

**Draft Report**

**State of Indiana  
Consolidated Plan**

2011 Action Plan

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**Draft Report**

April 8, 2011

**State of Indiana Consolidated Plan  
2011 Action Plan**

**Prepared for**

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Indiana Housing and Community Development Authority  
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# FREQUENTLY USED ACRONYMS

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

# FREQUENTLY USED ACRONYMS

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

# **EXECUTIVE SUMMARY**

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## EXECUTIVE SUMMARY

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.

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 2011 Action Plan of the Consolidated Plan. The State of Indiana's Five-Year Consolidated Plan covers the years from 2010 through 2014. This report contains new information about demographic, economic and housing market trends in the State; an analysis of Statewide affordable housing needs; findings from the citizen participation process; and an analysis of the needs of special populations. The report also contains the Five-Year Strategic Plan and 2011 Action Plan. The 2011 Action Plan report is a plan for how the State proposes to allocate the CDBG, HOME, ESG and HOPWA during the 2011 program year, July 1, 2011 to June 30, 2012.

### **Five-Year Goals, Objectives and Outcomes and 2011 Action Plan**

The State of Indiana has established the following goals, objectives and outcomes to guide its Consolidated Plan for program years 2010 to 2014. The State of Indiana certifies that not less than seventy-percent (70 percent) of FY 2011 CDBG funds will be expended for activities principally benefiting low and moderate income persons, as prescribed by 24 CFR 570.484, et. seq.

## **Decent Housing:**

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

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

#### *DH-2.1 outcomes/goals:*

- Support the **production of new affordable rental units** and the **rehabilitation** of existing affordable rental housing.
  - **Five year outcome/goal:** 675 housing units
  - **2011 outcome/goal:** 100 housing units; \$3,000,000, HOME
    - **Targeted to elderly and persons with disabilities** 50 housing units

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

#### *DH-2.2 outcomes/goals:*

- Provide and support homebuyer assistance through **homebuyer education and counseling and downpayment assistance**.
  - **Five year outcome/goal:** 2,500 households/housing units
  - **2011 outcome/goal:** 700 households/housing units; \$4,000,000, HOME
- Provide funds to organizations for the **development of owner occupied units**.
  - **Five year outcome/goal:** 125 housing units
  - **2011 outcome/goal:** 25 housing units; \$1,000,000, HOME
    - **Targeted to special needs populations** 5 housing units
- Provide funds to organizations to complete **owner occupied rehabilitation**.
  - **Five year outcome/goal:** 1,500 housing units
  - **2011 outcome/goal:** 300 housing units; \$500,000, CDBG & \$2,554,434 HOME
    - **Targeted to elderly and persons with disabilities** 200 housing units

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

#### *DH-2.3 outcomes/goals:*

- Provide funding for **predevelopment loans** to support affordable housing.
  - **Five year outcome/goal:** 25 housing units
  - **2011 outcome/goal:** 5 housing units; \$250,000, HOME

- Provide funding for **organizational capacity**.
  - **Five year outcome/goal:** 80 housing units
  - **2011 outcome/goal:** 8 housing units; \$500,000, HOME

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

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

*DH-1.1 outcomes/goals:*

- Support the construction and rehabilitation of **permanent supportive housing** units.
  - **Five year outcome/goal:** 250 housing units
  - **2011 outcome/goal:** 40 housing units; \$4,000,000, HOME
    - **Targeted to special needs populations:** 40 housing units
- Provide **tenant based rental assistance** to populations in need.
  - **Five year outcome/goal:** 1,000 housing units
  - **2011 outcome/goal:** 200 housing units; \$1,000,000, HOME
    - **Targeted to special needs populations:** 200 housing units

- **Objective DH-1.2 (Availability/Accessibility):** Support activities to improve the range of housing options for special needs populations and to end chronic homelessness through the **Emergency Solutions Grant (ESG)** program by providing operating support to shelters, homelessness prevention activities and case management to persons who are homeless and at risk of homelessness.

*DH-1.2 outcomes/goals:*

- Operating support—provide shelters with operating support funding.
  - **Five year outcome/goal:** 55 shelters receiving support; \$5,411,374 over next five years
  - **2011 outcome/goal:** 55 shelters annually; \$1090,353, ESG
- Homelessness prevention activities—provide contractors with homelessness prevention activity funding.
  - **Five year outcome/goal:** 550 clients assisted; \$7,547,451 over next five years
  - **2011 outcome/goal:** 9,088 clients assisted; \$549,758, ESG

- Essential services—provide shelters with funding for essential services.
  - **Five year outcome/goal:** 53 shelters; \$2,136,078 over next five years.
  - **2011 outcome/goal:** 31 shelters, for an estimated 19,000 clients assisted annually; \$192,415, ESG
  - \*2011 program goals are based upon McKinney Vento Act as amended by HEARTH legislation. All recipients of 2011-12 ESG funding will budget 30% for homeless prevention activities, an increase from 3 percent in 2010-11**
- Anticipated match: Shelters match 100 percent of their rewards
- Anticipated number of counties assisted: 90 counties annually
- Anticipated number of clients served over next five years: 150,000 (unduplicated count) with 95,000 assisted with temporary emergency housing
- Other ESG activities:
  - Homeless Management Information System (HMIS)—Require the use of the HMIS for all residential shelter programs serving homeless individuals and families. HMIS is a secure, confidential electronic data collection system used to determine the nature and extent of homelessness and to report to HUD on an annual basis. This requirement will be met by only funding entities that either currently use HMIS system or commit to using it once awarded. The HMIS must be used on a regular and consistent basis. All users of HMIS will receive regular report cards detailing the quality of their program data with specific areas of improvement noted. The ESG Coordinator will periodically check with the HMIS coordinator to monitor utilization and data quality. Claim reimbursement is contingent upon participation in and completeness of HMIS data records. Domestic violence shelters are excluded from this requirement in accordance with the Violence Against Women’s Act.
  - Require participation in annual, statewide homeless Point-in-Time Count in late January and timely submission of this data to Indiana Housing and Community Development Authority.
  - Require all ESG grantees actively participate in their Regional Planning Council on the Homeless meetings regularly. The 2011-12 ESG RFP includes a threshold item that an applicant must have attended at least 75 percent of all of their local planning council meetings in 2010 in order to be considered for funding. Applicants who do not participate in their local homeless planning councils will not receive state ESG funding in 2011-12.

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

***DH-1.3 outcomes/goals:***

- Housing information services.
  - ***Five year outcome/goal:*** 375 households
  - ***2011 outcome/goal:*** 75 households; \$33,344, HOPWA
- Permanent housing placement services.
  - ***Five year outcome/goal:*** 500 households
  - ***2011 outcome/goal:*** 100 households; \$73,135, HOPWA
- Supportive services.
  - ***Five year outcome/goal:*** 1,000 households
  - ***2011 outcome/goal:*** 200 households; \$67,911, HOPWA

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

***DH-2.4 outcomes/goals:***

- Tenant based rental assistance.
  - ***Five year outcome/goal:*** 1,000 households/units
  - ***2011 outcome/goal:*** 200 households/units; \$444,035, HOPWA
- Short-term rent, mortgage and utility assistance.
  - ***Five year outcome/goal:*** 1,500 households/units
  - ***2011 outcome/goal:*** 300 households/units; \$208,958, HOPWA
- Facility based housing operations support.
  - ***Five year outcome/goal:*** 35 units
  - ***2011 outcome/goal:*** 7 units; \$26,120, HOPWA
- Short term supportive housing.
  - ***Five year outcome/goal:*** 100 units
  - ***2011 outcome/goal:*** 21 units; \$47,015, HOPWA

## **Suitable Living Environment:**

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

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

#### ***SL-1.1 outcomes/goals:***

- Construction of fire and/or Emergency Management Stations (EMS) stations.
  - ***Five year outcome/goal:*** 25-30 stations
  - ***2011 outcome/goal:*** 3 stations; \$1,500,000, CDBG
- Purchase fire trucks.
  - ***Five year outcome/goal:*** 10-15 fire trucks
  - ***2011 outcome/goal:*** 4 fire trucks; \$500,000, CDBG
- Construction of public facility projects (e.g. libraries, community centers, social service facilities, youth centers, etc.). Public facility projects also include health care facilities, public social service organizations that work with special needs populations, and shelter workshop facilities, in addition to modifications to make facilities accessible to persons with disabilities.
  - ***Five year outcome/goal:*** 30 public facility projects
  - ***2011 outcome/goal:*** 4 public facility projects (anticipate receiving 2-3 applications for projects benefiting special need populations); \$2,000,000, CDBG
- Completion of downtown revitalization projects.
  - ***Five year outcome/goal:*** 10 downtown revitalization projects
  - ***2011 outcome/goal:*** 1 downtown revitalization projects; \$500,000, CDBG
- Completion of historic preservation projects.
  - ***Five year outcome/goal:*** 10 historic preservation projects
  - ***2011 outcome/goal:*** 2 historic preservation projects; \$500,000, CDBG
- Completion of brownfield/clearance projects.
  - ***Five year outcome/goal:*** 10-20 brownfield/clearance projects
  - ***2011 outcome/goal:*** 1 clearance projects; \$100,000, CDBG

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

***SL-3.1 outcomes/goals:***

- Construction/rehabilitation of infrastructure improvements such as wastewater, water and storm water systems.
  - ***Five year outcome/goal:*** 120 infrastructure systems
  - ***2011 outcome/goal:*** 16 systems; \$10,523,576, CDBG

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

***SL-3.2 outcomes/goals:***

- Provide planning grants to units of local governments and CHDOs to conduct market feasibility studies and needs assessments, as well as (for CHDOs only) predevelopment loan funding.
  - ***Five year outcome/goal:*** 145 planning grants
  - ***2011 outcome/goal:*** 30 planning grants; \$1,000,000, CDBG & HOME; anticipated match, \$100,000

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

***SL-3.3 outcomes/goals:***

- Provide project support for community development projects.
  - ***Five year outcome/goal:*** 10-25 community development projects
  - ***2011 outcome/goal:***
    - Flexible Funding Program: 3 projects; \$1,000,000, CDBG;
    - Stellar Communities: 4 projects; 2,000,000, CDBG
    - Main Street Revitalization Program: 2 projects; \$500,000, CDBG

## **Economic Opportunities:**

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

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

#### ***EO-3.1 outcomes:***

- Continue the use of the OCRA's **Community Economic Development Fund (CEDF)**, which funds infrastructure improvements and job training in support of employment opportunities for low to moderate income persons.
  - ***Five year outcome/goal:*** 1,300 jobs
  - ***2011 outcome/goal:*** 200 jobs; \$2,000,000, CDBG
- Fund training and micro-enterprise lending for low to moderate income persons through the **Micro-enterprise Assistance Program**.
  - ***Five year outcome/goal:*** Will be made available if there is demand
  - ***2011 outcome/goal:*** Due to low demand this program has been suspended for 2010 and 2011.

A matrix outlining the Consolidated Plan five year goals, objectives and outcomes and action items for program year 2011 is provided at the end of this section in Figure ES-3.

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

**Part performance.** 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 following exhibits show the past performance of the four goals for the five years of the 2005-2009 Consolidated Plan period. Data is collected on each goal and is reported annually in the Consolidated Annual Performance and Evaluation Report (CAPER). Each CAPER is made available on OCRA's Web site for a minimum of 14 days' public comment period before submission to HUD.

The State typically uses a competitive application process when awarding the grants. Therefore, the actual allocations and anticipated accomplishments may not equal the proposed funding goal. For example, the State may have a goal to build 10 units of rental housing and receives no applications proposing this goal. Therefore, the goal would not be met.

Figure ES-1 and Figure ES-2 show the goals and accomplishments for program years 2005, 2006, 2007, 2008 and 2009.

**Figure ES-1.  
Goal 1 and 2 Award Goals and Accomplishments, Program Years 2005 to 2009**

Goals	Funds	Activities	Indicator	Goals					Accomplishments					
				2005	2006	2007	2008	2009	2005	2006	2007	2008	2009	
1. Expand and preserve affordable housing opportunities throughout the housing continuum.	HOME and ADDI	Transitional Housing—Rehab & New Construction	Units	for Housing from	10	11	Housing from	Housing from	for Housing from Shelters	35	4		0	
		Permanent Supportive Housing—Rehab & New Construction	Units		25	24	from	from		19	30		22	
		Rental Housing—Rehab & New Construction	Units	Shelters to	210	94	Shelters to	Shelters to	to Home-ownership,	190	11	69		297
		Homebuyer—Rehab & New Construction	Units	Home-	40	36	Home-	Home-	ownership,	41	19	9		30
		Owner Occupied Rehabilitation	Units	ownership,			ownership,	ownership,	QAP, HOME	113				74
		Tenant-Based Rental Assistance (TBRA)	Units	QAP, HOME	30		QAP, HOME	QAP, HOME	QAP, HOME					0
		CHDO Operating Support	Units	OOR = 370	0		OOR = 336	OOR = 336	units; for First	0				5
		CHDO Predevelopment and Seed Money Loans	Units	units; for	251	160	units; for	units; for	Home = 1,225	0				1
		Homeownership Education & Counseling/Down Payment Assistance	Units	First Home = 500 units		427	First Home = 500 units	First Home = 500 units	units; for ADDI = 154 units	472	794	167		188
		CDBG	Emergency shelters	Units	For all CDBG		25		Special	For all CDBG	44			
	Youth shelters	Units	(Housing) = 235 units				Needs	(Housing) =						
	Transitional housing	Units					Housing = 244 units	1,077 beds						
	Migrant/seasonal farmworker housing	Units			172	33						18		
	Permanent supportive housing	Units												
Rental housing	Units			6										
Homeowner Repair and Improvement	Units			285	418				67	53	424	310		
Voluntary acquisition/demolition	Units													
Feasibility studies	Studies			94					852					
2. Reduce homelessness and increase housing stability for special-needs populations.	HOME	See special-needs housing activities in Goal 1.												
	CDBG	See special-needs housing activities in Goal 1.												
	ESG	Operating support	Shelters	92	92	89	89	83	90	84	82	88	86	
	Homeless prevention	Shelters	37	37	25	22	22	32	22	22	21	19		
	Essential services	Shelters	59	56	51	54	53	56	54	53	52	49		
	Accessibility Rehab	Shelters		3	3	0	3			3	0	0		
	Administration	Shelters							89	85	87			
	For all ESG activates	Clients	34,250	47,259	47,259	28,000	30,000	47,259	28,386	30,012	26,123	35,259		
	HOPWA	Rental assistance (TBRA)	Households/Units	142	137	170	170	200	174	135	143	123	123	
	Short-term rent, mortgage, utility assistance	Households/Units	464	420	300	300	300	522	180	329	332	332		
Supportive services	Households	264	264	125	125	200	692	546	846	594	490			
Housing information	Households	32	32	1,133	25	75			1,442	164	290			
Permanent housing placement	Households					100						12		
Operating costs	Units	5	5	5	5	10		25		30	28	25		

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

**Figure ES-2.**  
**Goal 3 and 4 Award Goals and Accomplishments, Program Years 2005 to 2009**

Goals	Funds	Activities	Indicator	Goals					Accomplishments				
				2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
3. Promote livable communities and community revitalization through addressing unmet community development needs.	CDBG	<b>Community Focus Fund:</b> Construction/rehab of wastewater, water & stormwater systems Community development projects <i>(Senior Centers, Youth Centers, Community Centers, Historic Preservation, Downtown Revitalization, ADA Accessibility, Fire Stations, Fire Trucks)</i>	Systems	26	26	26	26	20	31	35	32	27	25
			Projects	30	26	26	26	26	43	23	31	27	26
	CDBG	Planning/Feasibility Studies Foundations Brownfields Technical assistance	Studies		34	33	29	29	46	45	40	59	62
			Projects Grants				2	as needed	as needed	1 2	1	2	
4. Promote activities that enhance local economic development efforts.	CDBG	Community Economic Development Fund Micro-enterprise Assistance Program	Projects			2				2	2	0	1
			Projects			5						5	0

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

## **Citizen Participation and Consultation Process**

The State of Indiana dedicated extensive effort to gain public input on the 2011 Action Plan. During the development of the Action Plan, the State conducted a public participation process to obtain input regarding housing and community development needs. That process consisted of four major parts:

- A Housing and Community Development Needs Survey was made available to housing and community development stakeholders of Indiana. The online survey was distributed to service providers and email lists throughout Indiana.
- An online Fair Housing Survey was made available to Indiana residents. The online survey was distributed to service providers and other housing and community development stakeholders of Indiana, and the providers/stakeholders in turn distributed the survey to their clients and other Indiana residents.
- Twenty-six interviews with key persons or groups who are knowledgeable about housing and community development needs in the State were conducted; and
- Two public hearings will be conducted through video conferences with five Ivy Tech Community College of Indiana locations across Indiana on April 26, 2011.

The 30-day comment period began on April 8, 2011 and ended on May 9, 2011. The public was asked to provide written public comments about the draft 2011 Action Plan. In addition, all contacts who received the surveys and key persons who were interviewed by email of the availability of the draft Plan and were encouraged to provide their comments. During the 30-day public comment period, two public hearings will be held on April 26, 2011. The State worked with Ivy Tech Community College of Indiana to do a video conference with five Ivy Tech locations. The presentation was broadcast from Lawrence (Indianapolis) out to Evansville, Lafayette, Richmond and Valparaiso.

During the sessions, executive summaries of the Plan will be distributed and instructions on how to submit comments were given. Public hearing comments are available in Appendix B of the final Plan.

**Summary of public input.** Public comments were received during the Action Plans' citizen participation efforts as part of the Resident Fair Housing Survey, Stakeholder Housing & community Development Survey and key person interviews. A summary of survey results and key person interviews are provided in Section II of this Action Plan.

A list of the organizations who the State consulted during key person interviews with in preparation of the 2011 Action Plan is provided in the following figure.

**Figure ES-3.  
Organizations and Agencies Interviewed for the 2011 Action Plan**

Organization/Agencies	Organization/Agencies
AARP Indiana	Indiana Association of Rehabilitative Facilities
Affordable Housing Corporation of Grant County	Indiana Civil Rights Commission
Center for Urban Policy and the Environment	Indiana Community Action Association
Center on Aging and Community, Indiana University	Indiana University
City of Logansport, Deputy Mayor	Indiana University–Purdue University Fort Wayne (IPFW)
Community Action Program of Western Indiana	Kankakee Iroquois Regional Planning Commission
Federal Home Loan Bank of Indianapolis	Neighborhood Development Associates
Fort Wayne Office of Development	Pathfinder Services
Grant County Economic Development Council	Randolph County Economic Development
Heart of the Tree City	Region III-A Economic Development
Housing Partnerships	Southern Indiana Development Commission
Indiana Association. of Cities & Towns	Tikijian Associates
Indiana Association of United Ways	USDA Rural Development

The comments received during the public input process held for the 2011 Action Plan are summarized below using the following categories: decent housing, suitable living environment and economic opportunities.

**Decent housing.** With respect to the housing needs of low to moderate income populations and special needs population the stakeholders responded there is a need for rental assistance for low-income housing, affordable single-family rentals, affordable housing for the elderly and rehabilitation of area housing stock. Energy efficiency improvements were also a higher ranked need. Supportive housing, emergency shelters and transitional housing were ranked as being needed housing types for special needs populations.

**Suitable living environment.** Participants identified a range of infrastructure, community facility and community service needs in their communities and across the State. Interviewees mentioned the need for street and sidewalk rehabilitation, storm-water sewers rehabilitation, water filtration and sewage rehabilitation and invest in rehabilitation, repair, or demolition of housing stock. Survey respondents ranked child care centers, youth centers, homeless shelters and transportation services as higher community development needs.

**Economic opportunities.** Coinciding with the recent increasing unemployment rate nationwide the stakeholders of the State of Indiana ranked job creation/retention as the highest ranking of all needs listed for economic development, followed by employment training. Stake holders who felt their community has gotten worse over the last five years felt it was mainly due to the poor economy. Most of these Stakeholders sited the loss of jobs and businesses in their community

### **Five Year and 2011 Action Year Matrix**

The following exhibit presents the five-year goals, objectives, both five-year and 2011 (year two) outcomes/goals, as well the 2011 funding proposal in one matrix. The matrix shows how the State of Indiana plans to allocate its FY 2011 block grants to address its five-year Consolidated Plan goals.

**Figure ES-4.**  
**FY2011 Action Plan for Five-Year Consolidated Plan Goals, State of Indiana**

Goal	Objectives	HUD Objective Code	2011 Activity	Indicator	Goal			Funding for Year two					
					Five Year	Year One	Year Two	CDBG	HOME	ESG	HOPWA		
<b>1. Expand and preserve affordable housing opportunities throughout the housing continuum.</b>	• Rental housing.	DH-2.1	➤ Rehabilitation and new construction	Units	675	135	100		\$3,000,000				
		DH-2.2	➤ Homeownership education and counseling and downpayment assistance	Households	2,500	500	700		\$4,000,000				
	• Homeownership opportunities.			➤ Homebuyer development	Units	125	25	25		\$1,000,000			
				➤ Owner occupied rehabilitation	Units	1,500	300	200	\$ 2,554,434	\$500,000			
		DH-2.3	➤ Predevelopment loans	Units	25	5	5		\$250,000				
				➤ Organizational capacity	Units	80	16	8		\$500,000			
<b>2. Reduce homelessness and increase housing stability for special needs populations.</b>	• Improve the range of housing options for homeless and special needs populations.	DH-1.1	➤ Permanent supportive housing	Units	250	50	40		\$4,000,000				
			➤ Rental assistance	Unities	1,000	200	200		\$1,000,000				
	• Support activities to improve the range of housing options for special needs populations and to end chronic homelessness.	DH-1.2	➤ Operating support	Shelters	55	83	55			\$ 1,090,353			
			➤ Homelessness prevention activities	Persons	550	110	9,088			\$ 549,758			
			➤ Essential services	Persons	80,000	16,000	19,000			\$ 192,415			
	• Improve the rang of housing options for special needs populations living with HIV/AIDS.	DH-1.3	➤ Housing information services	Households	375	75	75					\$ 31,344	
			➤ Permanent housing placement services	Households	500	100	100					\$ 73,135	
			➤ Supportive services	Households	1,000	200	200					\$ 67,911	
		DH-2.4	➤ Tenant based rental assistance	Units	1,000	200	200					\$ 444,035	
			➤ Short-term rent, mortgage and utility assistance	Units	1,500	300	300					\$ 208,958	
		➤ Facility based housing operations support	Units	35	7	7					\$ 26,120		
	➤ Short term supportive housing	Units	100	21	21					\$ 47,015			
<b>3. Promote livable communities and community revitalization through addressing unmet community development needs.</b>	• Improve the quality and/ or quantity of neighborhood services for low and moderate income persons.	SL-1.1	➤ Community Focus Fund										
			- Emergency stations	Stations	25-30	5-6	3	\$1,500,000					
			- Fire trucks	Vehicles	10-15	2-3	4	\$500,000					
			- Public facilities	Facilities	30	6	4	\$2,000,000					
			- Downtown revitalization projects	Projects	10	2	1	\$500,000					
			- Historic preservation projects	Projects	10	2	2	\$500,000					
		- Brownfield/clearance projects	Projects	10-25	2-5	1	\$100,000						
	• Improve the quality and/or quantity of public improvements for low and moderate income persons.	SL-3.1	➤ Community Focus Fund										
		- Infrastructure systems	Systems	120	24	16	\$10,523,576						
	SL-3.2	➤ Planning Fund	Grants	145	29	30	\$1,000,000						
	SL-3.3	➤ Flexible Funding Program	Projects	10-25	2-5	3	\$1,000,000						
		➤ Stellar Communities	Projects			4	\$2,000,000						
		➤ Main Street Revitalization Program	Projects			2	\$500,000						
<b>4. Promote activities that enhance local economic development efforts.</b>	• Coordinate with private industry, businesses and developers to create jobs for low to moderate income populations in rural Indiana.	EO-3.1	➤ Community Economic Development Fund	Jobs	1,300	275	200	\$2,000,000					
<b>Administrative and supportive services</b>			➤ CDBG admin. (OCRA and IHCD)					\$610,887					
			➤ HOME admin. (IHCD)						\$550,000				
			➤ HOPWA admin. (IHCD)								\$30,445		
			➤ ESG program admin. (IHCD)								\$95,000		
			➤ Tech. assist. set-aside (OCRA)					\$255,443					
		➤ HOPWA admin. (other)									\$71,037		
<b>Total</b>								<b>\$25,544,340</b>	<b>\$14,800,000</b>	<b>\$1,927,526</b>	<b>\$1,000,000</b>		

Source: BBC Research & Consulting.

