$30,866,525

(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 2009 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. CDBG program income funds contained in a duly established local Revolving Loan Fund(s) for economic development or housing rehabilitation loans which have been formally approved by the Office of Community and Rural Affairs. However, all local revolving loan funds must be “revolving” and cannot possess a balance of more than $100,000 at the time of application of additional CDBG funds.

3. Program income generated by CDBG grants awarded by the Office of Community and Rural Affairs (State) using FY 2009 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, except locally-administered revolving loan funds approved by the Office of Community and Rural Affairs, 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): $23,048,549

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. Typical Community Focus Fund (CFF) projects include:

1.	Infrastructure improvements (water, sewer, storm water)	$12,048,549
2.	Emergency Services projects (fire trucks, fire stations, ems stations)	$3,500,000
3.	Other public facilities (i.e., senior centers, health centers, libraries)	$4,000,000
4.	Downtown revitalization projects	$2,000,000
5.	Historic preservation projects	$1,000,000
6.	Brownfield/Clearance projects	$500,000

Applications will be accepted and awards will be made on a competitive basis two (2) times a year. Approximately one-half of available CFF funds shall be budgeted for each funding round. A third competitive round will be held in July of each program year at the discretion of the Office of Community and Rural Affairs (OCRA) to expend any remaining/de-obligated prior years funding.

Awards will be scored competitively based upon the following criteria (total possible numerical score of 750 points):

1. Economic and Demographic Characteristics: 500 Points - Variable by Each Application:

a. Benefit to low and moderate income persons: 250 points
b. Community distress factors: 250 points

2. Project Design Factors: 200 Points - Variable by Each Application:

a. Project Description
b. Project Need
c. Financial Impact

3. Local Match Contribution: 25 Points - Variable by Each Application:

4. Leveraging of Philanthropic Capital: 25 Points – Variable by Each Application:

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

The specific threshold criteria and basis for project point awards for CFF grant awards are provided in attachments hereto. The Community Focus Fund (CFF) Program shall have a maximum grant amount of $600,000 for water, sewer and storm drainage projects, $150,000 for fire trucks and $500,000 for all other projects. The applicant may apply for only one project in a grant cycle. The only exception to these limits will be for those CFF applicants who apply for the Office of Community and Rural Affairs' Minority Business Enterprise (MBE) Utilization Program. Under this program, the Office of Community and Rural Affairs will allocate an additional amount of CDBG-CFF grant funds to those applicants who are awarded CFF grants and who have met the requirements of the MBE incentive program. The maximum additional allocation to the CFF grant amount will be five-percent (5%) of the total amount of CDBG allocated to each CFF budget line item to be considered participatory for such MBE utilization, limited to $30,000 ($600,000 X 0.05 = $30,000).

Projects will be funded in two (2) cycles each year with approximately a six (6) month pre-application and final-application process. A third competitive round will be held in July each year at the discretion of OCRA to expend all CDBG funds in a timely manner. 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 and D 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: $4,166,981

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 2009 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 e 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.

Eligible CEDF activities will also include grants to applicants for job-training costs for low and moderate income persons as a limited clientele activity under 24 CFR 570.483(b)(2)(v), as well financial assistance to eligible entities to carry out economic development activities authorized under Section 105(a) of the Housing and Community Development Act of 1974, as amended.

Projects/applications will be evaluated using the following criteria:

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.

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 and/or job training 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 12 months following the date of substantial completion of project construction activities. 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 public improvements.

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, financial assistance, and/or job training 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 an amount of $10,000 per job created; at least fifty-one percent (51%) of all such jobs, during the project period, shall be given to, or made available 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 and/or job training 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, or made available 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. Micro-enterprise Assistance Program: $225,000

The Office of Community and Rural Affairs will set aside $225,000 of its FY 2009 CDBG funds for a Micro-enterprise Assistance Program. The Office of Community and Rural Affairs will make grants to units of local government to carry out various activities eligible under 24 CFR 507.203-204. The Office of Community and Rural Affairs will award such grants on a competitive basis.