**SECTION I.**  
**Introduction**

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# SECTION I.

## 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.

The 2011 Action Plan for the State of Indiana is included in Section IV. of this Plan. This is the second Action Plan in the State's five-year Consolidated Plan cycle for 2010-2014.

**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 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 2011 Update of the Analysis of Impediments to Fair Housing Choice for 2010-2014 will be submitted to HUD under a separate cover.

### **Compliance with Consolidated Plan Regulations**

The State of Indiana's Five Year Consolidated Plan for 2010-2014, 2010 Action Plan and 2011 Action Plan were 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 2011 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, 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 2011 Action Plan and AI update. In addition to BBC, the Indiana-based consulting firms Briljent and Engaging Solutions, assisted with the key person interviews, resident survey and stakeholder survey conducted in 2011.

## **Organization of the Report**

The remaining sections of this report include:

- Section II—Citizen Participation Process and Input summarizes the public participation opportunities that were available and the public input gathered during development of the 2011 Action Plan.
- Section III—Information on socioeconomic and housing market conditions in Indiana.
- Section IV—The 2011 Action Plan.
- Appendix A— Citizen Participation Plan that will govern the citizen participation process during the five-year Consolidated Planning period.
- Appendix B—Information about the public participation process and public hearings conducted for the 2011 Action Plan and (for final version) public comments received during the 30-day comment period.
- Appendix C—HUD required needs and summary tables.
- Appendix D—the 2011 Method of Distribution for CDBG by OCRA.
- Appendix E—the 2011 Method of Distribution for IHCDA.
- Appendix F—the HUD required signed Certifications and SF-424s (for final version).

**SECTION II.**  
**Citizen Participation Process and Input**

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## **SECTION II.**

### **Citizen Participation Process and Input**

This section discusses Indiana's housing and community development needs, as identified by citizens, public service agencies and government officials through stakeholder consultation and survey and a fair housing survey of Indiana residents. This section partially satisfies the requirements of Sections 91.305, 91.310, and 91.315 of the State Government's Consolidated Plan Regulations. A more comprehensive market analysis for the State and a discussion of the challenges of housing and supportive service needs for special needs populations are found in Section III of this report and Appendix C of the 2010-2014 Consolidated Plan.

Appendix A of this report provides the State of Indiana's Citizen Participation Plan and Appendix B provides the 2011 Indiana Stakeholder Housing and Community Development Needs Survey instrument and the 2011 Indiana Resident Fair Housing Survey. The final 2011 Action Plan includes the public hearing materials, sign-in sheets and notes from the public hearings.

The State of Indiana dedicated extensive effort to gain public input on the 2011 Action Plan. During the development of the Action Plan, the State conducted a public participation process to obtain input regarding housing and community development needs. That process consisted of four major parts:

- A Housing and Community Development Needs Survey was made available to housing and community development stakeholders of Indiana. The online survey was distributed to service providers and email lists throughout Indiana.
- An online Fair Housing Survey was made available to Indiana residents. The online survey was distributed to service providers and other housing and community development stakeholders of Indiana, and the providers/stakeholders in turn distributed the survey to their clients and other Indiana residents.
- Twenty-six interviews with key persons or groups who are knowledgeable about housing and community development needs in the State were conducted; and
- Two public hearings will be conducted through video conferences with five Ivy Tech Community College of Indiana locations across Indiana.

The 30-day comment period began on April 8, 2011 and ended on May 9, 2011. The public was asked to provide written public comments about the draft 2011 Action Plan. In addition, all contacts who received the surveys and key persons who were interviewed by email of the availability of the draft Plan and were encouraged to provide their comments. During the 30-day public comment period, two public hearings will be held on April 26, 2011. The State worked with Ivy Tech Community College of Indiana to do a video conference with five Ivy Tech locations. The presentation was broadcast from Lawrence (Indianapolis) out to Evansville, Lafayette, Richmond and Valparaiso.

During the sessions, executive summaries of the Plan will be distributed and instructions on how to submit comments were given. Public hearing comments are available in Appendix B of the final Plan.

### **Summary of Stakeholder and Resident Input**

Public comments were received during the 2011 Action Plans' citizen participation efforts as part of the Resident Fair Housing Survey, Stakeholder Housing and Community Development Survey and key person interviews. Copies of survey instruments and public comments are provided in Appendix B of the 2011 Action Plan.

The comments received during the public input process held for the 2011 Action Plan are summarized below using the following categories: decent housing, suitable living environment and economic opportunities.

**Decent housing.** With respect to the housing needs of low to moderate income populations and special needs population the stakeholders responded there is a need for rental assistance for low-income housing, affordable single-family rentals, affordable housing for the elderly and rehabilitation of area housing stock. Energy efficiency improvements were also a higher ranked need. Supportive housing, emergency shelters and transitional housing were ranked as being needed housing types for special needs populations.

**Suitable living environment.** Participants identified a range of infrastructure, community facility and community service needs in their communities and across the State. Interviewees mentioned the need for street and sidewalk rehabilitation, storm-water sewers rehabilitation, water filtration and sewage rehabilitation and invest in rehabilitation, repair, or demolition of housing stock. Survey respondents ranked child care centers, youth centers, homeless shelters and transportation services as higher community development needs.

**Economic opportunities.** Coinciding with the recent increasing unemployment rate nationwide the stakeholders of the State of Indiana ranked job creation/retention as the highest ranking of all needs listed for economic development, followed by employment training. Stake holders who felt their community has gotten worse over the last five years felt it was mainly due to the poor economy. Most of these Stakeholders cited the loss of jobs and businesses in their community

### **Stakeholder Input**

Twenty-six interviews with key persons or groups who are knowledgeable about housing and community development needs in the State were conducted and a Housing and Community Development Needs Survey was made available to housing and community development stakeholders of Indiana to gather input for the development of the 2011 Action Plan. The following is a summary of these outreach efforts.

### **Key Person Interviews.**

**Key Objectives.** To continue qualification for HUD funding, the IHEDA and OCRA are responsible for drafting a consolidated plan that captures the input, experiences, and recommendations of its user agencies and community decision makers. On behalf of IHEDA and OCRA, the Indiana Department of Administration (IDO) contracted with

BBC Research & Consulting and Briljent, LLC to conduct the interviews and draft the summary report.

***Interview Questions and Key Persons Interviewed.*** IHEDA and OCRA prepared a joint questionnaire from which to conduct the interviews. Together they provided a list of key persons to be contacted for interviews. (See the appendix for the 16-question survey.) Briljent conducted a total of 26 key person interviews.

The Organizations and/or Agencies interviewed were:

- Affordable Housing Corporation of Grant County
- Association of American Retired Persons (AARP) Indiana
- Center for Urban Policy and the Environment
- City of Logansport
- Community Action Program of Western Indiana
- Federal Home Loan Bank of Indianapolis
- Fort Wayne Office of Development
- Grant County Economic Development Council
- Heart of the Tree City
- Housing Partnerships
- Indiana Association of Cities & Towns
- Indiana Association of Rehabilitative Facilities
- Indiana Association of United Ways
- Indiana Civil Rights Commission
- Indiana Community Action Association
- Indiana University
- Indiana University Center on Aging and Community
- Indiana University-Purdue University Fort Wayne (IPFW)
- Kankakee Iroquois Regional Planning Commission
- Neighborhood Development Associates
- Pathfinder Services
- Randolph County Economic Development
- Region III-A Economic Development
- Southern Indiana Development Commission
- Tikijian Associates
- United States Department of Agriculture (USDA) Rural Development

**Interview Methodology.** Each key person was contacted by phone or e-mail and interview times scheduled at the interviewee’s convenience. Interviews lasted between 25-30 minutes. The interviewer took notes during each interview and then the results were analyzed to determine trends. Briljent staff produced a compilation of the data in a statistical format. Confidentiality was pledged to each key person.

**General Observations.** The following are general observations about the interviewees. They were:

- Eager and willing to participate in the interview
- Candid in offering constructive and positive comments
- Appreciative of the opportunity to provide their input
- Often uncertain how to access the plan, whether comments could be offered, and if their input would be incorporated into the plan
- Earnest in wanting to be engaged

**Questionnaire Topics.** The five sections of the questionnaire focused on the following:

- Housing Needs Statewide or in a Particular Community
- Community and/or Economic Development Needs
- IHEDA and OCRA Process and Policies
- Fair Housing Issues
- Miscellaneous

**Results.** This portion of the report will highlight the key person interview questions in each of the sections noted above. Questions that clarify the significant points will also be noted within each section to flesh out the more significant responses.

**Housing Needs Statewide or in a Particular Community**

<b>1. What are the greatest housing needs in the area you serve?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
Rental assistance for low-income housing	14
Affordable single-family rentals	13
Affordable housing for the elderly	11
Rehabilitation of area housing stock	9
Shelters or housing for the homeless	4
Safe and affordable revitalization/stabilization of neighborhoods	3
Multi-bedroom housing shared with staff for developmentally disabled	2
Offer housing located near basic services (transportation, health care, groceries, etc.)	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

<b>2. What type of housing and/or housing activities are most needed by your clients?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
Offer subsidies to buy or rent suitable housing	3
Offer subsidies to maintain or rehabilitate housing	3
Ensure federal funding keeps up with our housing	3
Create adequate paying jobs to afford suitable housing	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

<b>3. What groups of people are in the greatest need of housing?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
Low- to middle-income families	12
Elderly people on a fixed income	7
Working poor	7
Low-income people in rural areas	7
Low-income singles and underemployed	5
Single mothers	3
Homeless individuals	3
Physically and developmentally disabled	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

<b>4. How would you recommend the state address these top housing needs?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
Provide short-term rent subsidy for working-aged individuals	4
Assist those who are not able to make a living to find suitable housing	3
Increase federal and state financial services to provide more incentives for private investment in affordable housing	2
Develop public policy that provides fee waivers, special zoning, or tax credits for private developers to rehabilitate existing housing stock	2
Use Community Development Block Grants (CDBG) funds for neighborhood revitalization	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

## Community and/or Economic Development Needs

<b>5. What are the greatest community and/or economic development needs statewide and/or in the area you serve?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
Street and sidewalk rehabilitation	9
Storm-water sewers rehabilitation	9
Water filtration and sewage rehabilitation	8
Invest in rehabilitation, repair, or demolition of housing stock	7
Emergency services	5
Funding for infrastructure repair in urban and rural areas	5
Improved urban and rural transportation systems	5
Job creation, retention, and training	4
Make downtowns more viable	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

<b>6. Discuss “quality of life” issues – what is lacking in Indiana’s small cities and rural areas, what is most needed, what are the positives?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
Street and sidewalk rehabilitation	9
Storm-water sewers rehabilitation	9
Water filtration and sewage rehabilitation	8
Invest in rehabilitation, repair, or demolition of housing stock	7
Emergency services	5
Job creation, retention, and training	4
Make downtowns more viable	2
Lack of fiber optic networks or adequate Internet services	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

<b>7. How would you recommend the state address these top community/economic development needs?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
Locate housing and basic services together	3
Downtown and neighborhood planners need technical assistance for regional planning	2
Continue OCRA’s Hometown Competitiveness program	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

## IHCDA and OCRA Process and Policies

<b>8. As you understand the IHCDA and/or OCRA process for allocating funding, what do you think is working the best?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
Overall IHCDA is doing a good job	4
Overall OCRA is doing a good job	2
IHCDA is very customer friendly	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

<b>9. How does the IHCDA and/or OCRA process align with what you implement locally?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
Short timeline of IHCDA application process makes it difficult to use available resources	1
Used IHCDA public forums to provide input on housing needs	1
IHCDA staff is open, accessible, and progressive	1
IHCDA needs to elevate the plan standards to include more cross-sector planning (health care, transportation, education, etc.)	1
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

<b>10. What could the public and private sectors do better to address the greatest needs in your community?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
State should provide professional development for public officials, private developers, community stakeholders, and citizens	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

## Fair Housing Issues

<b>11. What impedes access to fair housing and the development of affordable housing?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
Fair housing is not an issue	17
Economic factors	5
Prejudice against low income people	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

<b>12. Are there land use and/or zoning regulations that inadvertently restrict access to fair housing? That prevent development of affordable housing? If so, how should they be changed?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
Yes, zoning regulations do restrict access to fair housing	2
No, zoning regulations do not restrict access to fair housing	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

<b>13. Are there public policies that inadvertently restrict access to fair housing?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
No	11
Yes	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

<b>14. How would you recommend the state help residents have equal access to fair housing?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
IHCDA should provide various portals on their Web sites	1
Reduce expansion of new housing developments	1
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

## Miscellaneous

<b>15. What is the most effective way to keep you engaged in the development of the statewide plan?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
E-mail updates	12
This type of interview and providing us the results of this interview	7
Solicit our input and use the input to develop the plan	6
Through good communication with us	5
By giving us access to the plan so we can see its development and comment on it	4
Town hall meetings	3
Listening sessions with local government officials, 14 Planning Commissions, Indiana Association of Regional Councils (IARC), non-profits, and/or decision makers	2
Attend and participate in your group's regional meetings	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

<b>16. Other thoughts and recommendations?</b>	
<b>Common/Similar Response*</b>	<b>Number Commented</b>
Be more flexible in the way funds can be used	2
Extend comment periods and send out reminder of the comment period	2
* While there were 26 participants interviewed, not every participant commented on each question. There was considerable overlap in the responses, thus some listed comments are shared by many respondents. The sum total of responders may be more or less than 26.	

**Housing and Community Development Survey.** A survey was made available to stakeholders throughout the State in March of 2011 to better understand housing and community development needs within the State of Indiana. A letter was mailed from the Indiana Office of Community & Rural Affairs (OCRA) and the Indiana Housing & Community Development Authority (IHCDA) requesting several elected officials and housing/community development organizations to participate in the study and encouraging them to invite others to also take part. A web link was provided to complete the short survey online with a very user friendly application.

Between March 14th and March 31<sup>st</sup>, 2011, 279 respondents completed the Stakeholder Housing and Community Development Survey. The respondents used the survey to indicate their local housing and community development needs. Categories of focus included community facilities, special needs population facilities, infrastructure, community services, businesses and jobs, housing and housing for special needs populations. Survey respondents were asked to indicate need using a numbered ranking system; 1 indicating the lowest need and 4 indicating the highest need. Additionally survey respondents were asked to list the top community development, economic development and housing needs. The survey also asked respondents their perception of their community and how they would like their community to be.

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

***Perception of Community.*** Respondents were asked if the perception of their community has gotten better, worse or has remained the same over the last 5 years. Almost 40% of respondents replied their community was worse off than five years earlier, 32% replied their community was better and the remaining 29% responded their community was the same.

***Better.*** Reasons why respondents felt their community was *better* included: downtown revitalization, increase in infrastructure spending and increased businesses. Stakeholders also mentioned increased availability and awareness of neighborhood programs, like the Neighborhood Stabilization Program. Stakeholders emphasized how the communities are still progressing and working together even through the economic downturn. They praised their leadership, organizations that continue to push for the needs of the community and the increased presence of local law enforcement in high crime areas. In addition, some Stakeholders mentioned the influx of young professionals as the reason why their communities are better.

Worse. The majority of the reason why Stakeholders felt their communities had gotten worse over the last five years was the poor economy. Most of the Stakeholders cited the loss of jobs and businesses in their community. Additionally, Stakeholders stated an increase in unemployment, foreclosures, gas prices, crime, teen pregnancy, vacant houses/buildings and the presence of methamphetamine drugs. Stakeholders also mentioned the lack of public transportation as a reason their community was worse.

Respondents were also asked how would they like their community and were provided suggestions, i.e. be more accessible for persons with physical disabilities, be more affordable for renters, be safer for children, provide more jobs, etc. The large response of Stakeholders mentioned be more affordable for renters and owner occupied, provide more jobs with a living wage and benefits, to have a public transportation system that access industries outside of the city limits, to have safe and clean neighborhoods, to provide more resources for the homeless, to provide transitional housing and adequate water, sewer and storm water lines.

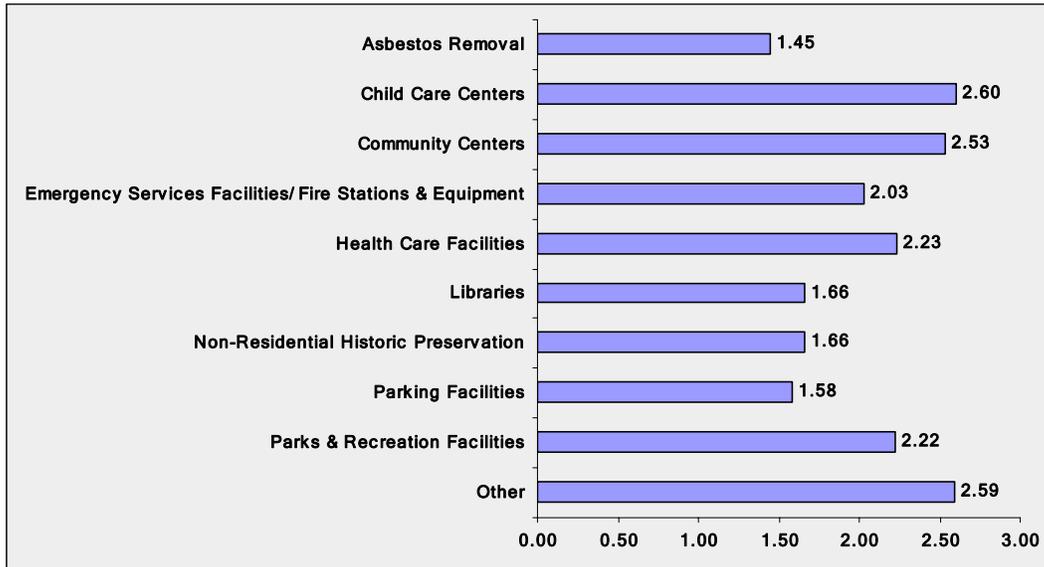
Needs Identification. The survey asked respondents to list their top needs and to rank—from no need to 1 to 4 (1 being lowest need and 4 being highest)—the greatest needs in their communities. These needs were organized into the following categories:

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

***Suitable Living Environment:***

*Community Facility Needs.* The respondents ranked child care centers and community centers as their highest community needs. They also included other as a high ranked category, which largely included such items as: low income housing, bike paths and walk trails, transitional living facilities for the homeless, domestic violence victims and addicts. The respondents indicated parking facilities and asbestos removal as their lowest community needs. The average response rate in the community facilities category was 89% for Stakeholder Survey respondents. Exhibit II-1 displays the average ranking for all community facilities by HUD category.

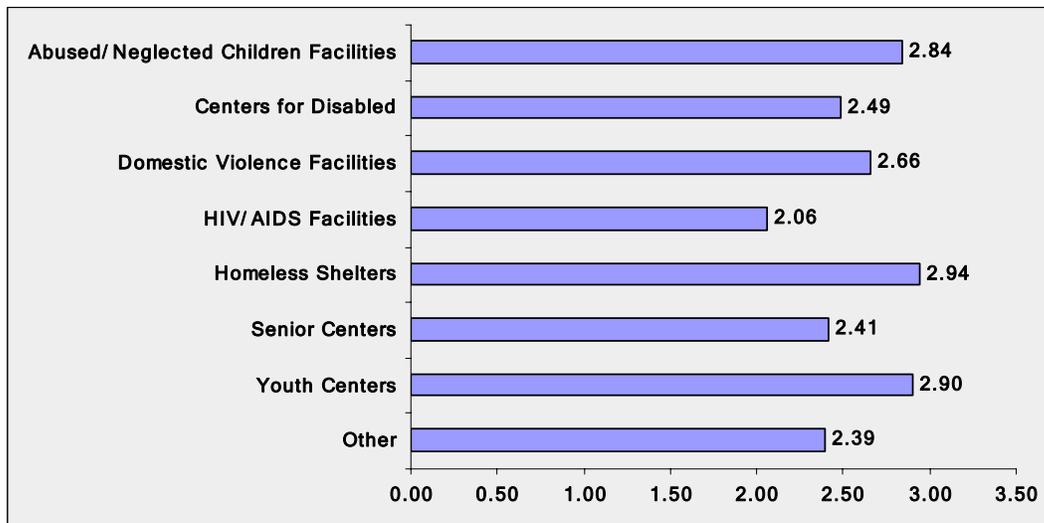
**Exhibit II-1 Average Ranking for Community Facility Needs, 2011**



Source: 2011 Indiana Stakeholder Housing and Community Development Survey

*Special Needs Population Facility Needs.* The highest ranked among respondents was the need for homeless shelters followed by youth centers and facilities for abused/neglected children. The lowest need was for HIV/AIDS facilities and senior centers. The average response rate among all Stakeholder Survey respondents in the special needs population facilities category was 87%. Exhibit II-2 displays the average ranking for all facilities for special needs populations by HUD category.

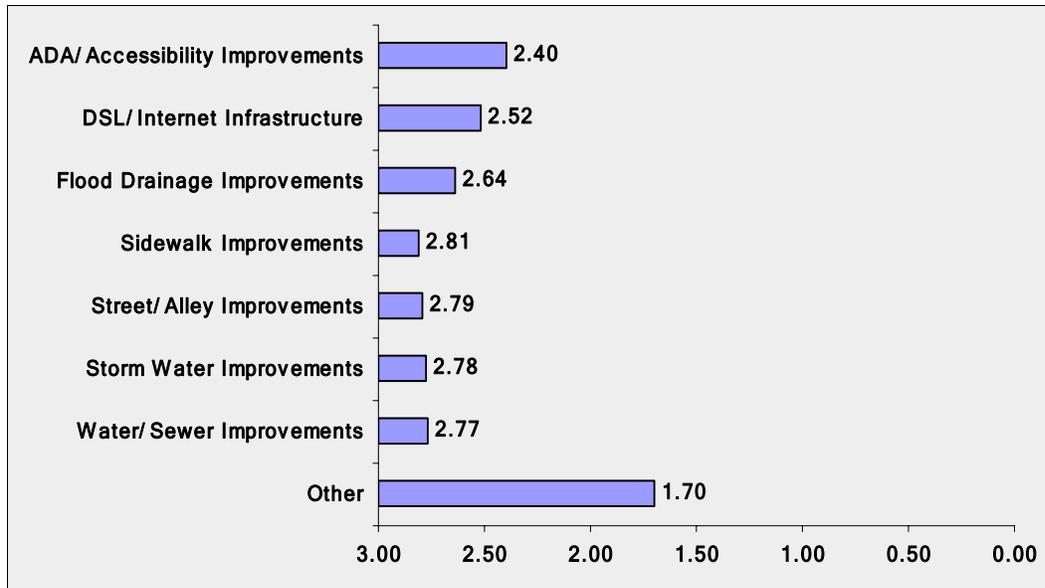
**Exhibit II-2 Average Ranking for Special Needs Population Facility Needs, 2011**



Source: 2011 Indiana Stakeholder Housing and Community Development Survey

*Infrastructure Needs.* The Stakeholders ranked sidewalk improvements as their highest level of infrastructure need for their community, followed by street/alley improvements and storm water improvements. They identified ADA/Accessibility improvements and DSL/internet infrastructure as two of their lowest level needs. The average response rate among all Stakeholder Survey respondents in the infrastructure category was 85%. Exhibit II-3 displays the average ranking for all infrastructure improvements by HUD category.