E. The Quick Response Fund: $0

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

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

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

The Quick Response Fund will also be available to eligible activities, which meet the "benefit to low and moderate income" or "prevention and elimination of slums and blight" goals of the Federal Act. 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.

F. Technical Assistance: $308,665

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 2009 Consolidated Plan is $308,665, which constitutes one-percent (1%) of the State’s FY 2009 CDBG allocation of $30,866,525. 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.

G. Planning Fund: $ 1,200,000

The State (Office of Community and Rural Affairs) will set aside $1,200,000 of its FY 2009 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.

H. Administrative Funds Set-aside: $717,330

The State (Office of Community and Rural Affairs) will set aside $717,330 of its FY 2009 CDBG funds for payment of costs associated with administering its State Community Development Block Grant (CDBG) Program (CFDA Number 14.228). This amount ($717,330) constitutes two-percent (2%) of the State's FY 2009 CDBG allocation ($617,330), plus an amount of $100,000 ($30,866,525 X 0.02 = $617,330 + $100,000 = $717,330). The amount constituted by the 2% set aside ($617,330) 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, 2009, and ending June 30, 2009, unless subsequently amended, for all FY 2009 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), Micro-enterprise Assistance Program (MAP), Quick Response Program (QR), 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) 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 Community Affairs. 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 and 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 Grants Supports 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 2009 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) 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 CDBG-CFF grant or CDBG-Planning grant (Indiana cities and incorporated towns).

   c. For those applicants with one open CFF, a "Notice of Release of Funds and Authorization to Incur Costs" must have been issued for the construction activities under the open CFF 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 and/or Planning Grants and apply for a third CFF or Planning Grant. A county may have only three (3) open CFF's or Planning Grants. Both CFF contracts must have an executed construction contract by the application due date.

2. The cost/beneficiary ratio for CFF funds will be maintained at $5,000, except for economic development projects where that ratio will not exceed $10,000. Housing-related projects are to be submitted directly to the Indiana Housing & Community Development Authority (IHCDA) under its programs.

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

4. The applicant may only submit one proposal or application per round. 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 a county 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 2009 Consolidated Plan

D. Quick Response Program:

Applicants for the Quick Response Program funds must meet the General Criteria set forth in Section A above, plus the specific program income requirements set forth in the "Method of Distribution" section of this document.

E. 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.

ATTACHMENT D

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

Community Focus Fund (CFF) and Planning Grants (PL) must achieve a minimum score of 525 points (70%) to be eligible for award.

NATIONAL OBJECTIVE SCORE (250 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: 250 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 3.125

The point total is capped at 250 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: 250 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 3.125

___ Community is an Indiana Main Street Senior Partner or Partner, and the project relates to downtown revitalization (10 pts.)

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

___ The building or district is listed on the Indiana or National Register of Historic Places (20 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"
(30 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.

COMMUNITY DISTRESS FACTORS (250 POINTS):

The community distress factors used to measure the economic conditions of the applicant are listed below. Each is described with an explanation and an example of how the points are determined. Each factor can receive a maximum of 50 points with the total distress point calculation having a maximum of 250 points. The formula calculation for each measure is

constructed as a percentage calculation along a scale range. The resulting percentage is then translated into a point total on a fifty point scale for each measure.

Unemployment Rate (50 points maximum): Unemployment rate for the county of the lead applicant. The most recent average annual rate available is used.

a. If the unemployment rate is above the maximum value, 50 points are awarded.
b. If the unemployment rate is below the minimum value, 0 points are awarded.
c. Between those values, the points are calculated by taking the unemployment rate, subtracting the minimum value, dividing by the range, and multiplying by 50.