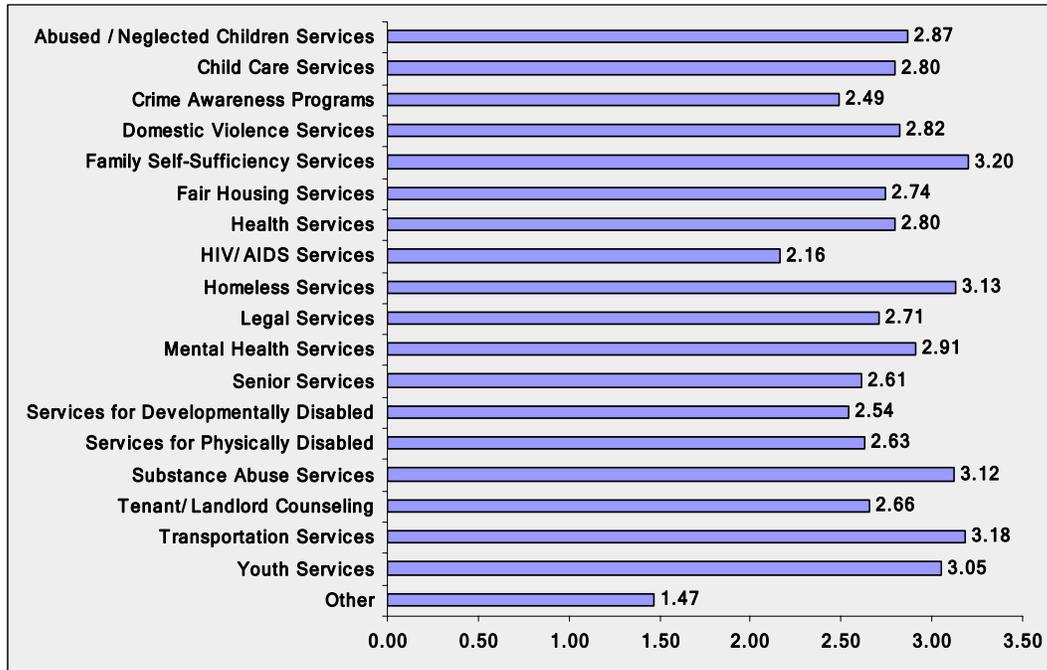
**Exhibit II-3 Average Ranking for Infrastructure Needs, 2011**



Source: 2011 Indiana Stakeholder Housing and Community Development Survey

*Community Service Needs.* The item with the highest reported need for Stakeholders respondents was family self-sufficiency services followed by homeless services and substance abuse services. The lowest ranked need was HIV/AIDS services. The average response rate among all Stakeholder Survey respondents in the community services category was 86%. Exhibit II-4 displays the average ranking for all community services by HUD category.

## Exhibit II-4 Average Ranking for Community Service Needs, 2011



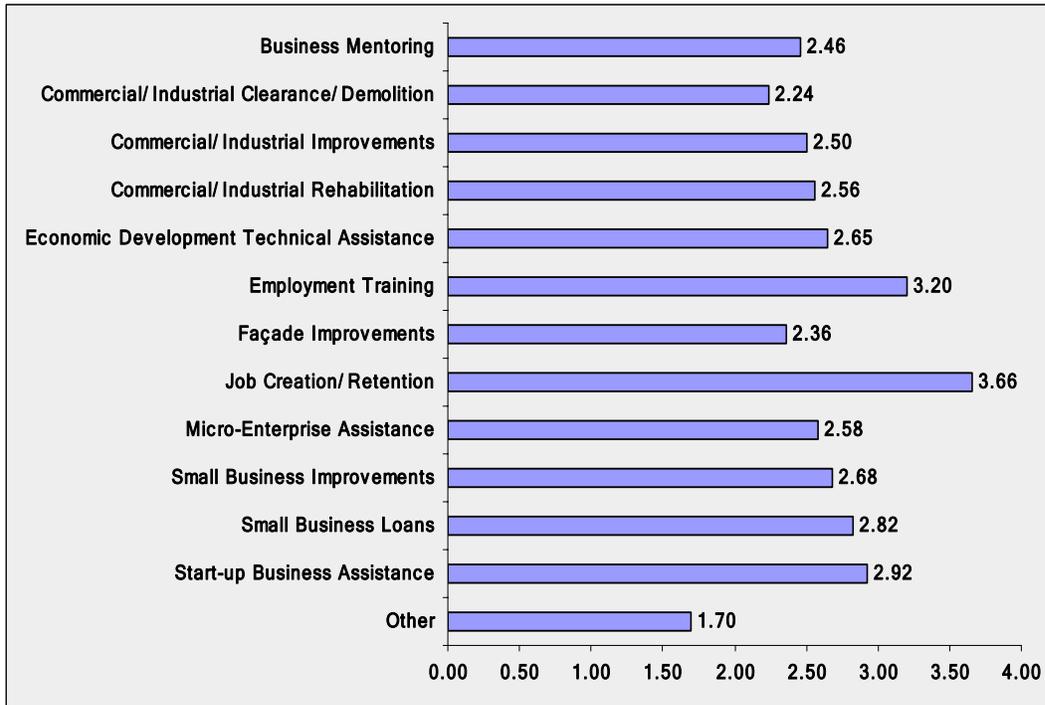
Source: 2011 Indiana Stakeholder Housing and Community Development Survey

*Most Important Community Development Needs.* The survey asked the respondents to list the top community development needs in their community. Top needs listed by the Stakeholders included: housing (i.e. senior, transitional, and affordable), expanding capacity for rental units, increased homeless and mental illness services, infrastructure upgrades (i.e. sidewalk improvements, water sewer, storm water and highway) and public transportation. Stakeholders also mentioned coordinated efforts toward K-12 education, increase programs for young adults, literacy training, and increased jobs.

### ***Economic Opportunities:***

*Business and Job Needs.* Job creation/retention received the highest ranking of all needs listed by the Stakeholder surveys. In fact, 72% of the Stakeholder responses to this question rated this need as *high* (4). The second greatest identified need was for employment training followed by start-up business assistance. The item with the lowest indicated need was commercial/industrial clearance/demolition. The average response rate among all Stakeholder Survey respondents in the business and jobs category was 82%. Exhibit II-5 displays the average ranking for all business and job needs by HUD category.

**Exhibit II-5 Average Ranking for Business and Job Needs, 2011**



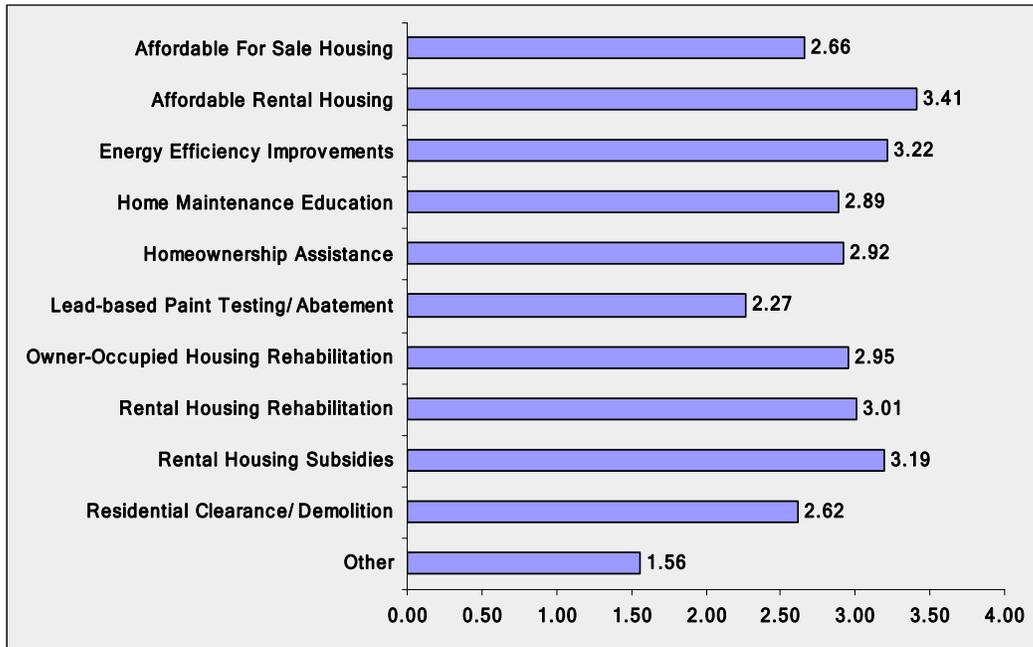
Source: 2011 Indiana Stakeholder Housing and Community Development Survey

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

***Decent Housing:***

*Housing Needs.* Housing items with the greatest reported need was affordable rental housing for Stakeholder survey respondents. In fact, over half (62%) of the Stakeholder responses to this question rated this need as *high* (4). The need for energy efficiency improvements and rental housing subsidies were the second and third highest rated needs for Stakeholder respondents. The item ranked the lowest by the respondents was lead-based paint testing/abatement. The average response rate among all Stakeholder Survey respondents in the housing needs category was 84%. Exhibit II-6 displays the average ranking for all housing needs by HUD category.

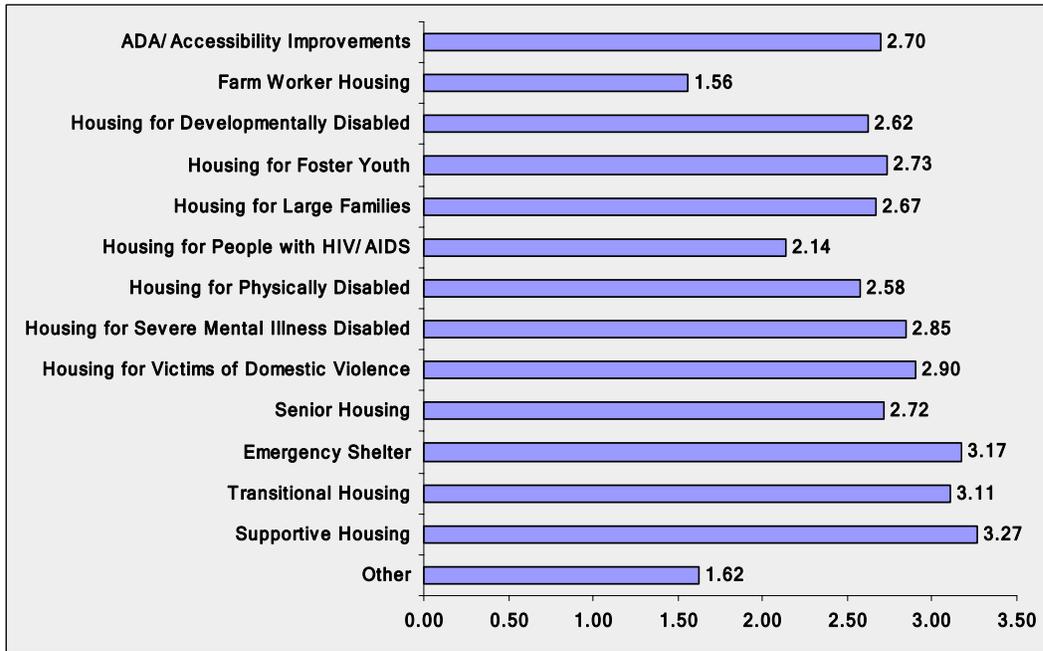
## Exhibit II-6 Average Ranking for Housing Needs, 2011



Source: 2011 Indiana Stakeholder Housing and Community Development Survey

*Housing Needs for Special Needs Population.* Housing for the homeless populations (i.e. supportive housing, emergency shelters and transitional housing) were the highest ranked needs of the Stakeholder survey respondents. Farm worker housing and housing for people with HIV/AIDS ranked low for Stakeholder respondents. The average response rate among all Stakeholder Survey respondents in the housing needs for special needs category was 84%. Exhibit II-7 displays the average ranking for all housing needs for special needs populations by HUD category.

**Exhibit II-7 Average Ranking for Housing Needs for Special Needs Population, 2011**



Source: 2011 Indiana Stakeholder Housing and Community Development Survey

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

Lastly, respondents were asked which groups of people in their community have the greatest unmet housing needs. People described as low income, poor or living below the poverty level were mentioned the most. Other populations with unmet housing needs included persons with disabilities, seniors, single parents, veterans, ex-offenders, the homeless, immigrant population, and the mentally ill.

**Resident Fair Housing Survey**

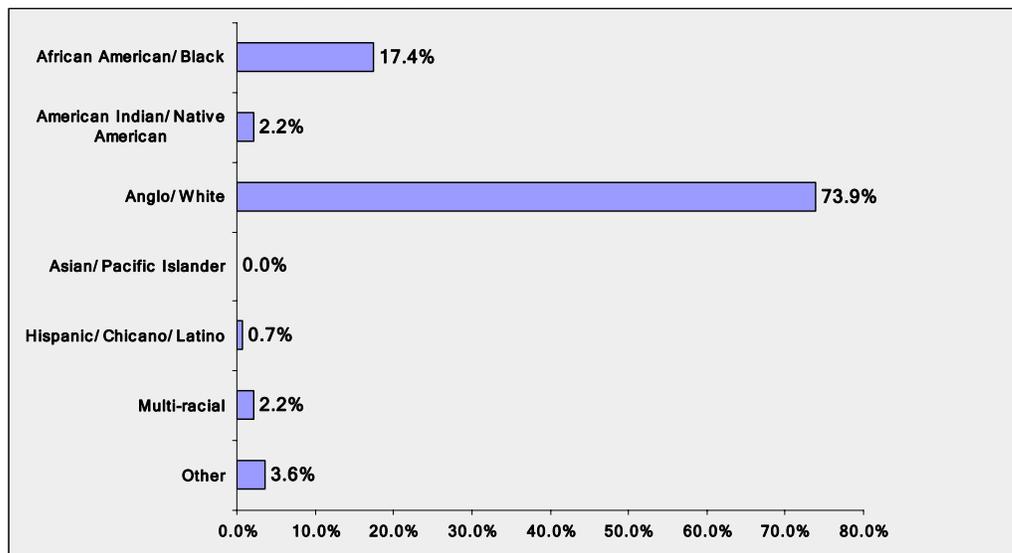
A survey was made available to residents throughout the State in March of 2011 to better evaluate housing discrimination within the State of Indiana. A letter was mailed from the Indiana Office of Community & Rural Affairs (OCRA) and the Indiana Housing & Community Development Authority (IHCDA) requesting residents to participate in the study and encouraging them to invite others to also take part. A web link was provided to complete the short survey online with a very user friendly application.

Between March 14th and March 31<sup>st</sup>, 2011, 144 respondents completed the Resident Fair Housing Survey. Respondents used the survey to assess their housing discrimination experience and knowledge. Categories of focus included: reasons of discrimination, information sources and reporting.

The respondents were asked to provide the county they reside. There was a diverse representation of counties across the state; an estimated 42% of all counties were represented. Approximately 34% of the respondents answered they resided in Marion County, which includes the capitol city, Indianapolis. As shown in the chart below, respondents were also asked their ethnic and cultural group, which is a similar reflection of the state's racial composition<sup>1</sup>.

### Exhibit II-8

#### What ethnic or cultural group do you consider yourself a member of?



Source: 2011 Indiana Resident Fair Housing Survey.

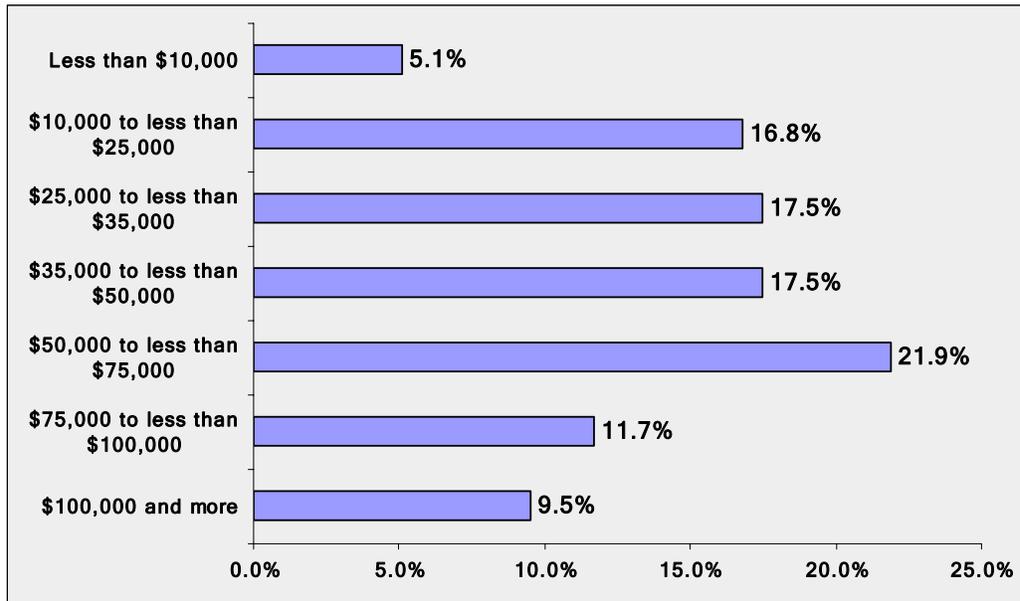
When asked to categorize their household income the largest group of respondents at 21.9%, fell within \$50,000 to less than \$75,000. The smallest group represented at 5.1% replied their household income was less than \$10,000.

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<sup>1</sup> According to the US Census Bureau, in 2009 Indiana's racial composition consisted of: American Indian or Alaskan Native 0.3%; Asian 1.5%; Black 9.2%; Native Hawaiian and Other Pacific Islander 0.1%; White 87.8% and Two or More Race Groups 1.2%.

**Exhibit II-9**

**Just for classification purposes, into what category does your total household income fall?**



Source: 2011 Indiana Resident Fair Housing Survey.

In addition, respondents were asked if they or a member of their household had a disability. The majority—79.1% answered no, while 20.9% replied yes. In a follow up question, posed to the respondents answering yes, they were asked if their current home met the physical needs of the disabled member of their household. The majority—65.5% replied yes, while 34.5% responded no.

The average response rates for the demographic questions were similar, consisting of 97%, 96%, 95% and 97% respectively to the county, ethnic, household income and disability questions.

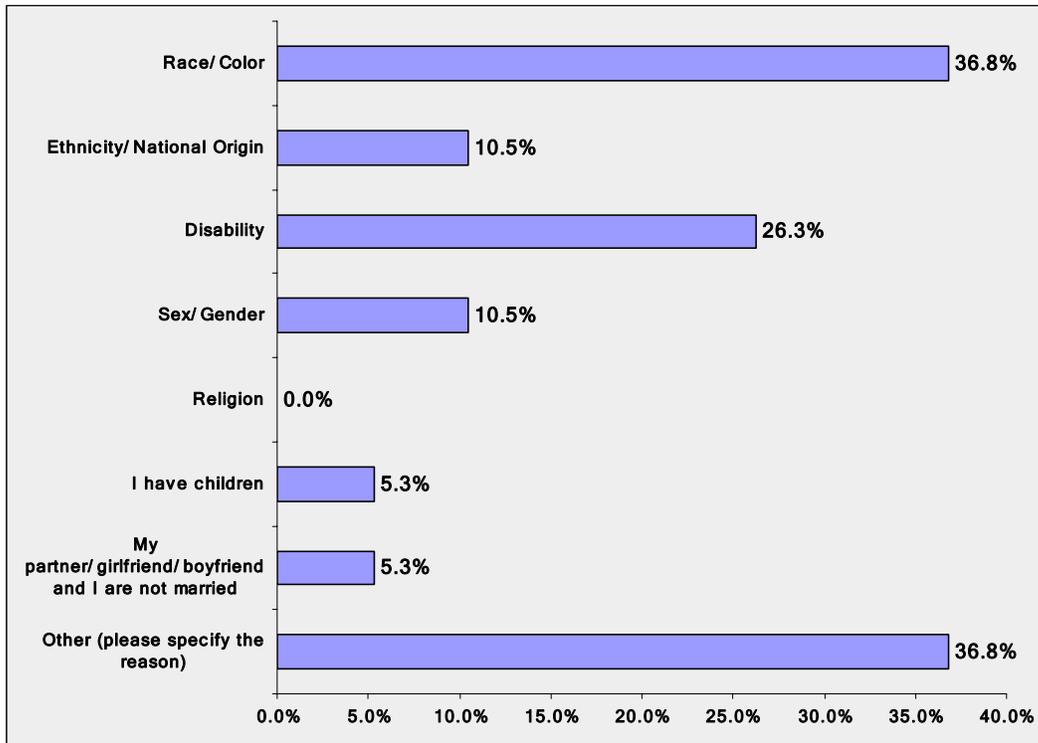
**Reasons of Discrimination**

Overall, very few of the respondents had experienced housing discrimination. When they were asked if they had ever experienced housing discrimination, the majority at 85.1% answered no, while 12.8% responded yes and 2.1% replied not sure. In a follow up question, posed to the respondents who had experienced housing discrimination, they were asked the reason they were discriminated against. The three highest ranked reasons mentioned, were race/color, disability and other. Some of the other items the respondents listed as reasons for their housing discrimination included: owning a pet, interracial marriage, not having children, sexual orientation and background. The three lowest ranked reasons included: religion, having children and not being married.

The average response rate for the discrimination questions was 98%.

## Exhibit II-10

If you feel you have experienced housing discrimination, what was the reason(s) you were discriminated against?



Source: 2011 Indiana Resident Fair Housing Survey.

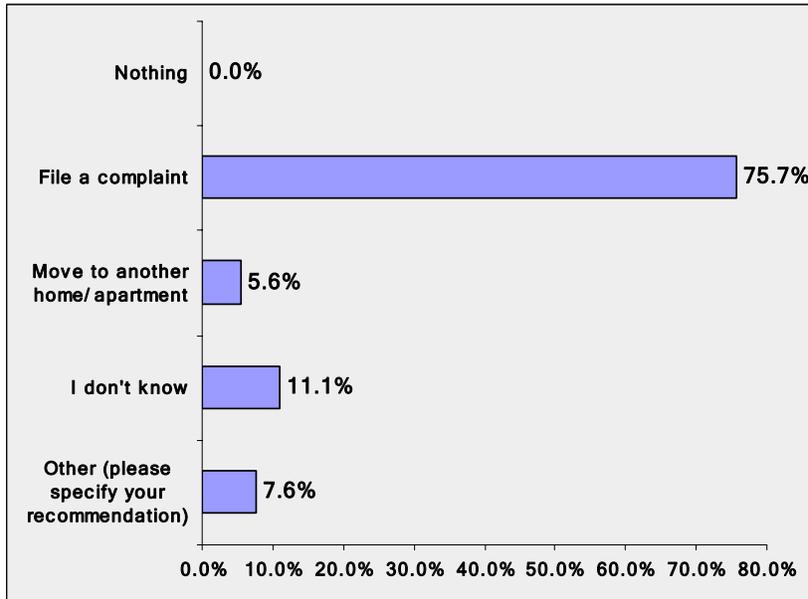
### **Reporting**

According to the survey responses, respondents did not appear to be clear on who or where to go to report discrimination issues. The respondents were asked, “If you or someone you knew ever felt you were discriminated against and wanted to report it, do you know who you or others should contact”? The majority at 54.3% replied no and 45.7% answered yes.