Unemployment Rate Points = [((Unemployment rate – minimum)/range) X 50]

For example, if the unemployment rate is 4.5%, the minimum value is 2.6%, maximum value is 9.7%, and range is 7.1%, take unemployment rate of 4.5%, subtract the minimum value of 2.6%, divide by a range of 7.1%, and multiply by 50. The score would be 13.38 point of a possible 50; [((4.5 – 2.6)/7.1) X 50].

Net Assessed Value/capita (50 points maximum): Net assessed value per capita (NAV pc) for lead applicant[1]. The most recent net assessed valuation figures[2], as well as the most recent population figures are used.

To determine the NAV pc, divide the net assessed valuation by the population estimate for the same year. For example, for 2002 NAV pc, you would divide the 2002 NAV by the Census Bureau's estimate of the population on July 1, 2002.

NAV per capita = NAV/Total Population

d. If the net assessed value per capita for the lead applicant is above the maximum value, 0 points are awarded.
e. If the net assessed value per capita for the lead applicant is below the minimum value, 50 points are awarded.
f. Between those values, the points are calculated by subtracting 50 from the NAVpc minus the minimum value, divided by the range and multiplied by 50.

NAV per capita points = 50 – [((NAV pc – minimum)/range) X 50]

For example, if the NAVpc is $29,174, the minimum value is $2,589 (excluding outliers), maximum value is $75,524 (excluding outliers), and the range is $72,935, take 50, subtract the NAV/capita of $29,174 minus the minimum value of $2,589, divide by the range of $72,935, and multiply by 50. The score would be 31.78 points of a possible 50 points; 50 – [((29,174 - 2,589)/72,935) X 50].

Median Housing Value (50 points maximum): Median Housing Value (MHV) for lead applicant[3]. Data from the most recent census are used.

Median Housing Value Points = 50 – [((MHV – minimum)/range) X 50]

g. If the median housing value for the lead applicant is above the maximum value, 0 points are awarded.
h. If the median housing value for the lead applicant is below the minimum value, 50 points are applicant.

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[1] For unincorporated areas, the NAV pc will be calculated based on data at the township level.

[2] All applicants will utilize the same basis, i.e., true tax value or market value, for the NAV pc calculation.

[3] For unincorporated areas MHV will be calculated based on data at the township level.

For example, if the median housing value is $79,000, the minimum value is $24,300 (excluding outliers), maximum value is $246,300 (excluding outliers) and the range is $222,000. Take the MHV of $79,000 minus the minimum value of $24,300, divide the difference by the range of $222,000, and multiply by 50 then subtract this amount from 50. The score would be 37.68 points out of a total possible of 50; 50 – [((79,000 – 24,300)/222,000) X 50].

Median Household Income (25 points maximum): Median household income (MHI) for the lead applicant[4]. Data from the most recent census are used.

Median Household Income Points = 25 – [((MHI – minimum)/range) X 25]

i. If the median household income is above the maximum value, 0 points are awarded.
j. If the median household income is below the minimum value, 25 points are awarded.
k. Between those values, the points are calculated by subtracting 25 from the MHI minus the minimum value, divided by the range, and multiplied by 25.

For example, if the Median Household Income is $35,491, the minimum value is $16,667 (excluding outliers), maximum value is $97,723 (excluding outliers), range is $81,056, take 25, subtract the MHI of $35,491, minus the minimum value of $16,667, divide by the range of $81,056, and multiply by 25. The score would be 19.19 points out of a possible 25; 25 – [((35,491 – 16,667)/81,056) X 25].

Family Poverty Rate (25 points maximum): Family poverty rate for the lead applicant[5]. Data from the most recent census are used.

Family Poverty Rate Points = [((Family Poverty Rate – minimum)/range) X 25]

l. If the family poverty rate is above the maximum value, 25 points are awarded.
m. If the family poverty rate is below the minimum value, 0 points are awarded.
n. Between those values, the points are calculated by subtracting the Family Poverty Rate from the minimum value, then dividing by the range, and multiplying by 25.