Respondents were further asked, what would they do, if someone they knew or they had been discriminated against trying to find a place to rent or buy? Almost 76% of respondents stated they would file a complaint, while 11.1% answered they didn’t know. Nearly 8% listed other, which included seeking help through a landlord, helpline, HUD, or a civil rights group before filing a complaint.

The average response rates for the reporting questions were similar, consisting of 97% and 100% respectively.

**Exhibit II-11 Suppose you or someone you knew thought they'd been discriminated against in trying to find a place to rent or a house to buy. What would you do or recommend they do?**



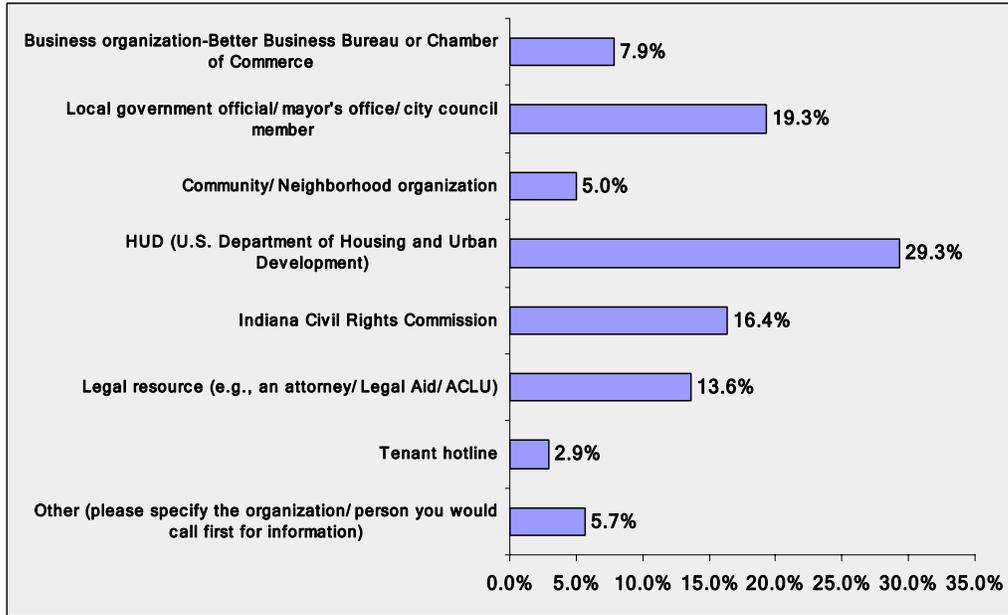
Source: 2011 Indiana Resident Fair Housing Survey.

**Information Sources**

Respondents were asked which person/organization they would call first for information, if they felt they had been discriminated against in housing. The highest ranked responses included: U.S. Department of Housing and Urban Development, 29.3%; local government officials, 19.3%; and the Indiana Civil Rights Commission, 16.4%. The lowest ranked responses included community/neighborhood organizations, 5% and the tenant hotline, 2.9%.

**Exhibit II-12**

**If you felt you had been discriminated against in housing, which person/organization would you call first for information?**



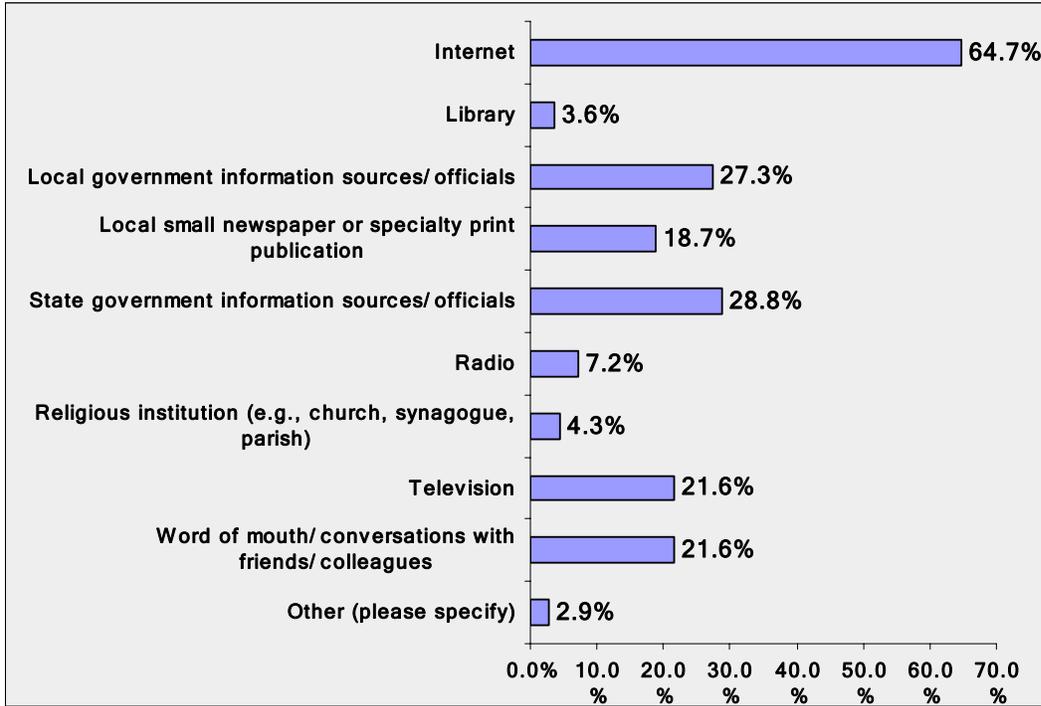
Source: 2011 Indiana Resident Fair Housing Survey.

Lastly, respondents were asked what information sources they use when wanting to learn more about housing/community development or government issues in Indiana. The highest ranked answers included: internet, 64.7%; state government officials, 28.8%; and local government officials, 27.3%. Some of the lowest ranked responses included religious institutions, 4.3% and libraries, 3.6%.

The average response rates for the information source questions were the same at 97% respectively.

**Exhibit II-13**

**In general, when you want to learn about housing/community development or government issues in Indiana, what information sources do you use?**



Source: 2011 Indiana Resident Fair Housing Survey.

## **SECTION III.**

# **Socioeconomic and Housing Market Analysis**

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## **SECTION III.**

# **Socioeconomic and Housing Analysis**

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

### **Population Growth**

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

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

**City and County growth rates.** Many of Indiana's top growth counties were located in the nine-counties that comprise the Indianapolis region, indicating that suburban metropolitan communities are absorbing much of Indiana's new growth. Hamilton County, located in the northeastern part of the Indianapolis region, grew by the largest percentage of all Indiana counties since 2000: from 2000 to 2008, the County grew by 48 percent.

Figure III-1 depicts county-specific growth patterns between 2000 and 2010. The entitlement counties of Lake and Hamilton experienced population growth overall; however, as can be seen in Figure III-1, 11 of the 22 entitlement cities in Indiana experienced population declines. Fourteen of the 20 fastest cities in towns from 2000 to 2008 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 west and southeast of the Indianapolis MSA and along the northern border shared with Michigan.



Figure III-2 shows population growth from 2000 to 2010 in Community Development Block Grant (CDBG) entitlement and non-entitlement areas. As of 2010, 57 percent of Indiana's total population resides outside of CDBG entitlement areas. Higher growth was seen in entitlement areas (9.7 percent) from 2000 to 2010 compared to non-entitlement area growth (4.4 percent) during the same period.

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

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

Source:  
U.S. Census Bureau, compiled by  
Indiana Business Research Center.

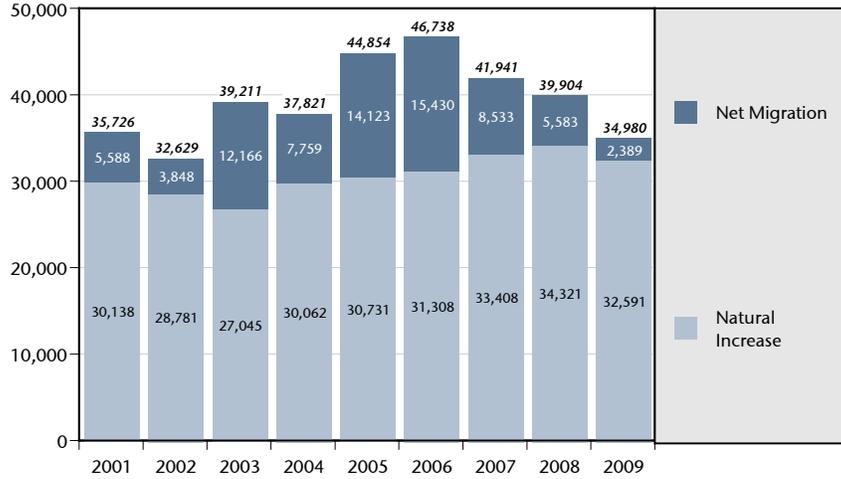
	2000		2010		Percent Change 2000 – 2010
	Number	Percent	Number	Percent	
<b>Indiana</b>	6,080,485	100%	6,483,802	100%	6.6%
<b>Non-Entitlement</b>	3,512,126	58%	3,666,811	57%	4.4%
<b>CDBG Entitlement</b>	2,568,359	42%	2,816,991	43%	9.7%
<b>CDBG Entitlement Areas:</b>					
<b>Hamilton County</b>	<b>182,740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

**Components of population change.** Figure III-3 shows the components of the population change for 2001 through 2009. Population growth from 2000 to 2009 has primarily been attributed to natural increase. 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, 5,600 persons in 2008 and 2,400 persons in 2009.

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

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

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



**Future growth.** The Indiana Business Research Center (IBRC) projects a State population of 6,581,875 in 2015 and 6,739,126 in 2020. This equates to a projected growth rate of 3.9 percent from 2010 to 2020, which is 2.7 percentage points less than the growth rate experienced in the years 2000 to 2010. Simply stated, growth in Indiana is slowing.

**Population Characteristics**

In 2009, Indiana’s median age was estimated to be 36.8, compared to 35.2 in 2000 and 36.8 in 2008. 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 2009, 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 2009.

Seventy-six of Indiana’s 92 counties had a higher percentage of residents aged 65 and older than the total State average. Figure III-4 shows which counties have a large proportion of residents aged 65 years and older.



**Figure III-5.  
Population by Race and Ethnicity, State of Indiana, 2000 and 2010**

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

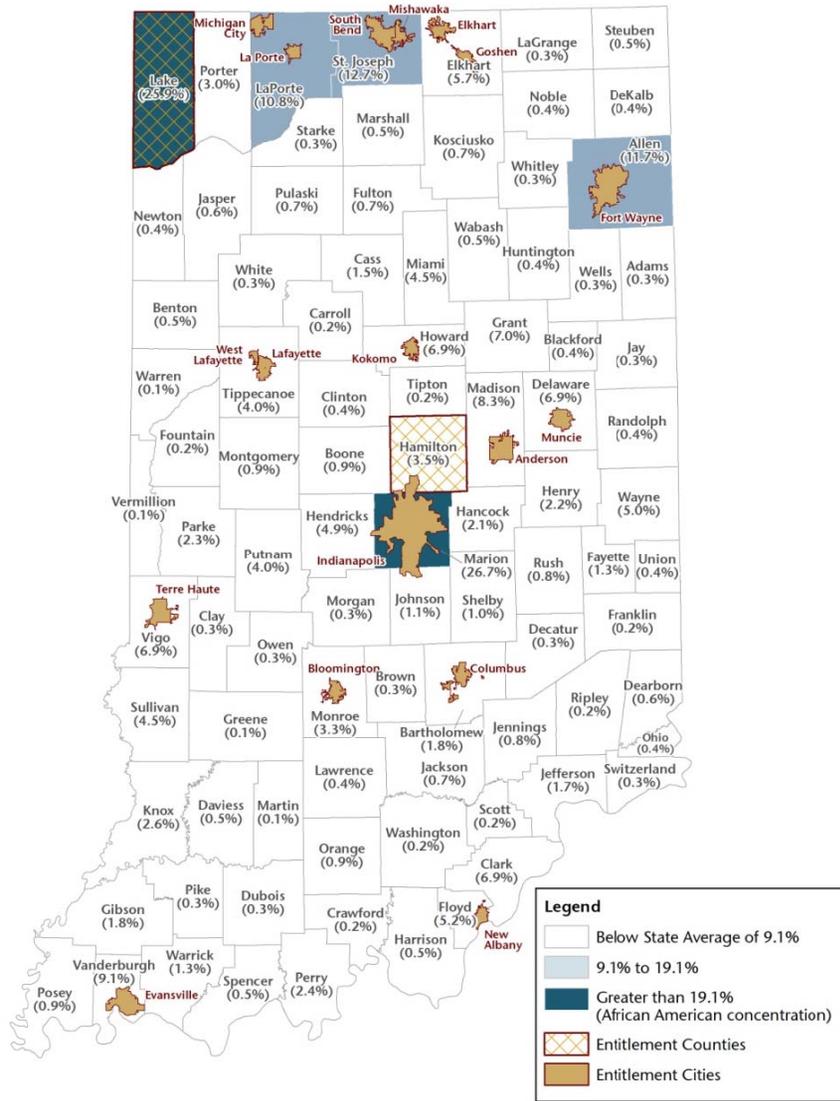
Source: U.S. Census Bureau, compiled by Indiana Business Research Center.

**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. For the purposes of this study, areas of geographical concentration are areas where the percentage of a specific minority, ethnic or income group is at least 10 percentage points higher than in the state overall. Figures III-6 and III-7 show the counties that contain the majority of these population groups.

The State’s African American population comprises 9.1 percent of the total population; therefore an area with more than 19.1 percent is considered an area of concentration. Figure III-6 displays the counties that have a larger percentage of African Americans in their population than the State average. The counties shaded dark blue are counties where more than 19.1 percent of the population is African American, these counties are considered to have a concentration of African American residents. Indiana’s African American population is highly concentrated in the State’s urban counties. Allen, Marion, Lake, LaPorte and St. Joseph counties contain 77 percent of the African Americans in the State, and Lake and Marion counties are considered to be concentrated. Please note these data do not include racial classifications of Two or More Races, which include individuals who classify themselves as African American along with some other race.

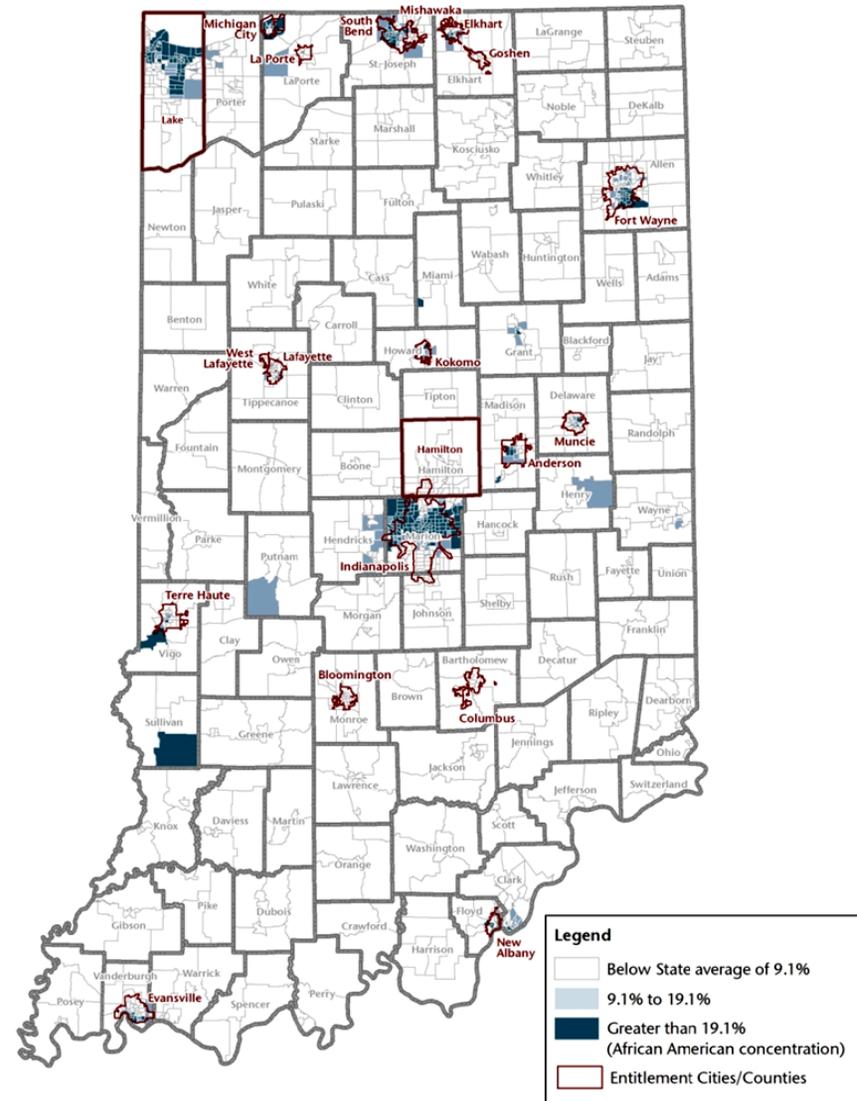
Figure III-8 and III-9 shows the 14 counties whose population had a greater concentration of the Hispanic/Latino population than the 2010 State average of 6.0 percent. Lake County was the only county with a concentrated (greater than 16.0 percent) Hispanic population.

**Figure III-6.**  
**Counties in which African American Population**  
**is Greater than the State Average, State of Indiana, 2010**



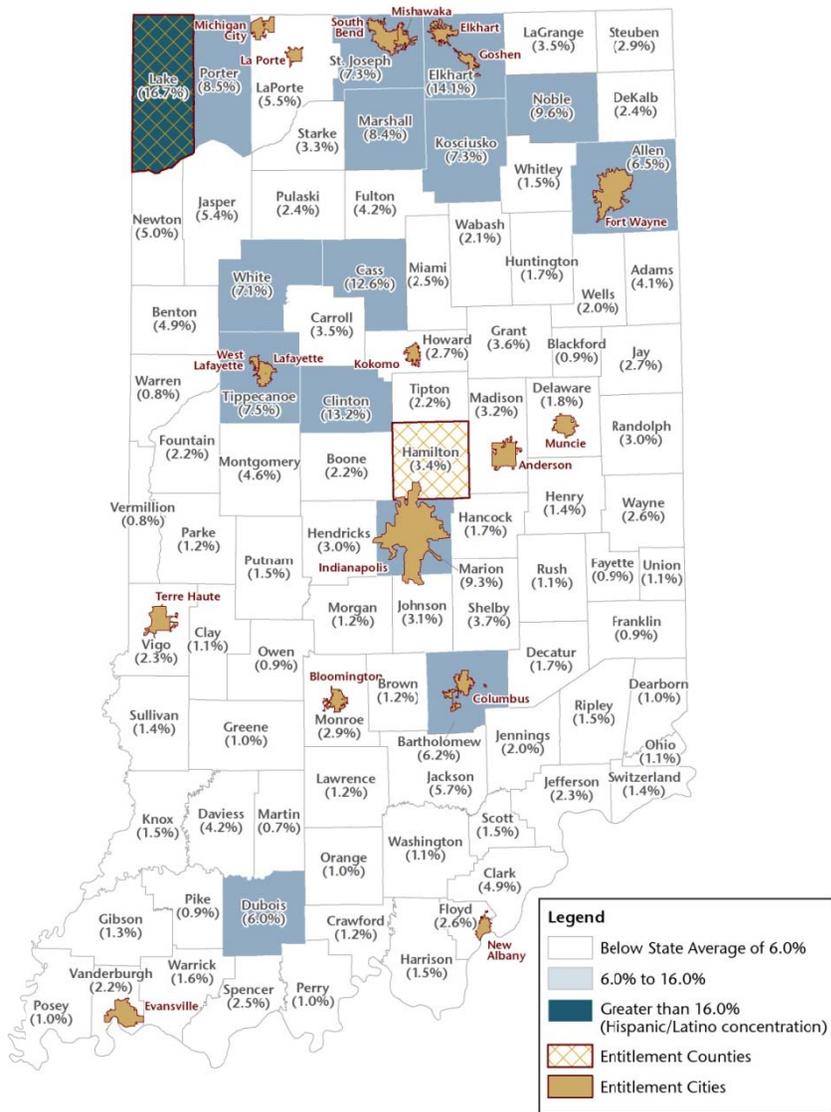
Note: In 2010, African Americans made up 9.1 percent of the State's overall population; The shaded counties have a higher percentage of their population that is African American than the State overall.  
 Source: U.S. Census Bureau's 2010 Census, compiled by Indiana Business Research Center and BBC Research & Consulting.

**Figure III-7.**  
**Census Tracts in which African American Population**  
**is Greater than the State Average, State of Indiana, 2010**



Note: In 2010, African Americans made up 9.1 percent of the State's population; The shaded Census Tracts have a higher percentage of their population that is African American than the State overall.  
 Source: U.S. Census Bureau's 2010 Census, compiled by Indiana Business Research Center and BBC Research & Consulting.

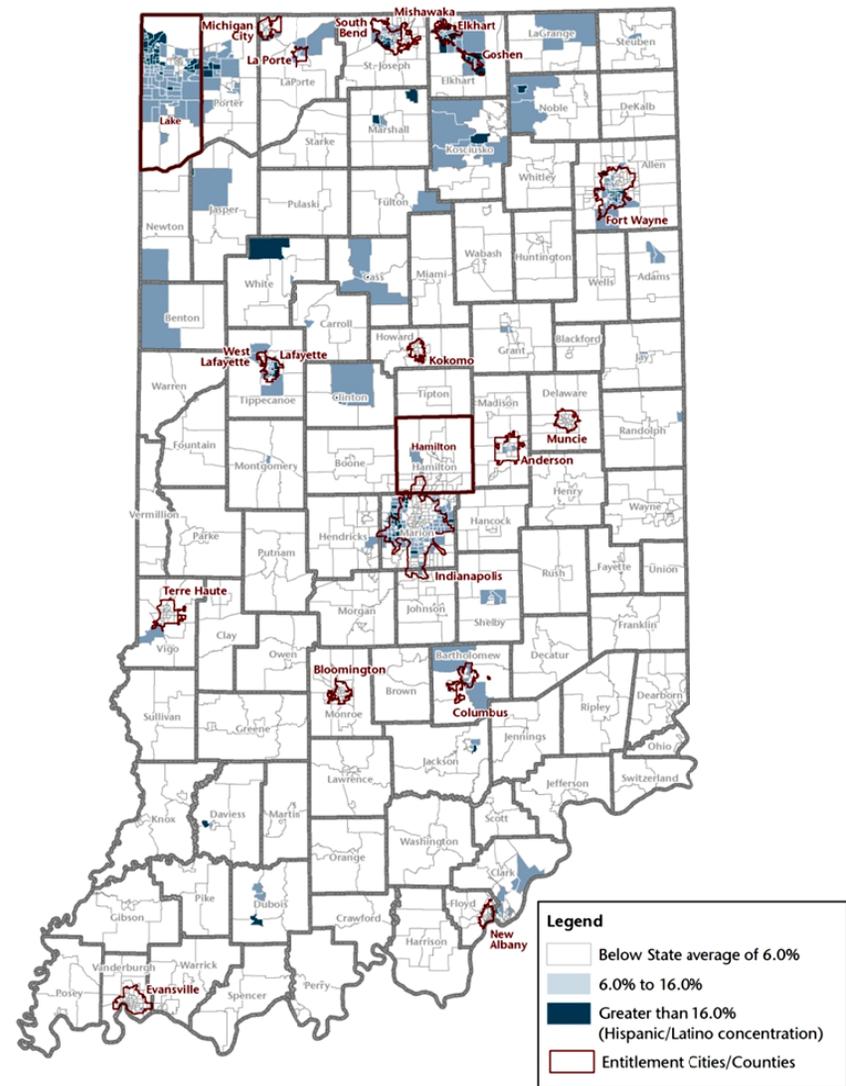
**Figure III-8.**  
**Counties in which Hispanic/Latino Population is Greater than the State Average, State of Indiana, 2010**



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

Source: U.S. Census Bureau's 2010 Census, compiled by Indiana Business Research Center and BBC Research & Consulting.