For example, if the family poverty rate is 1.4%, the minimum value is 0% (excluding outliers), maximum value is 25% (excluding outliers), and range is 25%, take family poverty rate of 1.4%, subtract the minimum value of 0%, divide by a range of 25%, and multiply by 25. The score would be 1.4 points of a possible 50; [((1.4 – 0)/25) X 25]

Percentage Population Change (50 points maximum): Percentage population change from 1990 to 2000 for the lead applicant[6]. The percentage change is computed by subtracting the 1990 population from the 2000 population and dividing by the 1990 population. Convert this decimal to a percentage by multiplying by 100.

Percentage Population Change = [(2000 population - 1990 population)/1990 population] X 100

o. If the population changed above the maximum percentage value, 0 points are awarded.

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[4] For unincorporated areas MHI will be calculated based on data at the township level.

[5] For unincorporated areas Family Poverty Rate will be calculated based on data at the township level.

[6] For unincorporated areas percentage population change will be calculated based on data at the township level.

p. If the population changed below the minimum percentage value, 50 points are awarded.
q. Between those values, the points are calculated by subtracting 50 from the percentage population change minus the minimum value divided by the range, and multiplied by 50.

Percentage Population Change points = 50 – [(Percentage population change – minimum)/range) X 50]

For example, if the population increased by 16.61%, the minimum value is –61.33% (excluding outliers), maximum value is 181.27% (excluding outliers), range is 242.60%, take 50, subtract 16.61% minus the minimum value of –61.33%, divide the range of 242.60%, and multiply by 50. The score would be 33.94 points out of a total possible of 50; 50 – [((16.61 – (-61.33)/242.60) X 50].

LOCAL MATCH CONTRIBUTION (25 POINTS):

Up to 25 points possible based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X .5

Eligible local match can be local cash, debt or in-kind sources. Government grants are not 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, Community Affairs Division four weeks prior to application submission.

PROJECT DESIGN FACTORS (200 POINTS):

200 points maximum awarded according to the evaluation in three areas:

Project Description – is the project clearly defined as to determine eligibility? – 40 points
Project Need - is the community need for this project clearly documented? – 80 points
Financial Impact - why is grant assistance necessary to complete this project? – 80 points

The points in these categories are awarded by the OCRA review team when evaluating the projects. Applicants should work with OCRA 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 2004. When applying for a water system upgrade (or a new water tower because the one they purchased failed) in Round I of 2009, they would be subject to a point reduction of 50pts. In Round II of 2009 they would be subject to a point reduction of 25pts.

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 2009 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 2009 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.

of the clients who are housed by emergency housing or transitional housing will have accessed permanent housing upon leaving the facility. (Clients who stay at least 30 days at the shelter/transitional or transitional housing).

APPENDIX D.
HOME 2009 Allocation Plan

APPENDIX E.
ESG 2009 Allocation Plan

EMERGENCY SHELTER GRANT

Program Allocation Plan

Program Year 2009

Method of Distribution

The funds will be made available to shelters and transitional housing via a competitive statewide request for proposal (RFP). The funds will be allocated utilizing a scoring tool that will focus on the shelter's quality and effectiveness of services provided and their capacity to manage their operations. Two different readers will read the RFP and the average of the two scores will be utilized to determine the amount of the award. If the two scores are too far apart, a third reader will be made available to provide a balanced score. The readers will include persons who are familiar with the ESG Grant, federal funds and RFP scoring.

Indiana Housing and Community Development Authority scoring tool includes some of these factors:

Organizational Capacity:

- Policy & Procedures of Financial Management
- Involvement of the shelter in their Continuum of Care Region and of other regional homeless networks
- Board of Director's Responsibilities and Community Involvement
- Homeless Documentation Process
- Timely Progress and Performance Reports
- Utilizing all ESG funds from prior year award

Program Narrative & Services Provided:

- Services offered at the shelter for homeless clients
- Services that are referred out by the shelter to other agencies
- Ensuring clients are applying for mainstream resources
- Services provided and referred to the clients to help transition them to permanent housing
- The number of available shelter beds and capacity of shelter beds with point in time counts
- The number of persons served from the previous year

Below are the reports that were utilized to determine number served capacity utilization of the shelter and timely reporting.