**Figure III-9.**  
**Census Tracts in which Hispanic/ Latino Population is Greater than the State Average, State of Indiana, 2010**



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

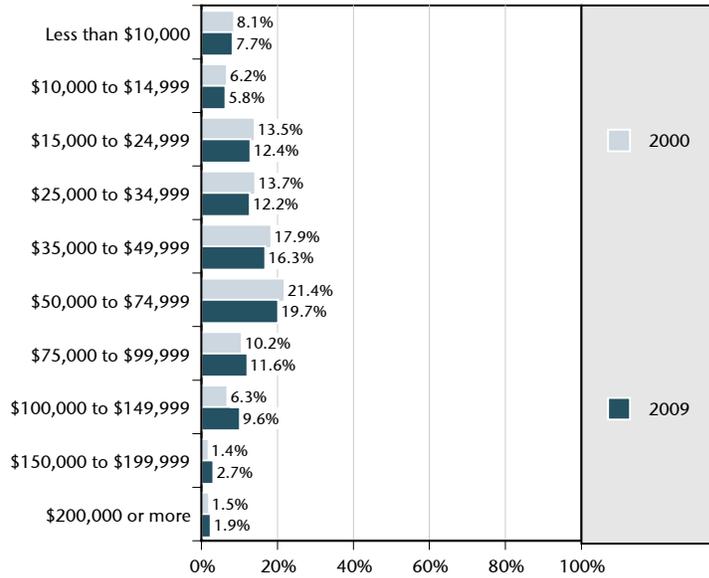
Source: U.S. Census Bureau's 2010 Census, compiled by Indiana Business Research Center and BBC Research & Consulting.



**Income growth.** Indiana’s median household income in 2009 was \$45,424, compared to \$41,567 in 2000 and \$47,966 in 2008. Figure III-11 shows the distribution of income in the State in 2000 compared to 2009 in inflation-adjusted dollars. The percentage of residents in the higher income brackets has risen since 2000. For example, approximately 9 percent of all Indiana households earned \$100,000 or more in 2000; in 2009, the percentage had risen to 14 percent of all households.

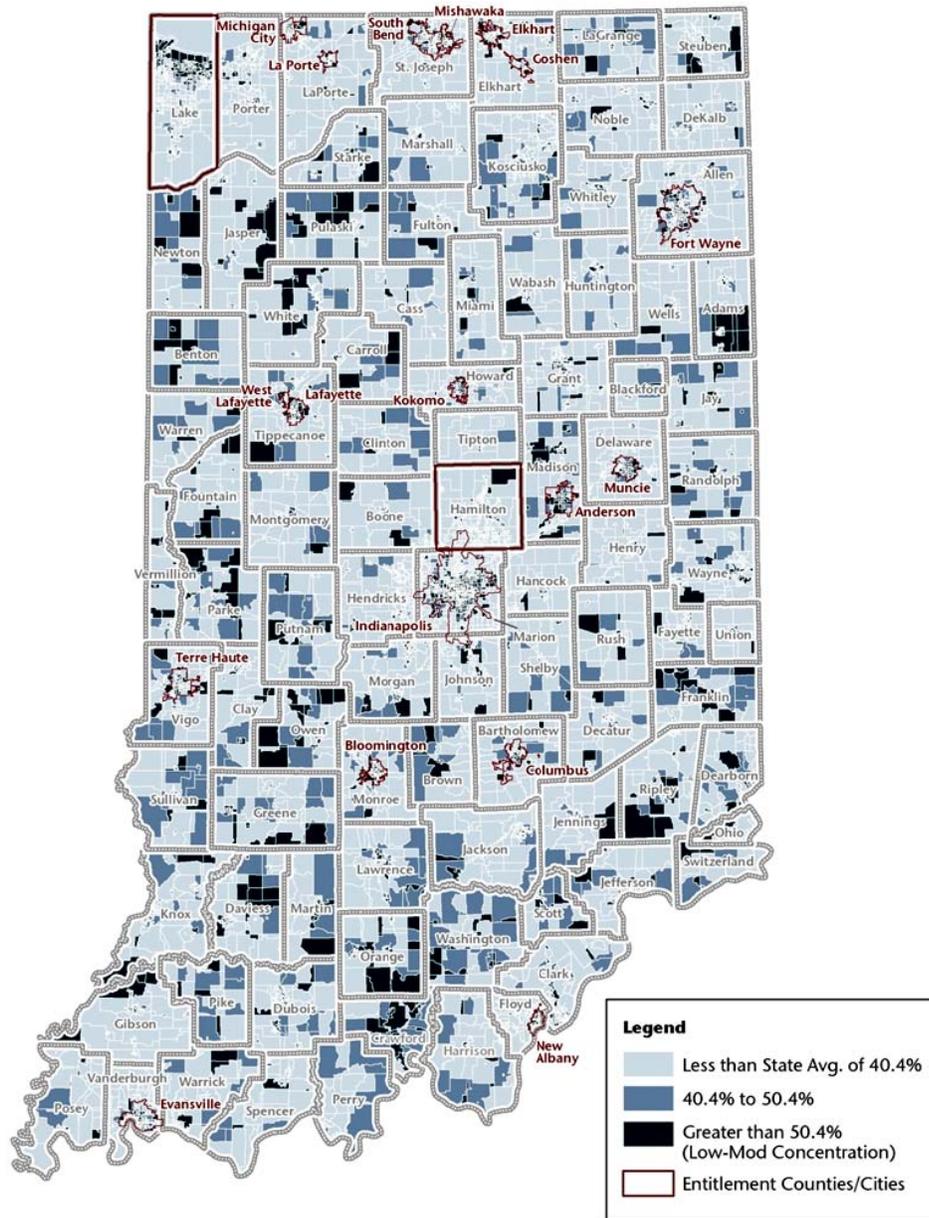
**Figure III-11.**  
**Percent of Households by**  
**Income Bracket, State of**  
**Indiana, 2000 and 2009**

Source:  
 U.S. Census Bureau’s 2000 Census and 2009  
 American Community Survey.



**Low and moderate income.** The following figure shows the geographic location by block group of the percent of the population who earn less than 80 percent of the HUD median family income. HUD reports that in FY2010 40.4 percent of the State’s population is low and moderate income, therefore block groups where more than 50.4 percent of the population is low and moderate income are considered to be low and moderate income concentrated.

**Figure III-12.**  
**Block Groups in which Low and Moderate Income**  
**Population is Greater than the State Average, State of Indiana, 2010**



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

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

**Poverty.** In 2009, the U.S. Census Bureau reported that 14 percent of Indiana residents were living below the poverty level. This is an increase of 5 percentage points from 2000 (9.5 percent of all residents living below poverty level). As seen in Figure III-13, the percentages of many age groups and family types living below the poverty level has increased from 2000 to 2009. For example, 20 percent of Indiana residents under age 18 lived below the poverty level in 2009, an increase of 8 percentage points from 2000. Similarly, 43 percent of female-headed households with related children and no husband present lived below the poverty level in 2009, an increase of 12 percentage points from 2000.

**Figure III-13.**  
**Percent Living Below the Poverty Level**  
**of Each Universe, State of Indiana, 2000 and 2009**

	2000	2009	Net Change from 2000 to 2009
All residents	9%	14%	5%
Persons under age 18	12%	20%	8%
Persons age 18 to 64	9%	13%	5%
Persons age 65 and older	8%	8%	0%
Families with related children under 18 years	10%	18%	8%
Female head of household w/ related children present	30%	43%	12%

Source: U.S. Census Bureau's 2000 Census and 2008 American Community Survey.

The Census also provides poverty data from the Small Area Income and Poverty Estimates program, for school districts, counties, and states. The following map shows the percent of the population living below poverty for each county. The darker shaded counties have a higher percent of their population living below the poverty level than the State average of 14.4 percent.

**Figure III-14.**  
**Percent of**  
**Population Living**  
**Below Poverty Level**  
**by County, State of**  
**Indiana, 2009**

Note:  
 SAIPE estimates 14.4 percent of the State's population to be living below the poverty level in 2009.

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

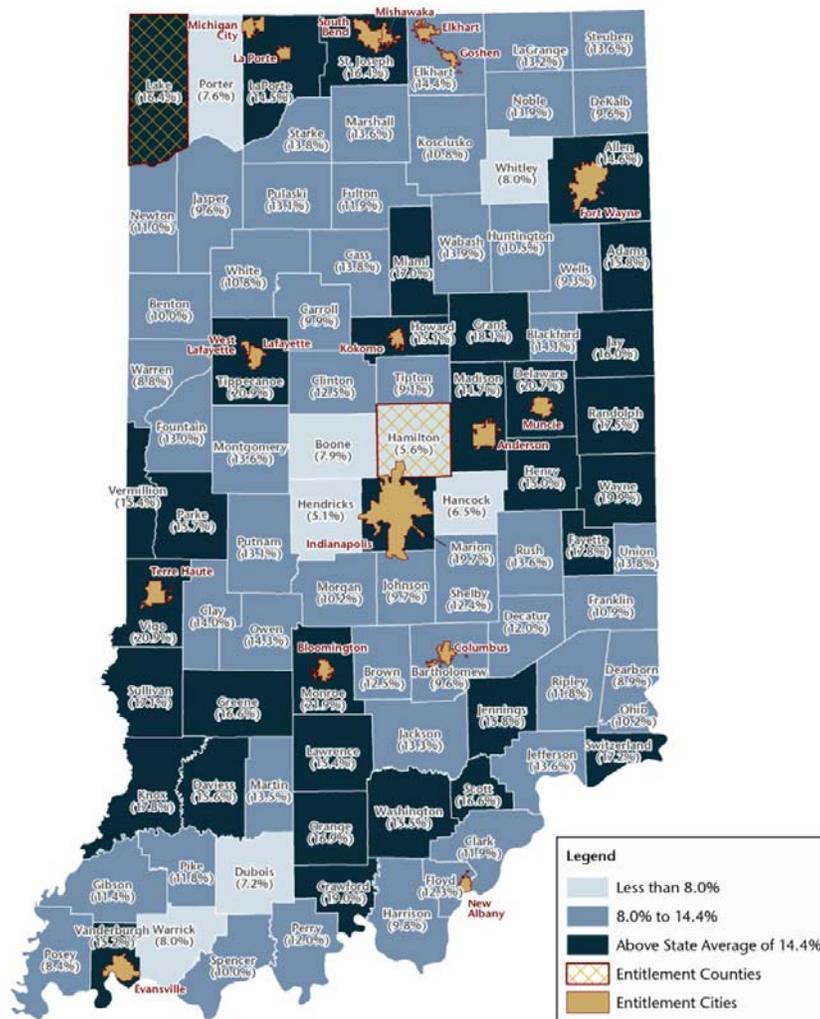
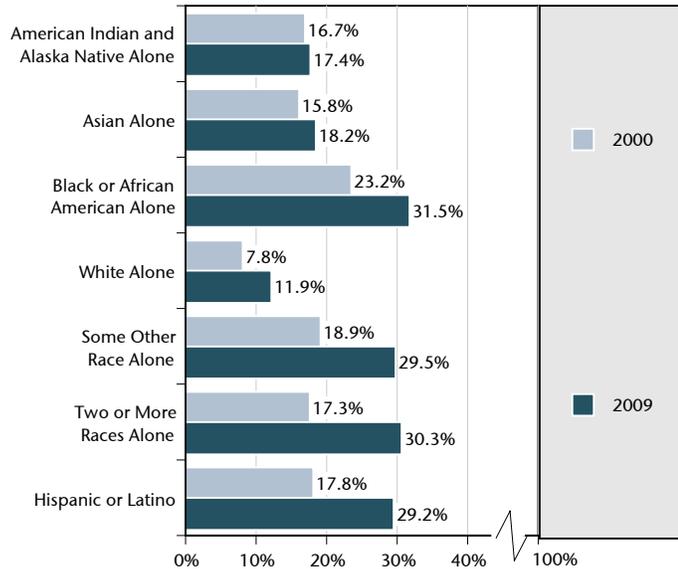


Figure III-15 compares the percentage of persons living in poverty for each race and ethnicity in 2000 and 2009. Indiana residents who were White had the lowest poverty rate in 2008; African Americans, Hispanics/Latinos, those of Two or More Races and those of Some Other Race had the highest rates of poverty in the State. A higher percentage of every race lived below the poverty level in 2008 than in 2000.

**Figure III-15.**  
**Percentage of Population Living Below the Poverty Level by Race and Ethnicity, State of Indiana, 2000 and 2009**

Source:  
 U.S. Census Bureau's 2000 Census and 2008 American Community Survey.



Of the State of Indiana's total population of persons living in poverty in 2009, 71 percent were White, 19 percent were African American, 11 percent were Hispanic/Latino, 4 percent were Some Other Race, 4 percent were Two or More Races and 2 percent were Asians. This compares to the general population distribution of 86 percent White, 9 percent Black/African American, 5 percent Hispanic/Latino, 2 percent Some Other Race, 2 percent Two or More Races and 1 percent Asian. Therefore, the State's African American, Hispanic/Latino, Some Other Race and Two or More Race populations are disproportionately more likely to be living in poverty.

In addition, 21 percent of persons with disabilities, or 166,121 persons, lived below the poverty level in 2009.

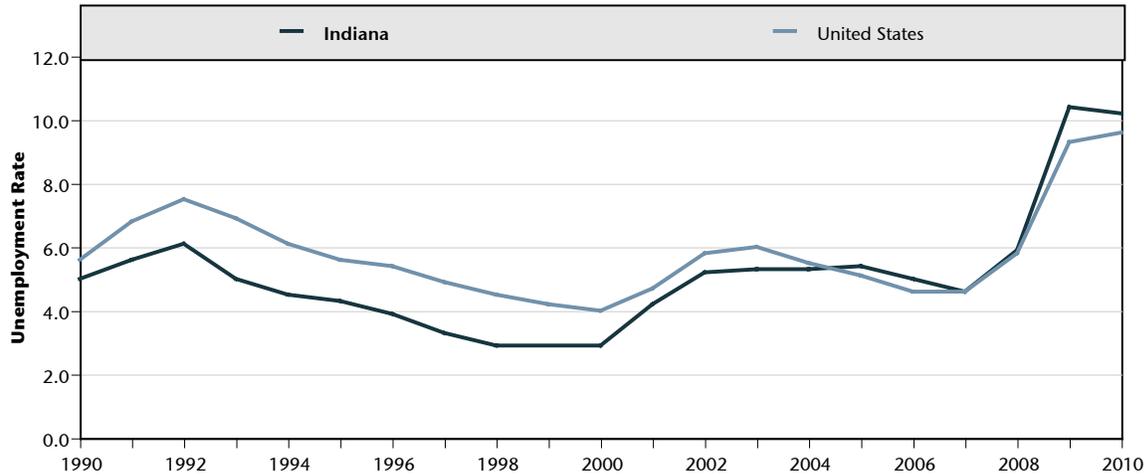
**Educational attainment.** The percent of college-educated Indiana residents increased moderately between 2000 (19 percent) and 2009 (23 percent). Indiana trails the U.S. average of 28 percent in higher education attainment. In general, Indiana has a less educated population than the U.S. as a whole.

### Employment

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

**Unemployment.** As of 2010, the average unemployment rate in Indiana was 10.2 percent. This represents the highest unemployment rate for the State since 1983 (11.1 percent unemployment). During 2010, monthly unemployment rates reached a low of 9.2 percent in October and December and a high of 11.6 percent in February. Figure III-16 shows the broad trend in unemployment rates since 1990 for Indiana and the United States.

**Figure III-16.**  
**Average Annual Unemployment Rate, State of Indiana and United States, 1990 to 2010**



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

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

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

County unemployment rates ranged from a low of 5.9 percent in Daviess County to a high of 13.9 percent in Elkhart County. Figure III-17 displays the 2010 average unemployment rate by county, as reported by the Bureau of Labor Statistics. The shaded counties have an average unemployment rate higher than the statewide average of 10.2 percent.



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

Figure III-19 shows the third quarter 2010 average weekly wage and the percent of total jobs by employment industry to Indiana. The highest wage industries are the utilities and management of companies and enterprises. However, these two industries only make up 2 percent of all jobs in Indiana. The manufacturing industry, which comprises 17 percent of all jobs, has an average weekly wage \$955. The lowest wage industries include accommodation and food services and retail trade.

**Figure III-19.**  
**Average Weekly Wage**  
**and Percent of Total**  
**Jobs by Industry, State**  
**of Indiana, Third**  
**Quarter 2010**

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

	Average Weekly	Percent of Total Jobs
<b>Total</b>	<b>\$742</b>	<b>100%</b>
Utilities	\$1,440	1%
Management of Companies and Enterprises	\$1,327	1%
Mining	\$1,179	0%
Professional, Scientific, and Technical Services	\$1,041	4%
Manufacturing	\$1,010	17%
Wholesale Trade	\$1,010	4%
Finance and Insurance	\$977	3%
Construction	\$959	5%
Information	\$841	2%
Health Care and Social Services	\$773	14%
Transportation & Warehousing	\$760	4%
Public Administration	\$758	5%
Educational Services	\$717	8%
Real Estate and Rental and Leasing	\$641	1%
Agriculture, Forestry, Fishing and Hunting	\$552	1%
Admin. & Support & Waste Mgt. & Rem. Services	\$513	6%
Other Services(Except Public Administration)	\$506	3%
Arts, Entertainment, and Recreation	\$498	2%
Retail Trade	\$453	11%
Accommodation and Food Services	\$261	9%

The following figure maps the average weekly wage by county. Indiana’s highest average weekly wage is in Martin County (\$1,111). The majority of Martin County’s employment composition is comprised of public administration (45 percent of all jobs), professional, scientific, and technical services (17 percent) and manufacturing (15 percent) and. These make up 78 percent of all the jobs in Martin County. Brown County has the lowest average weekly wage (\$437) of Indiana counties. Forty-four percent of Brown County jobs are in accommodation and food services and the retail trade, which are typically low-wage jobs.



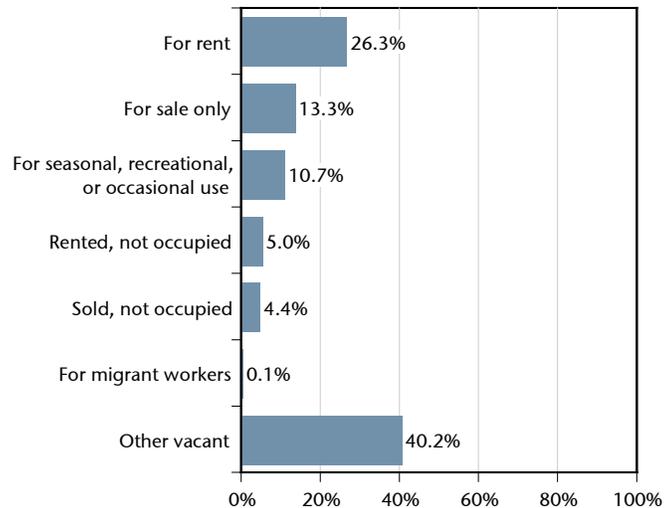




The 2009 Census Bureau's ACS estimates there were 331,939 vacant units in Indiana. The statewide homeownership vacancy rate was estimated to be 2.4 percent and the rental vacancy rate was estimated at 10.4 percent. In 2009, almost half of all vacant units in Indiana (49 percent) consisted of owner or renter units that were unoccupied and/or for sale or rent. Eleven percent of vacant units were considered seasonal units, while 40 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. Figure III-24 shows the vacant units in the State by type.

**Figure III-24.**  
**Vacant Housing Units by Type,**  
**State of Indiana, 2009**

Source:  
 U.S. Census Bureau's 2009 American Community Survey.



**Type and tenure.** Data from the 2009 ACS indicates that Indiana's housing stock is primarily comprised of single-family, detached homes (72 percent). Seventy-eight percent of Indiana's housing stock were structures with two or fewer units; 16 percent of homes were structures with 3 units or more; and 5 percent of homes were mobile or other types of housing.

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

Brown County had the highest homeownership rate (85 percent) of all Indiana counties, while Monroe County had the lowest rate of 55 percent. The following map shows the percent of occupied housing units that are homeowners for each county. The shaded counties have a homeownership rate higher than the statewide average of 70.4 percent.

**Figure III-25.**  
**Percent of Owner**  
**occupied Housing**  
**Units, by County,**  
**State of Indiana,**  
**2009**

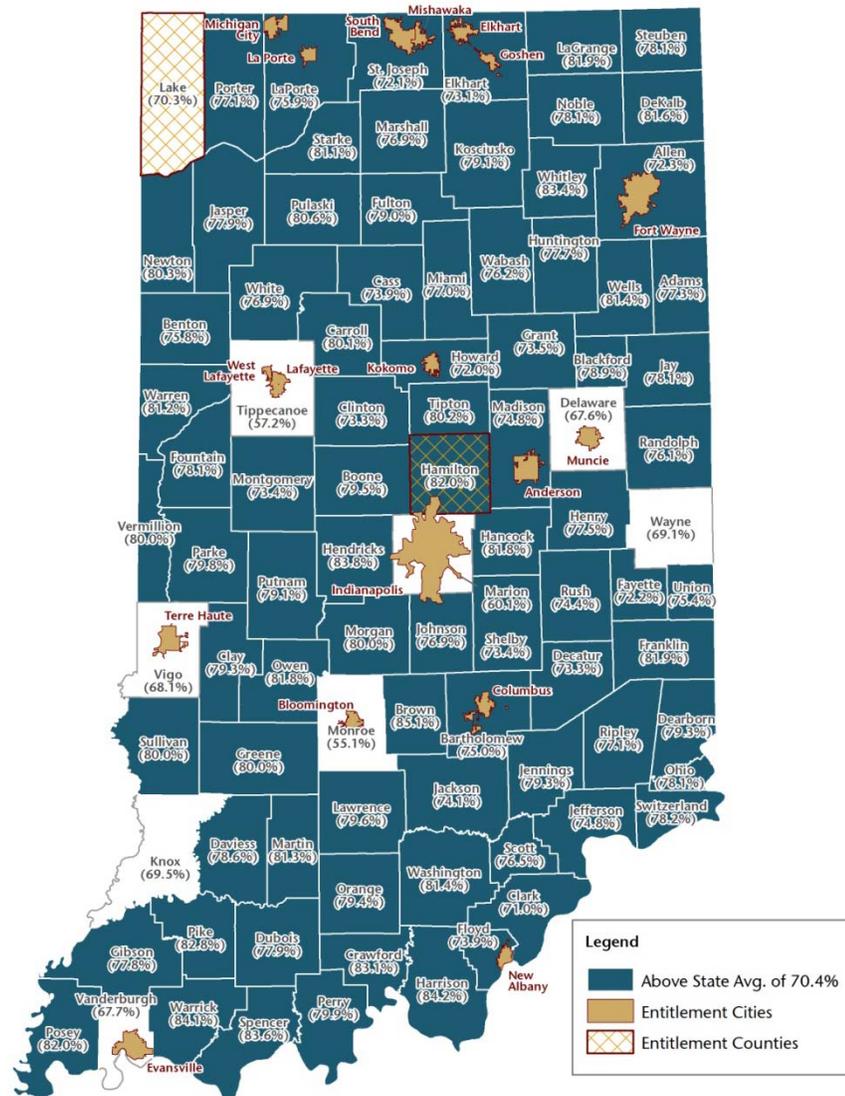
Note:

According to 2009 ACS Indiana's homeownership rate was 70.4 percent in 2009.