- 2008-2009 Quarterly Performance Reports
- 2008 Semi-Annual Report
- 2008 Annual Report
- Applicable monitoring reviews and related correspondence

Monitoring Reports: (new changes from last year consolidated plan page 30 of Section IV)

ESG Grantees are required to submit quarterly performance reports, semi-annual and annual reports to the Special Needs Program Monitor.

All the reports will be considered late one business day afer they are due. Points will be deducted on the next ESG application for those who are late.

The performance goals that are required to be tracked should be met at the end of the fiscal year (July-June) year as stated.

2009 Anticipation of Allocations by Activity:

	Dollars	Percent	#Shelters
Operations:	$ 1,435,157	74%	83
Essentials:	$ 404,736	21%	53
Homeless Prevention:	$ 77,159	.04%	22
Administration:	$ 96, 448	.05%	NA
Total:	$1,928,975		

ESG Activities and 2009 Expected Accomplishments:

Through the ESG Program, provide operating support to shelters, homeless prevention funding and essential support for case management and services to homeless persons.

Activities:

- Operating Support – An anticipated 83 shelters receiving support. Approximately $1,442.700 will be allocated in 2009

- Homeless Prevention activities – An anticipated 22 shelters provided with homeless prevention activity funding. Approximately $74,000 will be allocated in 2009

- Essential Services – An anticipated 53 shelters provided with funding for essential services. Approximately $400,000 will be allocated in 2009.

- Anticipated Match: Shelters match 100 percent of their awards through cash match or in-kind services.

- Anticipated Counties: Approximately 89 counties will be assisted

- Anticipated number of clients will be served: 30,000 (unduplicated count)

Other Activities:

- Require the use of the Homeless Management Information System (HMIS). This will be accomplished by funding only entities that agree to participate in HMIS and only continue funding when information is entered in HMIS on a regular and consistent basis. ESG coordinator will periodically check with the HMIS software system coordinator to watch over regular participation. Reimbursed claims are based upon the completeness of HMIS

- Encourage ESG grantees to attend their local Continuum of Care Meetings regularly. The 2009 ESG RFP will have a scored question pertaining to attendance at the Continuum of Care Meetings in their regions.

Overall ESG Outcomes: Increase the availability and access to services, mainstream resources, case management, and financial assistance, employment assistance, counseling for drug/alcohol abuse, mental illness, domestic violence, and veterans and youth pregnancy. By utilizing these activities, individuals will increase their ability to access permanent housing and decrease the likelihood of repeated homelessness.

The performance indicators are organized around the type of services that the shelter or the transitional housing offers. The Performance Options are under Day Shelter/Night Shelter Services, Emergency Shelter/Overnight Stays and Transitional Housing Services. It is anticipated that the shelters will achieve the required percent of each of their goals that are provided under these three categories. Below are the performance indicators.

ESG Performance Based Options 2009-2010

Each grantee will be required to follow three (3) objectives under one category that best describes their shelter. These three performance based objectives must be followed throughout the fiscal year (July 1, 2009-June 30, 2010).

A Performance Report will be due quarterly: **October 9, 2009, January 11, 2010, April 9, 2010, and July 9, 2010.** The shelter must reach the percentage goal or above by the end of the fiscal year. The measurement for each goal should be documented and the reports should summarize the number of clients who met each goal within the specified reporting period. The report should not contain clients' personal identifying information.

Day Shelter/Night Shelter Only:

1. **80%** of all clients will establish a case/care plan within 7 days of admission.

2. **85%** of clients will **receive** mainstream services if applicable to the programs. (Ex: Food Stamps, Medicaid, Medicare, VA benefits, SSI, SSDI, etc.)

3. 85% of clients will have a complete client assessments/intake within 72 hours.