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

Source:

U.S. Census Bureau's 2009 American Community Survey and Nielsen-Claritas 2009 estimates.



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

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

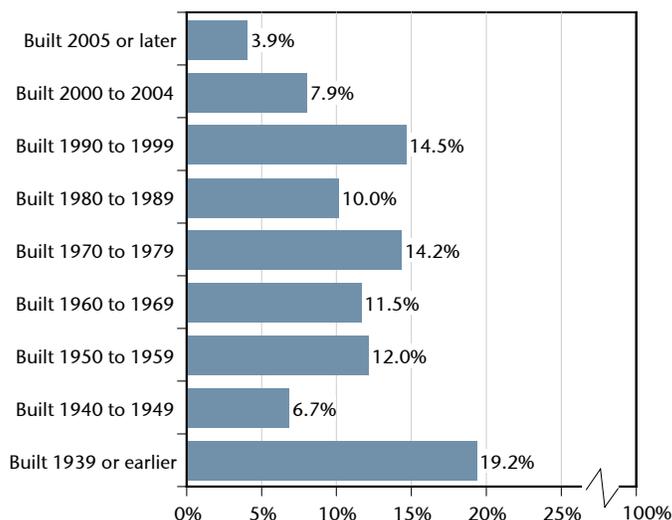
**Age.** An important indicator of housing condition is the age of the home. Older houses tend to have more condition problems and are more likely to contain materials such as lead paint (see below). In areas where revitalization of older housing stock is active, many old houses may be in excellent condition;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

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

Housing age data from the 2009 ACS indicate that almost one fifth (19 percent) of the State’s housing units, occupied or vacant, was built before 1940, when the risk of lead-based paint is the highest. Approximately 64 percent of the housing stock was built before 1979. As of 2009, the median year the housing stock was built in the State was 1970. Figure III-26 presents the distribution of housing units in the State by age.

**Figure III-26.**  
**Year Housing Units Were Built,**  
**State of Indiana, 2009**

Source:  
U.S. Census Bureau's 2009 American Community Survey.



**Overcrowded housing.** Overcrowding in housing can threaten public health, strain public infrastructure, and points to the need for affordable housing. The amount of living space required to meet health and safety standards is not consistently specified; measurable standards for overcrowding vary. According to HUD, the most widely used measure assumes that a home becomes unhealthy and unsafe where there are more than 1, or sometimes 1.5, household members per room.<sup>1</sup> Another frequently used measure is the number of individuals per bedroom, with a standard of no more than two persons per bedroom. Assisted housing programs usually apply this standard.

The Census Bureau reports that in 2009, 1.7 percent of the State’s occupied housing units, or 42,656 units, were overcrowded, which is defined as 1.01 persons or more per room. Approximately 0.3 percent of the State’s housing units were severely overcrowded (more than 1.51 persons per room).

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

These data compare favorably to national averages of 3.2 percent of units that were overcrowded and 1.0 percent severely overcrowded in 2009.

**Severely substandard.** The 2009 ACS reported that approximately 188,700 housing units in the State are considered severely substandard because they lacked either complete plumbing facilities<sup>2</sup> or complete kitchens.<sup>3</sup> Together, assuming no overlap, these units represented 6.7 percent of the State’s total housing units in existence in 2009.

Figure III-27 presents the estimated number and percentage of homes in the State with substandard condition problems as of 2009. For the nation overall, 2.1 percent of the housing stock was lacking complete plumbing facilities and 3.0 percent lacked complete kitchen facilities.

**Figure III-27.  
Housing Units Lacking Basic Amenities, State of Indiana, 2009**

	Owner Occupied	Renter Occupied	Total Occupied	Vacant	All Housing Units
<b>Housing Units</b>	<b>1,744,831</b>	<b>732,717</b>	<b>2,477,548</b>	<b>331,939</b>	<b>2,809,487</b>
Lacking complete plumbing facilities	5,887	2,467	8,354	71,431	79,785
Lacking complete kitchen facilities	6,703	9,240	15,943	92,991	108,934
<b>Percent of Housing Units</b>	<b>62%</b>	<b>26%</b>	<b>88%</b>	<b>12%</b>	<b>100%</b>
Lacking complete plumbing facilities	0.3%	0.3%	0.3%	21.5%	2.8%
Lacking complete kitchen facilities	0.4%	1.3%	0.6%	28.0%	3.9%

Source: U.S. Census Bureau 2009 American Community Survey.

The 2009 ACS also reported the number of housing units with “selected conditions.” The variable “Selected Conditions” is defined for owner and renter occupied housing units as having at least one of the following conditions: 1) lacking complete plumbing facilities; 2) lacking complete kitchen facilities; 3) units with 1.01 or more occupants per room (“overcrowded”); 4) selected monthly owner costs as a percentage of household income greater than 30 percent (“cost burdened owner”); and 5) gross rent as a percentage of household income greater than 30 percent (“cost burdened renter”).

Approximately 728,950 of Indiana’s housing units had one or more condition problems. Given the State’s small percentage of overcrowded and substandard units, these “condition” issues are largely related to affordability. Figure III-28 shows that rental units are much more likely to have two or more of the selected conditions than owner occupied units.

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

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

**Figure III-28.  
Selected Conditions by  
Tenure, State of  
Indiana, 2009**

Source:  
U.S. Census Bureau 2009 American  
Community Survey.

	Owner Occupied	Renter Occupied	Total Occupied
<b>Housing Units</b>	<b>1,744,831</b>	<b>732,717</b>	<b>2,477,548</b>
No selected conditions	1,354,820	393,786	1,748,606
With one selected condition	379,607	320,232	699,839
With two or more selected conditions	10,404	18,699	29,103
<b>Percent of Housing Units</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
No selected conditions	77.6%	53.7%	70.6%
With one selected condition	21.8%	43.7%	28.2%
With two or more selected conditions	0.6%	2.6%	1.2%

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

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

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

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

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

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

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

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

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



Almost one fifth (539,822 housing units) of Indiana’s housing stock was built before 1940, when lead-based paint was most common. Another 19 percent (526,068 housing units) was built between 1940 and 1960, when lead-based paint was still used, but the amount of lead in the paint was being reduced. Finally, 723,428 Indiana housing units (26 percent) were built between 1960 and 1979 as lead-based paint was phased out and eventually banned. Therefore, 64 percent of the housing stock in the State, or about 1.79 million units, were built when lead-based paint was used, to some extent, in residential housing.

If (as HUD estimates) 90 percent of the pre-1940 units in Indiana are at risk of containing lead paint, 80 percent of the units built between 1940 and 1960 are at risk and 62 percent of units built between 1960 and 1979 are at risk as well, then it is estimated 1.36 million Indiana housing units (48 percent) may contain lead paint. Figure III-30 displays this calculation.

**Figure III-30.**  
**Housing Units At Risk of Lead-Based Paint, State of Indiana, 2009**

Source:  
“Technical Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing,” HUD and U.S. Census Bureau 2009 American Community Survey.

Year Housing Unit was Built	Number of Housing Units	Estimated Percentage at Risk	Estimated Number of Housing Units at Risk
1939 and earlier	539,822	90%	485,840
1940 to 1960	526,068	80%	420,854
1960 to 1979	723,428	62%	448,525
<b>Total</b>	<b>1,789,318</b>		<b>1,355,220</b>

Ultimately, the extent to which lead paint is a hazard in these homes depends on if there has been mitigation (e.g., removal, repainting) and how well the units have been maintained. Inadequately maintained homes and apartments are more likely to suffer from a range of lead hazard risks, including chipped and peeling paint and weathered window surfaces. Therefore, it is assumed that lower income households have fewer resources to maintain their homes and may be at higher risk for lead hazards. As a result, based on 2009 data on household income, the year housing units were built and HUD’s estimates of risk by year built, about 517,000 low and moderate income households could live in units built before 1980 containing lead-based paint and be at higher risk for lead-based paint hazards.

**Housing to buy.** The Census estimated the median value of an owner occupied home in Indiana as \$123,100 in 2009, which is slightly lower than the 2008 median value of \$125,200. This is substantially lower than the U.S. median home price of \$197,600. Regionally, Indiana trails Illinois, Michigan and Ohio in median home prices, as shown in Figure III-31.

**Figure III-31.**  
**Regional Median Owner Occupied Home Value, State of Indiana, 2009**



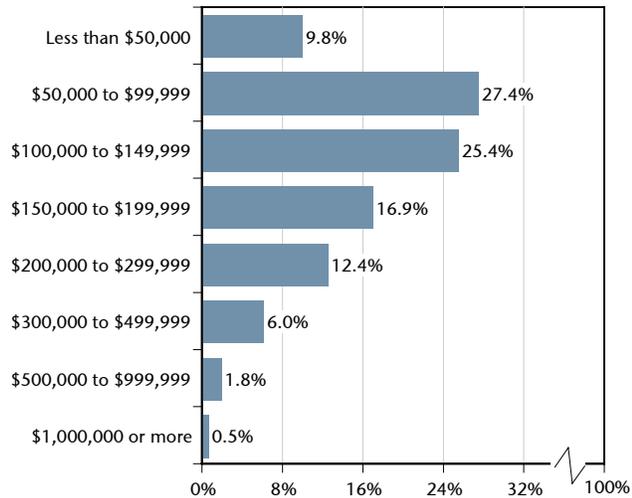
Source: U.S. Census Bureau’s 2009 American Community Survey.



In Indiana, 37 percent of owner occupied units had values less than \$100,000, and 63 percent were valued less than \$150,000. Figure III-33 presents the price distribution of owner occupied homes in the State.

**Figure III-33.**  
**Distribution of Owner Occupied Home Values, State of Indiana, 2009**

Source:  
U.S. Census Bureau's 2008 American Community Survey.



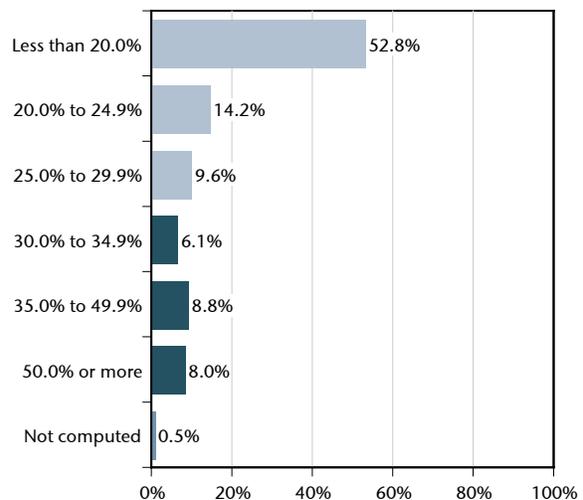
Although housing values in Indiana are still affordable relative to national standards, many Indiana households have difficulty paying for housing. Housing affordability is typically evaluated by assessing the share of household income spent on housing costs. For owners, these costs include mortgages,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

In 2009, 23 percent of all homeowners (about 399,500 households) in the State were paying 30 percent or more of their household income for housing, and 8 percent (139,721 households) were paying 50 percent or more. Figure III-34 presents these data.

**Figure III-34.**  
**Owner Housing Costs as a Percent of Household Income, State of Indiana, 2009**

Note:  
Darker shaded areas indicate cost burdened households.

Source:  
U.S. Census Bureau's 2009 American Community Survey.



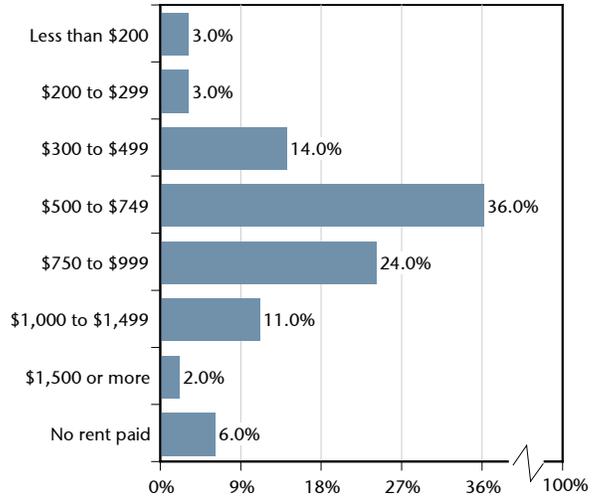
Among homeowners *with* mortgages, approximately 27 percent were reported as cost burdened. However, only 12 percent of homeowners *without* mortgages reported being cost burdened.

**Housing to rent.** The Census Bureau reported that the median gross rent in Indiana was \$687 per month in 2009. Gross rent includes contract rent and utilities.<sup>4</sup> About 19 percent of all units statewide were estimated to rent for less than \$500 in 2009, while another 36 percent were estimated to rent for \$500 to \$749. The distribution of statewide gross rents is presented in Figure III-35.

**Figure III-35.**  
**Distribution of Gross Rents, State of Indiana, 2009**

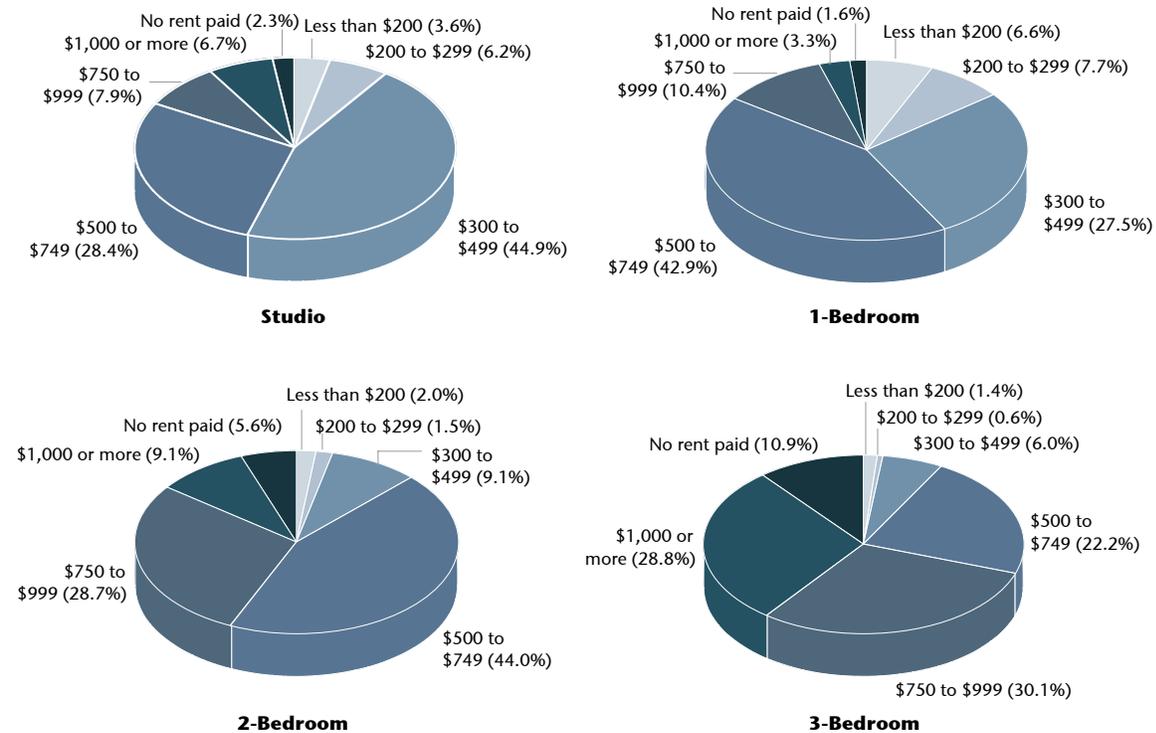
Note:  
Renter units occupied without payment of rent are shown separately as "No rent paid."

Source:  
U.S. Census Bureau's 2009 American Community Survey.



The following figure shows the distribution of gross rent cost by the size of housing unit.

**Figure III-36.**  
**Distribution of Gross Rents by Size of Unit, State of Indiana, 2009**



Source: U.S. Census Bureau's 2009 American Community Survey.

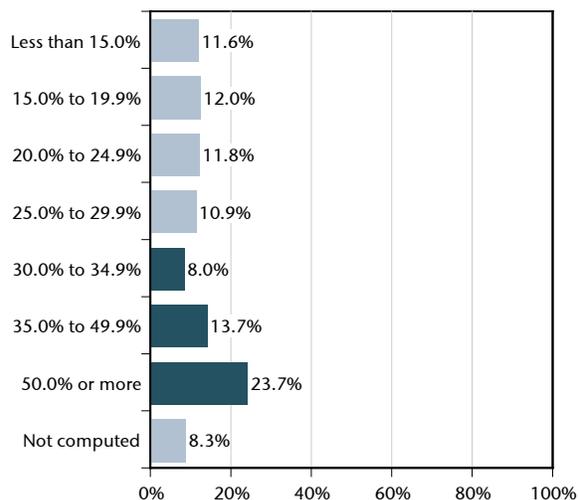
<sup>4</sup> According to the U.S. Census, 89 percent of renters in Indiana pay extra for one or more utilities in their rent price.

Rent burdens can be evaluated by comparing rent costs to household incomes. The 2009 ACS estimates that 45 percent of Indiana renters—or 331,875—paid more than 30 percent of household income for gross rent, with over half of these renters (24 percent of all renters, or 173,466) paying more than 50 percent of their incomes. Rentals constituted only 30 percent of the State’s occupied housing units in 2009; however, a much higher percentage of the State’s renters were cost burdened (45 percent) than the States owners (23 percent). Figure III-37 presents the share of income paid by Indiana renters for housing.

**Figure III-37.  
Renter Housing Costs as a Percent of Household Income, State of Indiana, 2009**

Note:  
Darker shaded areas indicate cost burdened households.

Source:  
U.S. Census Bureau's 2009 American Community Survey.



**Housing affordability and housing problems.** Housing affordability issues span across various sections of the population. A recent study by the National Low-Income Housing Coalition found that extremely low income households (earning \$16,421, which is 30 percent of the AMI of \$54,735) in Indiana’s non-metro areas can afford a monthly rent of no more than \$411, while the HUD Fair Market Rent for a two bedroom unit in the State is \$628. For single-earner families at the minimum wage, it would be necessary to work 67 hours a week to afford a two-bedroom unit at the HUD Fair Market Rent for the State.

According to the study, Indiana’s non-metro areas annual median family income increased by 12 percent from 2000 to 2010. However, the fair market rent for a two-bedroom apartment increased by 32 percent during the same time period, indicating a decline in housing affordability over the past nine years. Figure III-38 reports key findings from the study.

**Figure III-38.  
Housing Cost Burden, Indiana Non-Metro Areas, 2010**

Note:  
The HUD 2009 median family income was estimated at \$54,735 for Indiana’s non-metropolitan areas.

Source:  
National Low Income Housing Coalition, Out of Reach 2009.

	No Bedrooms	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
<b>Fair Market Rent</b>	<b>\$459</b>	<b>\$506</b>	<b>\$628</b>	<b>\$808</b>	<b>\$895</b>
Percent of median family income needed	34%	37%	46%	59%	65%
Work hours/week needed at the minimum wage	49	54	67	86	95
Income needed	\$18,359	\$20,227	\$25,106	\$32,328	\$35,820

HUD provides special tabulations of the Census, called Comprehensive Housing Affordability Strategy (CHAS) data, to show income constraints for various segments of the population. In late 2009, the data was compiled in a special tabulation from the Census Bureau's annual American Community Survey (ACS). This data offers timely data for the period between censuses, thus providing an up-to-date picture of local conditions.

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

According to 2009 CHAS data, there were 1 million low income households in the State of Indiana. The majority of these households—556,525 or 55 percent—had some type of housing problem. Figure III-39 shows the number of low income households with housing needs by income range.

**Figure III-39.**  
**Low Income Households with Housing Problems, State of Indiana, 2009**

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

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

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

Figure III-40 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.

**Figure III-40.**  
**HUD-Defined Housing Unit Problems**  
**by Household Income in 1999, State**  
**of Indiana**

Note:

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

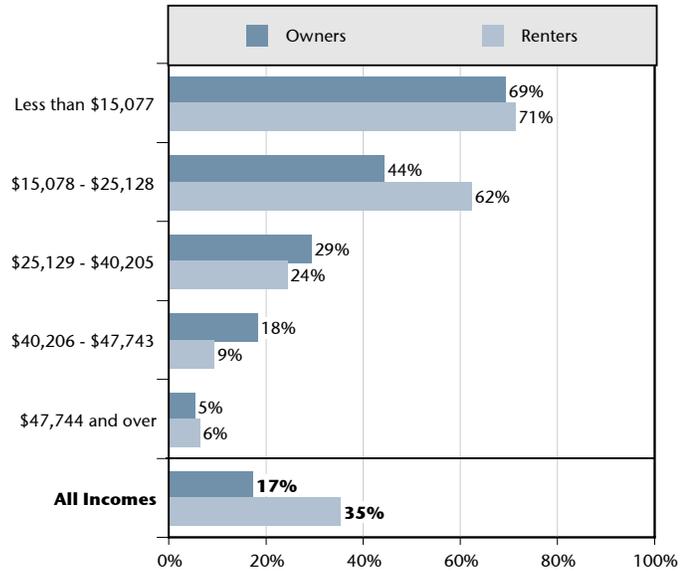
Housing unit problems: Lacking complete plumbing facilities, or lacking complete kitchen facilities, or with 1.01 or more persons per room, or with cost burden more than 30.0 percent.

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.

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

### **Subsidized housing**

The State of Indiana's lowest income renters are primarily served through assisted housing programs through local housing authorities and the Indiana Housing and Community Development Authority. The housing authorities typically own and manage public housing units and administer Housing Choice Vouchers throughout the State of Indiana. According to HUD's Picture of Subsidized Housing 2008 database, the State of Indiana has an estimated 140,000 subsidized housing units. These units include Public Housing units, Section 8 Housing Choice Vouchers or Certificates, Section 8 Moderate Rehabilitation units, Section 8 New Construction or Substantial Rehabilitation (including 202/8 projects) units, Section 236 Projects (FHA-Federal Housing Administration), Low Income Housing Tax Credit units and all other multifamily assisted projects with FHA insurance or HUD subsidy (including Section 8 Loan Management, Rental Assistance Program (RAP), Rent Supplement (SUP), Property Disposition, Section 202/811 capital advance, and Preservation. The following figure shows the estimated number of subsidized units available by county.