Emergency Shelter /Overnight Stay:

1. **40%** of clients will access transitional or permanent housing upon successful completion from the program (for clients who stay at least 30 days or more).

2. **50%** will increase their income or be employed upon exit from the program (for clients who stay 30 days or more in the program).

3. **80%** of clients will receive case management/and or counseling at least 1 time a week that stay more than 7 days for emergency shelters.

Transitional Housing (up to 24 month stay):

1. **50%** of clients who stay at least 60 day will be employed upon exit from program.

2. **70%** of the transitional residents will move from transitional to permanent housing.

3. **80%** of clients who reside in transitional units will receive case management at least 1 time a month and reach 1 goal prior to exiting the program.

<u>IDIS ESG Performance Measurement Goals:</u>

1. Essential Service Activity:

Objective: Suitable Living Environment

Emergency shelters and/or transitional housing provide case management, housing search, substance abuse counseling, mainstream resource assistance, employment assistance, and individual assistance to clients who are homeless

Outcomes: Availability/Accessibility
An anticipated 53 shelters will give access of essential services to those who are homeless. Approximately 80% of the clients at each shelter will be provided with case management, mainstream resource assistance along with housing and employment assistance (See ESG Performance Based Options for 2009-2010) Approximately 16,000 clients will be assisted with essential services by approximately 53 shelters.

2. Operations Activity:

Objective: Suitable Living Environment
Emergency shelters and/or transitional housing provide temporary housing for homeless individuals and families. The shelters provide all the client's necessities of food, clothing, heat, bed, bathroom facilities, laundry facilities, and a mailing address. The facilities provide assistance to self-sufficiency once again.

Outcomes: Availability/Accessibility
An anticipated shelter will provide access to emergency housing and basic needs for those who are homeless. All of the grantees participate in housing and/or providing basic needs to clients. Approximately 19,000 of clients will be assisted with temporary emergency housing.

3. Homeless Prevention Activity:

Objective: Decent Housing
Emergency housing facilities provide rental assistance to prevent eviction, utility assistance and legal services for tenant mediation

Outcomes: Affordability
An anticipated 22 shelters will provide rental assistance and utility assistance to approximately 970 clients who request assistance.

<u>Consolidated State Plan Goal:</u>

Goal: Reduce homelessness and increase housing stability for special needs populations who seek emergency shelters for assistance.

Outcomes: Increase the availability and access to services, mainstream resources, and case management, and financial assistance, employment assistance, counseling for drug/alcohol abuse, mental illness, domestic violence, veterans, and youth pregnancy. By utilizing these activities it will increase their ability to access permanent housing and decrease the likelihood of repeated homelessness. **Anticipate that approximately 28%**

APPENDIX F.
HOPWA 2009 Allocation Plan

HOPWA ALLOCATION PLAN
2009 Action Plan

Program Overview

The Housing Opportunities for Persons with AIDS program provides the resources and incentives to move individuals and families out of high risk housing situations and into stable permanent housing while preparing them to become self sufficient and prevent them from becoming homeless or unstable again. HOPWA works in conjunction with other programs that provide health care, case management, main stream benefits, and wrap around services in order to increase access to services and opportunities needed to maintain housing. The HOPWA grant is one of the primary resources used for funding activities which benefit persons with HIV/AIDS in Indiana. IHCDA contracts with HIV/AIDS care sites and other Non-Profit organizations to administer the HOPWA program statewide. These agencies provide direct services to meet the local need of their area. The program provides financial assistance and operating dollars to provide housing and wrap around services focused on housing placement, information, and supportive services to maintain housing.

Purpose of HOPWA

HOPWA provides states and localities with the resources and incentives to devise long-term comprehensive strategies for meeting the housing and support services needs of low income persons and families of persons with AIDS and HIV-related diseases. A broad range of housing-related activities may be funded under HOPWA. HOPWA also funds supportive services related to housing barriers and program delivery dollars and administration funds in order to successfully operate the program.