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

Many of these contracts are now expiring, and some owners are taking advantage of their ability to refinance at low interest rates and obtain market rents. Most of Indiana's affordable multifamily housing was built with Section 8 New Construction and Loan Management Set-Aside programs. Thus, a good share of Indiana's affordable rental housing could be at risk of elimination due to expiring use contracts. According to HUD's expiring use database, as of February 17, 2010 (the latest data available), Indiana had 32,438 units in expiring use properties, or approximately 4.6 percent of the State's total rental units. Eighty counties have all of their expiring use units due to expire through 2015. Figure III-42 shows the percent of units with affordable provisions that are due to expire in the next five years by county along with the total number of expiring units.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Special Needs Populations and Housing Statistics**

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

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

A complete analysis of the special needs populations in Indiana is included in Appendix C of the 2010-2014 Consolidated Plan. Figure III-43 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.

**Figure III-43.  
Special Needs Groups in Indiana**

Special Needs Group			Number
Persons Experiencing Homelessness	<i>Population</i>	<b>Total (2009 Balance of Indiana):</b>	<b>4,287</b>
		Individuals	2,307
		Individuals in families with children	1,980
	<i>Housing (Balance of Indiana, excluding metro areas)</i>	Emergency beds	2,666
		Transitional housing	2,039
		Permanent supportive housing	791
		Chronically homeless	181
Unmet need, literally homeless		5,507	
Elderly	<i>Population</i>	<b>Total population over 65 (2008)</b>	<b>813,090</b>
		<i>Housing</i>	Group quarters population (2000)
		Cost burdened owners	108,094
		Cost burdened renters	46,099
		Nursing facilities (all)	612 facilities/ 66,800 beds
		<i>Living with housing problems:</i>	
		Renters	52,325
		Owners	119,830
Persons with Physical Disabilities	<i>Population</i>	<b>Total (2008)</b>	<b>436,966</b>
	<i>Housing</i>	Households with mobility problems with a housing problem <sup>1</sup>	126,235
Persons with Mental Illness	<i>Population</i>	<b>Total (adult)</b>	<b>247,285</b>
		Target population for State services	93,310
		SMI population served by DMHA (SFY 2008)	51,638
	<i>Housing</i>	Beds reported by CMHCs (2001)	1,900
	Homeless with SMI (Balance of State PIT 2009)	509	
Persons with Chronic Substance Abuse	<i>Population</i>	<b>Total</b>	<b>455,984</b>
		Target population for State services	119,100
		Chronically addicted population served by DMHA (SFY 2008)	34,131
	<i>Housing</i>	Beds for substance abuse treatment	5,662
	Homeless with chronic substance abuse (Balance of State PIT 2009)	740	
Persons with Developmental Disabilities	<i>Population</i>	<b>Total</b>	<b>89,275</b>
		DD population receiving services from state or non-state agencies (2007)	10,794
		Persons with ID/DD on a waiting list for, but not receiving, residential services	13,896
		<i>Housing</i>	ICF/MR facilities for DD (2010)
		Persons living in ICF/MR	4,012
		Persons living in nursing homes	1,708
	State institution population	162	
Persons with HIV/AIDS	<i>Population</i>	<b>Total living with HIV/AIDS (2008)</b>	<b>9,629</b>
		<i>Housing</i>	Tenant-based rental assistance units
		Short term rent/mortgage and/or utility assistance	332
		Homeless with HIV/AIDS (Balance of State PIT 2009)	19
	Homeless or at-risk of experiencing homelessness	2,785 - 6,033	
Youth	<i>Population</i>	<b>Total aging out of foster care each year</b>	<b>1,487</b>
	<i>Housing</i>	Youth shelters (17 years and under)	6 shelters
		Unaccompanied youth (Balance of State PIT 2009)	19
Migrant Farmworkers	<i>Population</i>	<b>Total</b>	<b>8,000</b>
		<i>Housing</i>	State licensed camps (2010)
		Living in substandard housing	1,760
		Living in crowded conditions	4,160
	Substandard, cost burdened and crowded conditions	480	

Source: BBC Research & Consulting.

Elderly individuals and individuals with physical disabilities and mental illnesses comprise a large portion of the special needs population in Indiana with housing needs. 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 substandard 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. As discussed in Appendix C of the 2010-2014 Consolidated Plan, the elderly population should capitalize on funding opportunities available through Section 8, Section 202, and the Home Equity Conversation Mortgage Program, amongst others. Individuals with physical disabilities and mental illnesses may reside in group homes, with family member or on their own. Community funding sources, such as CDBG, HOME and tax credit funds can be used by communities for the development of new housing opportunities for special needs populations. Figure III-44 summarizes resources available for special needs groups.

**Figure III-44.  
Summary of Special Needs and Available Resources**

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

Source: BBC Research & Consulting.

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

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

Source: BBC Research & Consulting.

**SECTION IV.**  
**2011 Action Plan**

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## SECTION IV.

### 2011 Action Plan

This section fulfills the requirements of Section 91.320 of the Consolidated Plan regulations. 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 Appendices D and E, agencies method of distributions.

#### Executive Summary, 91.320 (b)

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.

The following figure provides the estimated 2011 program year funding levels for each of the four HUD programs. These amounts are estimated amounts and may change once the federal budget has been approved. These resources will be allocated to address the identified housing and community development goals, objectives and outcomes.

**Figure IV-1.**  
**Estimated 2011**  
**Action Plan**  
**Funding by**  
**Program and**  
**State Agency**

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

Program	FY 2011 Funding Allocations
CDBG (Indiana Office of Community and Rural Affairs)	\$25,544,340
HOME (Indiana Housing and Community Development Authority)	\$14,800,000
ESG (Indiana Housing and Community Development Authority)	\$1,900,000
HOPWA (Indiana Housing and Community Development Authority)	\$1,000,000
<b>Total</b>	<b>\$43,244,340</b>

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

- Goal 1. Expand and preserve affordable housing opportunities throughout the housing continuum.**
- Goal 2. Reduce homelessness and increase housing stability for special needs populations.**
- Goal 3. Promote livable communities and community revitalization through addressing unmet community development needs.**
- Goal 4. Promote activities that enhance local economic development efforts.**

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

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

The outcome/objective numbers are as follows:

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

The following section outlines the 2010-2014 Strategic Plan goals, objectives and outcomes in detail along with the 2011 Action Plan outcomes.

### **Decent Housing:**

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

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

##### *DH-2.1 outcomes/goals:*

- Support the **production of new affordable rental units** and the **rehabilitation** of existing affordable rental housing.
  - **Five year outcome/goal:** 675 housing units
  - **2011 outcome/goal:** 100 housing units; \$3,000,000, HOME
    - **Targeted to elderly and persons with disabilities** 50 housing units

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

##### *DH-2.2 outcomes/goals:*

- Provide and support homebuyer assistance through **homebuyer education and counseling and downpayment assistance**.
  - **Five year outcome/goal:** 2,500 households/housing units
  - **2011 outcome/goal:** 700 households/housing units; \$4,000,000, HOME
- Provide funds to organizations for the **development of owner occupied units**.
  - **Five year outcome/goal:** 125 housing units
  - **2011 outcome/goal:** 25 housing units; \$1,000,000, HOME
    - **Targeted to special needs populations** 5 housing units

- Provide funds to organizations to complete **owner occupied rehabilitation**.
  - **Five year outcome/goal:** 1,500 housing units
  - **2011 outcome/goal:** 300 housing units; \$500,000, CDBG & \$2,554,434 HOME
    - **Targeted to elderly and persons with disabilities** 200 housing units
  
- **Objective DH-2.3 (Affordability):** Build capacity of affordable housing developers.
 

*DH-2.3 outcomes/goals:*

  - Provide funding for **predevelopment loans** to support affordable housing.
    - **Five year outcome/goal:** 25 housing units
    - **2011 outcome/goal:** 5 housing units; \$250,000, HOME
  
  - Provide funding for **organizational capacity**.
    - **Five year outcome/goal:** 80 housing units
    - **2011 outcome/goal:** 8 housing units; \$500,000, HOME

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

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

*DH-1.1 outcomes/goals:*

  - Support the construction and rehabilitation of **permanent supportive housing** units.
    - **Five year outcome/goal:** 250 housing units
    - **2011 outcome/goal:** 40 housing units; \$4,000,000, HOME
      - **Targeted to special needs populations** 40 housing units
  
  - Provide **tenant based rental assistance** to populations in need.
    - **Five year outcome/goal:** 1,000 housing units
    - **2011 outcome/goal:** 200 housing units; \$1,000,000, HOME
      - **Targeted to special needs populations** 200 housing units
  
- **Objective DH-1.2 (Availability/Accessibility):** Support activities to improve the range of housing options for special needs populations and to end chronic homelessness through the **Emergency Solutions Grant (ESG)** program by providing operating support to shelters, homelessness prevention activities and case management to persons who are homeless and at risk of homelessness.

**DH-1.2 outcomes/goals:**

- Operating support—provide shelters with operating support funding.
  - **Five year outcome/goal:** 55 shelters receiving support; \$5,411,374 over next five years
  - **2011 outcome/goal:** 55 shelters annually; \$1090,353, ESG
- Homelessness prevention activities—provide contractors with homelessness prevention activity funding.
  - **Five year outcome/goal:** 550 clients assisted; \$7,547,451 over next five years
  - **2011 outcome/goal:** 9,088 clients assisted; \$549,758, ESG
- Essential services—provide shelters with funding for essential services.
  - **Five year outcome/goal:** 53 shelters; \$2,136,078 over next five years.
  - **2011 outcome/goal:** 31 shelters, for an estimated 19,000 clients assisted annually; \$192,415, ESG

***\*2011 program goals are based upon McKinney Vento Act as amended by HEARTH legislation. All recipients of 2011-12 ESG funding will budget 30% for homeless prevention activities, an increase from 3 percent in 2010-11***
- Anticipated match: Shelters match 100 percent of their rewards
- Anticipated number of counties assisted: 90 counties annually
- Anticipated number of clients served over next five years: 150,000 (unduplicated count) with 95,000 assisted with temporary emergency housing
- Other ESG activities:
  - Homeless Management Information System (HMIS)—Require the use of the HMIS for all residential shelter programs serving homeless individuals and families. HMIS is a secure, confidential electronic data collection system used to determine the nature and extent of homelessness and to report to HUD on an annual basis. This requirement will be met by only funding entities that either currently use HMIS system or commit to using it once awarded. The HMIS must be used on a regular and consistent basis. All users of HMIS will receive regular report cards detailing the quality of their program data with specific areas of improvement noted. The ESG Coordinator will periodically check with the HMIS coordinator to monitor utilization and data quality. Claim reimbursement is contingent upon participation in and completeness of HMIS data records. Domestic violence shelters are excluded from this requirement in accordance with the Violence Against Women’s Act.

- Require participation in annual, statewide homeless Point-in-Time Count in late January and timely submission of this data to Indiana Housing and Community Development Authority.
  - Require all ESG grantees actively participate in their Regional Planning Council on the Homeless meetings regularly. The 2011-12 ESG RFP includes a threshold item that an applicant must have attended at least 75 percent of all of their local planning council meetings in 2010 in order to be considered for funding. Applicants who do not participate in their local homeless planning councils will not receive state ESG funding in 2011-12.
- **Objective DH-1.3 (Availability/Accessibility):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for housing information, permanent housing placement and supportive services.
- DH-1.3 outcomes/goals:*
- Housing information services.
    - **Five year outcome/goal:** 375 households
    - **2011 outcome/goal:** 75 households; \$33,344, HOPWA
  - Permanent housing placement services.
    - **Five year outcome/goal:** 500 households
    - **2011 outcome/goal:** 100 households; \$73,135, HOPWA
  - Supportive services.
    - **Five year outcome/goal:** 1,000 households
    - **2011 outcome/goal:** 200 households; \$67,911, HOPWA
- **Objective DH-2.4 (Affordability):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for short term rental, mortgage, and utility assistance; tenant based rental assistance; facility based housing operations; and short term supportive housing.
- DH-2.4 outcomes/goals:*
- Tenant based rental assistance.
    - **Five year outcome/goal:** 1,000 households/units
    - **2011 outcome/goal:** 200 households/units; \$444,035, HOPWA
  - Short-term rent, mortgage and utility assistance.
    - **Five year outcome/goal:** 1,500 households/units
    - **2011 outcome/goal:** 300 households/units; \$208,958, HOPWA

- Facility based housing operations support.
  - **Five year outcome/goal:** 35 units
  - **2011 outcome/goal:** 7 units; \$26,120, HOPWA
- Short term supportive housing.
  - **Five year outcome/goal:** 100 units
  - **2011 outcome/goal:** 21 units; \$47,015, HOPWA

**Suitable Living Environment:**

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

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

***SL-1.1 outcomes/goals:***

- Construction of fire and/or Emergency Management Stations (EMS) stations.
  - **Five year outcome/goal:** 25-30 stations
  - **2011 outcome/goal:** 3 stations; \$1,500,000, CDBG
- Purchase fire trucks.
  - **Five year outcome/goal:** 10-15 fire trucks
  - **2011 outcome/goal:** 4 fire trucks; \$500,000, CDBG
- Construction of public facility projects (e.g. libraries, community centers, social service facilities, youth centers, etc.). Public facility projects also include health care facilities, public social service organizations that work with special needs populations, and shelter workshop facilities, in addition to modifications to make facilities accessible to persons with disabilities.
  - **Five year outcome/goal:** 30 public facility projects
  - **2011 outcome/goal:** 4 public facility projects (anticipate receiving 2-3 applications for projects benefiting special need populations); \$2,000,000, CDBG
- Completion of downtown revitalization projects.
  - **Five year outcome/goal:** 10 downtown revitalization projects
  - **2011 outcome/goal:** 1 downtown revitalization projects; \$500,000, CDBG

- Completion of historic preservation projects.
  - **Five year outcome/goal:** 10 historic preservation projects
  - **2011 outcome/goal:** 2 historic preservation projects; \$500,000, CDBG
- Completion of brownfield/clearance projects.
  - **Five year outcome/goal:** 10-20 brownfield/clearance projects
  - **2011 outcome/goal:** 1 clearance projects; \$100,000, CDBG
- **Objective SL-3.1 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing to fund programs (such as OCRA’s **Community Focus Fund**), which use CDBG dollars for community development projects ranging from environmental infrastructure improvements to development of community and senior centers.
 

**SL-3.1 outcomes/goals:**

  - Construction/rehabilitation of infrastructure improvements such as wastewater, water and storm water systems.
    - **Five year outcome/goal:** 120 infrastructure systems
    - **2011 outcome/goal:** 16 systems; \$10,523,576, CDBG
- **Objective SL-3.2 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing the use of the planning and community development components that are part programs (such as OCRA’s **Planning Fund** and **Foundations Program**) funded by CDBG and HOME dollars.
 

**SL-3.2 outcomes/goals:**

  - Provide planning grants to units of local governments and CHDOs to conduct market feasibility studies and needs assessments, as well as (for CHDOs only) predevelopment loan funding.
    - **Five year outcome/goal:** 145 planning grants
    - **2011 outcome/goal:** 30 planning grants; \$1,000,000, CDBG & HOME; anticipated match, \$100,000
- **Objective SL-3.3 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons through programs (such as the **Flexible Funding Program**, newly created in 2010) offered by OCRA. OCRA recognizes that communities may be faced with important local concerns that require project support that does not fit within the parameters of its other funding programs. All projects in the Flexible Funding Program will meet one of the National Objectives of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

**SL-3.3 outcomes/goals:**

- Provide project support for community development projects.
  - **Five year outcome/goal:** 10-25 community development projects
  - **2011 outcome/goal:**
    - Flexible Funding Program: 3 projects; \$1,000,000, CDBG;
    - Stellar Communities: 4 projects; 2,000,000, CDBG
    - Main Street Revitalization Program: 2 projects; \$500,000, CDBG

**Economic Opportunities:**

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

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

**EO-3.1 outcomes:**

- Continue the use of the OCRA's **Community Economic Development Fund (CEDF)**, which funds infrastructure improvements and job training in support of employment opportunities for low to moderate income persons.
  - **Five year outcome/goal:** 1,300 jobs
  - **2011 outcome/goal:** 200 jobs; \$2,000,000, CDBG
- Fund training and micro-enterprise lending for low to moderate income persons through the **Micro-enterprise Assistance Program**.
  - **Five year outcome/goal:** Will be made available if there is demand
  - **2011 outcome/goal:** Due to low demand this program has been suspended for 2010 and 2011.

A matrix outlining the Consolidated Plan five year goals, objectives and outcomes and action items for program year 2011 is provided at the end of this section in Figure IV-15.

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

**Part performance.** 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 following exhibits show the past performance of the four goals for the five years of the 2005-2009 Consolidated Plan period. Data is collected on each goal and is reported annually in the Consolidated Annual Performance and Evaluation Report (CAPER). Each CAPER is made available on OCRA's Web site for a minimum of 14 days' public comment period before submission to HUD.

The State typically uses a competitive application process when awarding the grants. Therefore, the actual allocations and anticipated accomplishments may not equal the proposed funding goal. For example, the State may have a goal to build 10 units of rental housing and receives no applications proposing this goal. Therefore, the goal would not be met.

Figure IV-2 and Figure IV-3 show the goals and accomplishments for program years 2005, 2006, 2007, 2008 and 2009.

**Figure IV-2.  
Goal 1 and 2 Award Goals and Accomplishments, Program Years 2005 to 2009**

Goals	Funds	Activities	Indicator	Goals					Accomplishments				
				2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
1. Expand and preserve affordable housing opportunities throughout the housing continuum.	HOME and ADDI	Transitional Housing—Rehab & New Construction	Units	for Housing from	10	11	Housing from	Housing from	for Housing from Shelters to Home-ownership, QAP, HOME	35	4		0
		Permanent Supportive Housing—Rehab & New Construction	Units		25	24	from	from		19	30	22	
		Rental Housing—Rehab & New Construction	Units	Shelters to Home-ownership, QAP, HOME	210	94	Shelters to Home-ownership, QAP, HOME	Shelters to Home-ownership, QAP, HOME	to Home-ownership, QAP, HOME	190	11	69	297
		Homebuyer—Rehab & New Construction	Units		40	36	Home-ownership, QAP, HOME	Home-ownership, QAP, HOME	ownership, QAP, HOME	41	19	9	30
		Owner Occupied Rehabilitation	Units							113			74
		Tenant-Based Rental Assistance (TBRA)	Units		30		QAP, HOME	QAP, HOME	QAP, HOME				0
		CHDO Operating Support	Units		0		OOR = 336	OOR = 336	OOR = 336	0			5
		CHDO Predevelopment and Seed Money Loans	Units		251	160	units; for First Home = 500 units	units; for First Home = 500 units	units; for First Home = 500 units	0			1
		Homeownership Education & Counseling/Down Payment Assistance	Units		427	427	units; for First Home = 500 units	units; for First Home = 500 units	units; for First Home = 500 units	472	794	167	188
										= 154 units			
	CDBG	Emergency shelters	Units	For all CDBG (Housing) = 235 units		25		Special Needs Housing = 244 units	For all CDBG (Housing) = 1,077 beds	44			25
		Youth shelters	Units										
		Transitional housing	Units									18	
		Migrant/seasonal farmworker housing	Units		172	33							
	Permanent supportive housing	Units											
	Rental housing	Units		6									
	Homeowner Repair and Improvement	Units		285	418				67	53	424	310	
	Voluntary acquisition/demolition	Units											
	Feasibility studies	Studies		94					852				
2. Reduce homelessness and increase housing stability for special-needs populations.	HOME	See special-needs housing activities in Goal 1.											
	CDBG	See special-needs housing activities in Goal 1.											
	ESG	Operating support	Shelters	92	92	89	89	83	90	84	82	88	86
		Homeless prevention	Shelters	37	37	25	22	22	32	22	22	21	19
		Essential services	Shelters	59	56	51	54	53	56	54	53	52	49
		Accessibility Rehab	Shelters		3	3	0	3			3	0	0
		Administration	Shelters							89	85	87	
		For all ESG activates	Clients	34,250	47,259	47,259	28,000	30,000	47,259	28,386	30,012	26,123	35,259
	HOPWA	Rental assistance (TBRA)	Households/Units	142	137	170	170	200	174	135	143	123	123
		Short-term rent, mortgage, utility assistance	Households/Units	464	420	300	300	300	522	180	329	332	332
Supportive services		Households	264	264	125	125	200	692	546	846	594	490	
Housing information		Households	32	32	1,133	25	75			1,442	164	290	
Permanent housing placement		Households					100					12	
Operating costs	Units	5	5	5	5	10	25		30	28	25		

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

**Figure IV-3.  
Goal 3 and 4 Award Goals and Accomplishments, Program Years 2005 to 2009**

Goals	Funds	Activities	Indicator	Goals					Accomplishments				
				2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
3. Promote livable communities and community revitalization through addressing unmet community development needs.	CDBG	<b>Community Focus Fund:</b> Construction/rehab of wastewater, water & stormwater systems Community development projects <i>(Senior Centers, Youth Centers, Community Centers, Historic Preservation, Downtown Revitalization, ADA Accessibility, Fire Stations, Fire Trucks)</i>	Systems	26	26	26	26	20	31	35	32	27	25
			Projects	30	26	26	26	26	43	23	31	27	26
	CDBG	Planning/Feasibility Studies Foundations Brownfields Technical assistance	Studies		34	33	29	29	46	45	40	59	62
			Projects Grants				2	as needed	as needed	1 2	1	2	
4. Promote activities that enhance local economic development efforts.	CDBG	Community Economic Development Fund Micro-enterprise Assistance Program	Projects			2				2	2	0	1
			Projects			5						5	0

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

### **Citizen Participation and Consultation Process, 91.320 (b)**

The State of Indiana dedicated extensive effort to gain public input on the 2011 Action Plan. During the development of the Action Plan, the State conducted a public participation process to obtain input regarding housing and community development needs. That process consisted of four major parts:

- A Housing and Community Development Needs Survey was made available to housing and community development stakeholders of Indiana. The online survey was distributed to service providers and email lists throughout Indiana.
- An online Fair Housing Survey was made available to Indiana residents. The online survey was distributed to service providers and other housing and community development stakeholders of Indiana, and the providers/stakeholders in turn distributed the survey to their clients and other Indiana residents.
- Twenty-six interviews with key persons or groups who are knowledgeable about housing and community development needs in the State were conducted; and
- Two public hearings will be conducted through video conferences with five Ivy Tech Community College of Indiana locations across Indiana on April 26, 2011.

The 30-day comment period began on April 8, 2011 and ended on May 9, 2011. The public was asked to provide written public comments about the draft 2011 Action Plan. In addition, all contacts who received the surveys and key persons who were interviewed by email of the availability of the draft Plan and were encouraged to provide their comments. During the 30-day public comment period, two public hearings will be held on April 26, 2011. The State worked with Ivy Tech Community College of Indiana to do a video conference with five Ivy Tech locations. The presentation was broadcast from Lawrence (Indianapolis) out to Evansville, Lafayette, Richmond and Valparaiso.

During the sessions, executive summaries of the Plan will be distributed and instructions on how to submit comments were given. Public hearing comments are available in Appendix B of the final Plan.

**Summary of public input.** Public comments were received during the Action Plans' citizen participation efforts as part of the Resident Fair Housing Survey, Stakeholder Housing & community Development Survey and key person interviews. A summary of survey results and key person interviews are provided in Section II of this Action Plan.