HOPWA funds provide temporary financial assistance in the form of rental, utility, and mortgage assistance. This funding keeps individuals and families in their current housing situation and prevents them from becoming homeless. Long Term rental assistance is provided to those who face multiple barriers to obtaining and remaining in permanent housing. Housing case management and supportive services can be used in combination with financial assistance or to those not accessing HOPWA financial assistance. This program element helps remove housing barriers and creates a continued support system. The goal is prevention and long term independence and stability. The HOPWA program addresses the specific needs of persons living with HIV/AIDS and their families.

HOPWA Performance based goals.

- Housing Stability
- Homeless Prevention
- Access to Care and Support
- IDIS Goals

- Availability/Accessibility and Decent Housing (housing information, supportive services, housing placement)
- Affordability and Decent Housing (Short term rent, mortgage, utility assistance; long term rental assistance; facility based housing operations)

Eligible sponsor applicants. Non-profit organization that meets following:

- Applicants must be a 501 (c) 3 or 501(c) 4 non-profit agency and must include documentation of non-profit status.
- Applicants do not have any unresolved IHCDA or HUD findings against the agency.
- Applicants have not had any state funds recaptured in the past.
- Any agency on the Indiana Housing & Community Development Authority Suspended List will not be awarded.
- All Grantees must have Internet access with e-mail availability.
- All Grantees must sign a contract/agreement with IHCDA.

Eligible beneficiaries.

- A person with acquired immunodeficiency syndrome (AIDS) or related diseases who is a low income individual as defined in 24 CFR Part 574.3, and the person's family.
- Beneficiaries must provide documentation of HIV/AIDS and low-income status prior to receiving HOPWA assistance.
- Beneficiaries must reside in Indiana.
- Services must be provided in Indiana

Application Steps and Deadlines

Applicants must complete an application package that can be downloaded from IHCDA's website and submit it to IHCDA by the appropriate deadline.

Eligible program participants—must be below 80 percent of area median income and have documentation of HIV/AIDS Status. Non eligible program participants can receive housing information services in order to promote housing stability and homeless prevention throughout all local Indiana communities.

Eligible activities—activities are assembled into categories in order to ensure a comprehensive program that identifies and targets the specific needs of the individuals and families receiving assistance. The funding of a variety of activities creates a network of housing specific supportive

services and housing assistance choices. Activities are clearly identifies and defined so that it is easy to serve the clients once needs are identified. These activities contracted to be used in thoughtful manner in order to efficiently and effectively remove housing barriers and maintain long term stable housing.

Financial assistance. This assistance comes in the form of rental, mortgage, and utility assistance. It can be used to house individuals and families or assist present renters and homeowners to remain in their current residence.

Rental Assistance: Ongoing monthly tenant-based rental assistance provided to a household for a period not to exceed 12 months of Fair Market Rent

Short-term Rent, Mortgage and Utility Assistance: time limited housing assistance in the form of short term rent, mortgage, and or utility assistance designed to prevent homelessness and increase housing stability.

Housing case management—Housing case management identifies the service dollars of the HOPWA program. Providing these activities creates a comprehensive administration that incorporates financial assistance and wrap around services.

Permanent Housing placement- funds used to help establish permanent residence when continued occupancy is expected.

Housing information- funds for counseling, information, and referral services to assist an eligible person to locate, acquire, finance, and maintain housing.

Supportive Services: to be used remove housing barriers and increase self sufficiency. IHCDA has capped the amount grantees can ask for at 35% of the total of all housing case management activities. This was implemented in 2009 to move grantees into emphasize HOPWA as a housing program. These dollars can be used for all HUD defined supportive service activities.

Housing operations used to operate a building, unit, or facility for HOPWA clients.

Facility Based- funds used to operate facilities that that provide permanent housing

Short Term Supported Housing- funds used to provide short term housing to persons who are homeless in order for them to successfully be placed in permanent housing

Administration

- Program delivery—funds utilized to deliver items specific to the HOPWA program and administer eligible activities
- Technical assistance—not utilized but if agencies inquire about funding would be made available through formal application process.

- Resource identification—not utilized but if agencies inquire about funding would be made available through formal application process.

Allocation of funds. Applications for HOPWA funds are accomplished via submission of a "Request for Proposal" that details how respective care sites will administer the HOPWA program. IHCDA reserves the right and shall have the power to allocate funds irrespective of the annual plan submission, if such intended allocation is (1) in compliance with the applicable statutes; (2) in furtherance of promoting affordable housing and homeless outreach; and (3) determined by IHCDA's Board of Directors to be in the interests of the citizens of the state of Indiana.

In order to ensure statewide access to HOPWA funds, IHCDA utilizes the Indiana State Department of Health (ISDH) HIV Care Coordination Regions. IHCDA has assigned a maximum funding amount available in each of the eleven regions of the state served by the Indiana HOPWA funds. HOPWA funds are allocated to the HOPWA Care Coordination Regions on a formula basis assigned by utilizing ISDH's most current epidemiological data showing the current number of reported HIV/AIDS cases in each county.

Each Care Coordination Region receives their applicable amount of HOPWA funding based on the total number of reported HIV/AIDS cases in their service. The totals of all counties in a region were added resulting in the final total for each region. Utilizing only the ISDH epidemiological data is not sufficient information to meet local community needs. Other factors will be included such as amount of funding going towards housing specific activities; number of clients served in the previous year, and accumulated score of their 2009 request for proposal. Many factors will influence funding in order to best serve the low income HIV/AIDS local population.

For program year 2009 HOPWA funding, IHCDA invited existing project sponsors submit request for proposals detailing their use of HOPWA funds for the period of July 1, 2009 to June 30, 2010. IHCDA's goal for the HOPWA program is to reduce homelessness and increase housing stability for people living with HIV/AIDS and their families. Existing project sponsors provided information on their HOPWA programs ability to support that goal and deliver the outcome of increasing the availability of housing units for people living with HIV/AIDS and their families and increasing their housing stability.

Allocations will be determined by the following

- Need as demonstrated by data collection and scientific resources
- ISDH epidemiologic data
- #'s served in previous years
- #'s successfully housed
- Funding towards housing related activities
- Formal plans to serve specific populations
- Agency score accumulated from competitive R FP

Request for Proposal Competitive Requirements:

- Organizational Capacity
- Finances and Leverage
- Supportive Services and Hosing Placement
- Evaluation and Performance Outcomes
- Proposed Outcomes of the program
- 200 houses assisted with Rental Assistance
- 300 houses to assisted with Short term
- 100 houses to be assisted with housing placement
- 75 homes to be provide with housing information
- 200 clients to be served with supported services that support the maintenance of families and individuals in permanent housing
- 10 units to be supported with operating dollars

Reporting and measurement of outcomes

- Required completion of an electronic *Semi-Annual Report* and *Annual Report* per fiscal year. The Semi-Annual report will be due in January and the Annual Report will be due in July.

- Integration of HMIS (2 sponsors now utilizing HMIS data base system)

- All contract agreements will be performance-based. Sponsors are required to set three (3) performance objectives corresponding to HUD HOPWA program evaluation priorities. The agency is required to complete all objectives for the program within the funding year. The agency will show documentation of these outcomes by completing the semi-`annual and annual report.

- Integration of the Dimensions of Quality

Reporting procedures

HOPWA project sponsors are required to submit an annual performance report detailing their use of HOPWA funds and provide demographic information on beneficiaries served with the program.

Cash and in-kind match required—Not applicable.

Limitations on use of funds—Funds can only be used for the defined eligible activities and in counties outside of Boone, Brown, Clark, Dearborn, Floyd, Franklin, Hamilton, Hancock, Harrison, Hendricks, Johnson, Marion, Morgan, Ohio, Putnam, Scott, Shelby, and Washington.