A list of the organizations who the State consulted during key person interviews with in preparation of the 2011 Action Plan is provided in the following figure.

**Figure IV-4.  
Organizations and Agencies Interviewed for the 2011 Action Plan**

Organization/Agencies	Organization/Agencies
AARP Indiana	Indiana Association of Rehabilitative Facilities
Affordable Housing Corporation of Grant County	Indiana Civil Rights Commission
Center for Urban Policy and the Environment	Indiana Community Action Association
Center on Aging and Community, Indiana University	Indiana University
City of Logansport, Deputy Mayor	Indiana University–Purdue University Fort Wayne (IPFW)
Community Action Program of Western Indiana	Kankakee Iroquois Regional Planning Commission
Federal Home Loan Bank of Indianapolis	Neighborhood Development Associates
Fort Wayne Office of Development	Pathfinder Services
Grant County Economic Development Council	Randolph County Economic Development
Heart of the Tree City	Region III-A Economic Development
Housing Partnerships	Southern Indiana Development Commission
Indiana Association. of Cities & Towns	Tikijian Associates
Indiana Association of United Ways	USDA Rural Development

The comments received during the public input process held for the 2011 Action Plan are summarized below using the following categories: decent housing, suitable living environment and economic opportunities.

**Decent housing.** With respect to the housing needs of low to moderate income populations and special needs population the stakeholders responded there is a need for rental assistance for low-income housing, affordable single-family rentals, affordable housing for the elderly and rehabilitation of area housing stock. Energy efficiency improvements were also a higher ranked need. Supportive housing, emergency shelters and transitional housing were ranked as being needed housing types for special needs populations.

**Suitable living environment.** Participants identified a range of infrastructure, community facility and community service needs in their communities and across the State. Interviewees mentioned the need for street and sidewalk rehabilitation, storm-water sewers rehabilitation, water filtration and sewage rehabilitation and invest in rehabilitation, repair, or demolition of housing stock. Survey respondents ranked child care centers, youth centers, homeless shelters and transportation services as higher community development needs.

**Economic opportunities.** Coinciding with the recent increasing unemployment rate nationwide the stakeholders of the State of Indiana ranked job creation/retention as the highest ranking of all needs listed for economic development, followed by employment training. Stake holders who felt their community has gotten worse over the last five years felt it was mainly due to the poor economy. Most of these Stakeholders sited the loss of jobs and businesses in their community

**Public comments accepted.** During the 30-day public comment period from March 12, 2011 to April 12, 2011, all comments will be accepted in person, by mail (postal service) and by email.

## Resources, 91.320 (c)(1) and (c)(2)

To achieve the goals, objectives and outcomes identified previously, the state will use a combination of federal and state funds, and other public and private funds for project leveraging to address the priority housing and community development needs and specific objectives identified in the 2010-2014 Strategic Plan. The following is a brief summary of some of the resources that can be utilized

**Federal resources.** The State of Indiana receives four federal grants from HUD: Community Development Block Grant (CDBG); HOME Investment Partnership program (HOME); Emergency Solutions Grant (ESG); and Housing Opportunities for Persons with AIDS (HOPWA). The State of Indiana allocation of these grants for FY2011 is estimated to be approximately \$45 million, as shown in Figure IV-1 and below in Figure IV-5. Additionally, the State estimates \$265,000 of ESG program income during FY2011. These resources will be allocated to address the identified housing and community development goals, objectives and outcomes.

**Figure IV-5.**  
**Estimated 2011 Action Plan Funding Amounts by Program and State Agency**

Program	FY 2011 Funding Allocations	Program Income	Prior Year Balance	Total Available for FY2011
CDBG (Indiana Office of Community and Rural Affairs)	\$22,989,906	\$0		<b>\$22,989,906</b>
CDBG - Housing (Indiana Housing and Community Development)	\$2,554,434	\$0	\$3,200,000	<b>\$5,754,434</b>
HOME (Indiana Housing and Community Development Authority)	\$14,800,000	\$0	\$20,000	<b>\$14,820,000</b>
ESG (Indiana Housing and Community Development Authority)	\$1,900,000	\$265,000	\$21,356,000	<b>\$23,521,000</b>
HOPWA (Indiana Housing and Community Development Authority)	\$1,000,000	\$0	\$0	<b>\$1,000,000</b>
<b>Total</b>	<b>\$43,244,340</b>	<b>\$265,000</b>	<b>\$24,576,000</b>	<b>\$68,085,340</b>

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

The Indiana Office of Community and Rural Affairs does not project receipt of any CDBG program income for the period covered by this FY2011 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.

**Other resources.** In addition to the federal entitlement funds mentioned previously the State anticipates resources from private and other public sources to be made available to address the housing and community development needs identified in the 2010-2014 Consolidated Plan and 2011 Action Plan.

**OCRA other resources.** The following figure provides a list of the anticipated resources for the 2011 program year programs.

**Figure IV-6.  
OCRA Anticipated Resources to Address Community and Economic Development Needs,  
State of Indiana, 2011 Action Plan Year**

Program	FY2011	State and/or Local Funds	Private and Other Funds	Total Available for FY2011
<b>Federal Entitlement Funds:</b>				
CDBG (non-housing)	\$22,989,906			\$22,989,906
<b>CDBG Programs:</b>				
Community Economic Development Fund	\$2,000,000		\$20,000,000	\$22,000,000
Community Focus Fund	\$15,623,576	\$13,000,000 **	\$500,000 *	\$29,123,576
Flexible Funding Program	\$1,000,000			\$1,000,000
Main Street Revitalization Program	\$500,000	\$150,000 **	\$200,000 *	\$850,000
Planning Grants	\$1,000,000	\$250,000	\$60,000 *	\$1,310,000
Stellar Communities	\$2,000,000	\$3,000,000 ***		\$5,000,000
Technical Assistance	\$255,443			\$255,443
	<u>\$22,379,019</u>	<u>\$16,400,000</u>	<u>\$20,760,000</u>	<u>\$59,539,019</u>

Note: \*This can include philanthropic funds.  
 \*\* Includes USDA-RD loans and/or SRF (EPA) loans.  
 \*\*\* Includes local and private funds.

Source: Indiana Office of Community and Rural Affairs.

**IHCDA other resources.** The following figure provides a list of the anticipated resources for the 2011 program year that IHCDA is expected to receive.

**Figure IV-7.**  
**IHCDA Anticipated Other Resources, State of Indiana, 2011 Action Plan Year**

Program	PY2011	Reduce Homelessness	Expand Housing Opportunity	Revitalize Communities	Promote Economic Development
<b>State Revenue:</b>					
Individual Development Accounts	\$1,250,000		\$500,000	\$500,000	\$250,000
Mortgage Foreclosure Counseling	\$2,000,000		\$2,000,000		
Development Fund	\$7,000,000	\$1,000,000	\$1,000,000	\$2,500,000	\$2,500,000
Neighborhood Assistance Program	\$5,000,000			\$4,000,000	\$1,000,000
<b>Total</b>	<b>\$15,250,000</b>	<b>\$1,000,000</b>	<b>\$3,500,000</b>	<b>\$7,000,000</b>	<b>\$3,750,000</b>
<b>Annual Federal Appropriations:</b>					
HUD Supportive Housing Program	\$9,500,000	\$9,500,000			
HUD Shelter + Care	\$6,000,000	\$6,000,000			
HUD VASH	\$2,500,000	\$2,500,000			
HUD Mainstream Vouchers	\$600,000	\$600,000			
HUD Housing Choice Vouchers	\$20,000,000	\$1,000,000	\$18,500,000		\$500,000
HUD Performance Based Contract	\$160,000,000		\$160,000,000		
USDA Rental Assistance*	\$20,000,000		\$20,000,000		
HHS LIHEAP	\$55,000,000		\$54,000,000		\$1,000,000
Treasury LIHTC	\$112,000,000	\$11,000,000	\$90,000,000	\$11,000,000	
Multi-family Bond Volume	\$30,000,000		\$30,000,000		
USDA Multi-family Loans*	\$5,500,000		\$5,500,000		
USDA Single-family Loans*	\$560,000,000		\$560,000,000		
Mortgage Revenue Bond Volume	\$125,000,000		\$125,000,000		
Mortgage Credit Certificate	\$12,000,000		\$12,000,000		
Next Home Mortgage	\$200,000,000		\$200,000,000		
NW National Foreclosure Mitigation	\$2,500,000		\$2,500,000		
DOE Home Energy Conservation	\$12,000,000		\$12,000,000		
USDA Repair and Preservation*	\$2,000,000		\$2,000,000		
USDA Community Facilities*	\$14,000,000			\$14,000,000	
USDA Water and Waste*	\$90,000,000			\$90,000,000	
USDA Utility*	\$135,000,000			\$135,000,000	
HHS Community Services Block Grant	\$5,000,000	\$1,000,000	\$1,000,000	\$2,500,000	\$500,000
HHS Assets for Independence	\$1,000,000		\$400,000	\$400,000	\$200,000
HHS Refugee IDA Program	\$200,000		\$150,000		\$50,000
USDA Business Guarantee*	\$38,000,000				\$38,000,000
USDA Business Enterprise*	\$1,000,000				\$1,000,000
USDA Renewable Energy*	\$5,000,000			\$5,000,000	
<b>Total</b>	<b>\$1,623,800,000</b>	<b>\$31,600,000</b>	<b>\$1,293,050,000</b>	<b>\$257,900,000</b>	<b>\$41,250,000</b>
<b>Extraordinary Federal Funds:</b>					
ARRA HUD TCAP Revolving Loan	\$11,000,000		\$11,000,000		
ARRA DOE Home Energy Conservation	\$30,000,000		\$30,000,000		
ARRA HUD Homeless Prevention	\$16,293,551	\$16,293,551			
HHS Money Follows the Person*	\$21,000,000	\$21,000,000			
HUD CDBG-Disaster	\$65,000,000		\$48,000,000	\$17,000,000	
HUD Neighborhood Stabilization 3.0	\$8,000,000			\$8,000,000	
Treasury Hardest Hit Fund	\$85,000,000		\$85,000,000		
<b>Total</b>	<b>\$236,293,551</b>	<b>\$37,293,551</b>	<b>\$174,000,000</b>	<b>\$25,000,000</b>	<b>\$0</b>
<b>Other Sources:</b>					
FHLB Affordable Housing Program*	\$5,500,000		\$5,500,000		
IFF Community Facilities*	\$2,500,000			\$2,500,000	
IFF Rental Housing*	\$3,500,000		\$3,500,000		
Township Trustees*	\$25,000,000	\$12,500,000	\$12,500,000		
Educational Development Accounts	\$250,000			\$250,000	
<b>Total</b>	<b>\$36,750,000</b>	<b>\$12,500,000</b>	<b>\$21,500,000</b>	<b>\$2,750,000</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$1,912,093,551</b>	<b>\$82,393,551</b>	<b>\$1,492,050,000</b>	<b>\$292,650,000</b>	<b>\$45,000,000</b>

Note: \*Resources not administered by IHCDA.  
Source: Indiana Housing and Community Development Authority.

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

**Other resources.** The following summary includes descriptions of several programs and their anticipated funds to assist with IHCDA's program/activity goals for 2011.

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

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

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

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

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

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

In 2009, the Indiana State Legislature gave homeowners an additional tool to address foreclosure when it passed Senate Bill 492. This bill required that all homeowners with a foreclosure action filed against them have the right to participate in a settlement conference with their lender in an effort to come to an agreement that will avert foreclosure. The Mortgage Foreclosure Trial Court Assistance Project (MFTCAP) was created to assist trial courts in scheduling and conducting mortgage foreclosure settlement conferences. This program utilizes court-appointed facilitators to reach out to foreclosed borrowers, ensure they are aware of their right to a settlement conference, and to bring both parties to the table to try to find a mutually-agreeable settlement, or “workout”. The MFTCAP is funded by the IFPN through a portion of the \$50.00 filing fee levied on all foreclosure cases after July 1, 2009.

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

Current pilot county data:

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

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

The U.S. Department of the Treasury established the Housing Finance Agency Innovation Fund for the Hardest-Hit Markets in early 2010 to provide financial assistance to families in the states most impacted by the downturn of the housing market. Subsequently that fall, the Department of Treasury announced Indiana received \$223 million to help unemployed homeowners pay their mortgage. The Indiana Housing and Community Development Authority (IHCDA) will administer the program

and use the funding to help families who have fallen behind on their mortgage loans due to the loss of employment. Homeowners experiencing a financial hardship due to unemployment may begin submitting applications online or over the phone in spring 2011.

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

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

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

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

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

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

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

## **Annual Objectives, 91.320 (c)(3)**

The following lists the specific objectives identified in the State of Indiana's 2010-2014 Consolidated Plan, which will be addressed during the 2011 program year:

- **Objective DH-2.1 (Affordability):** Increase the supply and improve the quality of affordable **rental housing**.
  - Support the **production of new affordable rental units** and the **rehabilitation** of existing affordable rental housing.
  
- **Objective DH-2.2 (Affordability):** Increase and improve affordable **homeownership opportunities** to low and moderate income families.
  - Provide and support homebuyer assistance through **homebuyer education and counseling and downpayment assistance**.
  - Provide funds to organizations for the **development of owner occupied units**.
  - Provide funds to organizations to complete **owner occupied rehabilitation**.
  
- **Objective DH-2.3 (Affordability):** Build capacity of affordable housing developers.
  - Provide funding for **predevelopment loans** to support affordable housing.
  - Provide funding for **organizational capacity**.
  
- **Objective DH-1.1 (Availability/Accessibility):** Improve the range of housing options for **homeless and special needs populations**.
  - Support the construction and rehabilitation of **permanent supportive housing** units.
  - Provide **tenant based rental assistance** to populations in need.
  
- **Objective DH-1.2 (Availability/Accessibility):** Support activities to improve the range of housing options for special needs populations and to end chronic homelessness through the **Emergency Solutions Grant (ESG)** program by providing operating support to shelters, homelessness prevention activities and case management to persons who are homeless and at risk of homelessness.
  - Operating support—provide shelters with operating support funding.
  - Homelessness prevention activities—provide contractors with homelessness prevention activity funding.
  - Essential services—provide shelters with funding for essential services.
  
- **Objective DH-1.3 (Availability/Accessibility):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS

with funding for housing information, permanent housing placement and supportive services.

- Housing information services.
  - Permanent housing placement services.
  - Supportive services.
- **Objective DH-2.4 (Affordability):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for short term rental, mortgage, and utility assistance; tenant based rental assistance; facility based housing operations; and short term supportive housing.
    - Tenant based rental assistance.
    - Short-term rent, mortgage and utility assistance.
    - Facility based housing operations support.
    - Short term supportive housing.
- **Objective SL-1.1 (Availability/Accessibility):** Improve the quality and/or quantity of neighborhood services for low and moderate income persons by continuing to fund programs (such as OCRA's **Community Focus Fund**), which use CDBG dollars for community development projects ranging from environmental infrastructure improvements to development of community and senior centers.
    - Construction of fire and/or Emergency Management Stations (EMS) stations.
    - Purchase fire trucks.
    - Construction of public facility projects (e.g. libraries, community centers, social service facilities, youth centers, etc.). Public facility projects also include health care facilities, public social service organizations that work with special needs populations, and shelter workshop facilities, in addition to modifications to make facilities accessible to persons with disabilities.
    - Completion of downtown revitalization projects.
    - Completion of historic preservation projects.
    - Completion of brownfield/clearance projects.
- **Objective SL-3.1 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing to fund programs (such as OCRA's **Community Focus Fund**), which use CDBG dollars for community development projects ranging from environmental infrastructure improvements to development of community and senior centers.
    - Construction/rehabilitation of infrastructure improvements such as wastewater, water and storm water systems.

- **Objective SL-3.2 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing the use of the planning and community development components that are part programs (such as OCRA's **Planning Fund**) funded by CDBG dollars.
  - Provide planning grants to units of local governments.
  
- **Objective SL-3.3 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons through programs (such as the **Flexible Funding Program**, newly created in 2010) offered by OCRA. OCRA recognizes that communities may be faced with important local concerns that require project support that does not fit within the parameters of its other funding programs. All projects in the Flexible Funding Program will meet one of the National Objectives of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.
  - Provide project support for community development projects.
    - Flexible Funding Program
    - Stellar Communities
    - Main Street Revitalization Program
  
- **Objective EO-3.1 (Sustainability):** Improve economic opportunities for low and moderate income persons by coordinating with private industry, businesses and developers to create jobs for low to moderate income populations in rural Indiana.
  - Continue the use of the OCRA's **Community Economic Development Fund (CEDF)**, which funds infrastructure improvements and job training in support of employment opportunities for low to moderate income persons.

### **Description of Activities and Outcome Measures, 91.320 (d) and (e)**

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

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

Figures IV-8 and IV-9 (on the following pages) show the prioritization of housing and community development activities for the 2010-2014 Consolidated Plan years.

**Figure IV-8.  
Community Development Needs, Priorities for 2010-2014**

Priority Community Development Needs	Need Level	Priority Community Development Needs	Need Level
<b>Public Facility Needs</b>		<b>Planning</b>	
Asbestos Removal	Medium	Community Center Studies	Medium
Emergency Services Facilities	Medium	Day Care Center Studies	Medium
Health Facilities	Medium	Downtown Revitalization	Medium
Neighborhood Facilities	Medium	Emergency Services Facilities	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
<b>Infrastructure</b>		<b>Youth Programs</b>	
Flood Drain Improvements	High	Child Care Centers	Medium
Sidewalks	Low	Child Care Services	Low
Stormwater Improvements	High	Youth Centers	Medium
Street Improvements	Medium	Youth Services	Low
Water/Sewer Improvements	High	Other Youth Programs	Medium
Other Infrastructure Needs	Medium		
<b>Public Service Needs</b>		<b>Economic Development</b>	
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	High
Transportation Services	Low	Rehab of Publicly or Privately-Owned Commercial/Industrial	High
Other Public Service Needs	Low	Other Economic Development	High
<b>Senior Programs</b>		<b>Anti-Crime Programs</b>	
Senior Centers	Medium	Crime Awareness	Low
Senior Services	Medium	Other Anti-Crime Programs	Low
Other Senior Programs	Medium		

Source: Indiana Office of Community and Rural Affairs.

**Figure IV-9.  
Housing Needs,  
Priorities for 2010-2014**

Source:  
Indiana Housing and Community  
Development Authority

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

**Programs/activities and outcome measures.** The following lists the States objectives and the corresponding 2011 program year programs and activities as well as the expected outcome or goal.

- **Objective DH-2.1 (Affordability):** Increase the supply and improve the quality of affordable **rental housing**.
  - Support the **production of new affordable rental units** and the **rehabilitation** of existing affordable rental housing.
    - **2011 outcome/goal:** 100 housing units; \$3,000,000, HOME
      - **Targeted to elderly and persons with disabilities** 50 housing units
  
- **Objective DH-2.2 (Affordability):** Increase and improve affordable **homeownership opportunities** to low and moderate income families.
  - Provide and support homebuyer assistance through **homebuyer education and counseling and downpayment assistance**.
    - **2011 outcome/goal:** 700 households/housing units; \$4,000,000, HOME
  
  - Provide funds to organizations for the **development of owner occupied units**.
    - **2011 outcome/goal:** 25 housing units; \$1,000,000, HOME
      - **Targeted to special needs populations** 5 housing units



- Anticipated match: Shelters match 100 percent of their rewards
- Anticipated number of counties assisted: 90 counties annually
- Anticipated number of clients served over next five years: 150,000 (unduplicated count) with 95,000 assisted with temporary emergency housing
- Other ESG activities:
  - Homeless Management Information System (HMIS)—Require the use of the HMIS for all residential shelter programs serving homeless individuals and families. HMIS is a secure, confidential electronic data collection system used to determine the nature and extent of homelessness and to report to HUD on an annual basis. This requirement will be met by only funding entities that either currently use HMIS system or commit to using it once awarded. The HMIS must be used on a regular and consistent basis. All users of HMIS will receive regular report cards detailing the quality of their program data with specific areas of improvement noted. The ESG Coordinator will periodically check with the HMIS coordinator to monitor utilization and data quality. Claim reimbursement is contingent upon participation in and completeness of HMIS data records. Domestic violence shelters are excluded from this requirement in accordance with the Violence Against Women’s Act.
  - Require participation in annual, statewide homeless Point-in-Time Count in late January and timely submission of this data to Indiana Housing and Community Development Authority.
  - Require all ESG grantees actively participate in their Regional Planning Council on the Homeless meetings regularly. The 2011-12 ESG RFP includes a threshold item that an applicant must have attended at least 75 percent of all of their local planning council meetings in 2010 in order to be considered for funding. Applicants who do not participate in their local homeless planning councils will not receive state ESG funding in 2011-12.
- **Objective DH-1.3 (Availability/Accessibility):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for housing information, permanent housing placement and supportive services.
  - Housing information services.
    - **2011 outcome/goal:** 75 households; \$33,344, HOPWA
  - Permanent housing placement services.
    - **2011 outcome/goal:** 100 households; \$73,135, HOPWA



- Completion of historic preservation projects.
    - **2011 outcome/goal:** 2 historic preservation projects; \$500,000, CDBG
  - Completion of brownfield/clearance projects.
    - **2011 outcome/goal:** 1 clearance projects; \$100,000, CDBG
- **Objective SL-3.1 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing to fund programs (such as OCRA’s **Community Focus Fund**), which use CDBG dollars for community development projects ranging from environmental infrastructure improvements to development of community and senior centers.
  - Construction/rehabilitation of infrastructure improvements such as wastewater, water and storm water systems.
    - **2011 outcome/goal:** 16 systems; \$10,523,576, CDBG
- **Objective SL-3.2 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing the use of the planning and community development components that are part programs (such as OCRA’s **Planning Fund** and **Foundations Program**) funded by CDBG and HOME dollars.
  - 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.
    - **2011 outcome/goal:** 30 planning grants; \$1,000,000, CDBG & HOME; anticipated match, \$100,000
- **Objective SL-3.3 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons through programs (such as the **Flexible Funding Program**, newly created in 2010) offered by OCRA. OCRA recognizes that communities may be faced with important local concerns that require project support that does not fit within the parameters of its other funding programs. All projects in the Flexible Funding Program will meet one of the National Objectives of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.
  - Provide project support for community development projects.
    - **2011 outcome/goal:**
      - Flexible Funding Program: 3 projects; \$1,000,000, CDBG;
      - Stellar Communities: 4 projects; 2,000,000, CDBG
      - Main Street Revitalization Program: 2 projects; \$500,000, CDBG
- **Objective EO-3.1 (Sustainability):** Improve economic opportunities for low and moderate income persons by coordinating with private industry, businesses and developers to create jobs for low to moderate income populations in rural Indiana.

- Continue the use of the OCRA's **Community Economic Development Fund (CEDF)**, which funds infrastructure improvements and job training in support of employment opportunities for low to moderate income persons.
  - **2011 outcome/goal:** 200 jobs; \$2,000,000, CDBG

**Obstacles to meeting underserved needs.** The State faces a number of obstacles in meeting the needs outlined in the five-year Consolidated Plan:

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

To mitigate these obstacles, during the 2011 program year, the State will provide training for the application process associated with the HUD grants to ensure equal access to applying for funds, and continually review and update its proposed allocation with current housing and community development needs, gathered through the citizen participation plan and demographic, housing market and community development research.

### **Geographic Distribution, 91.320 (d) and (f)**

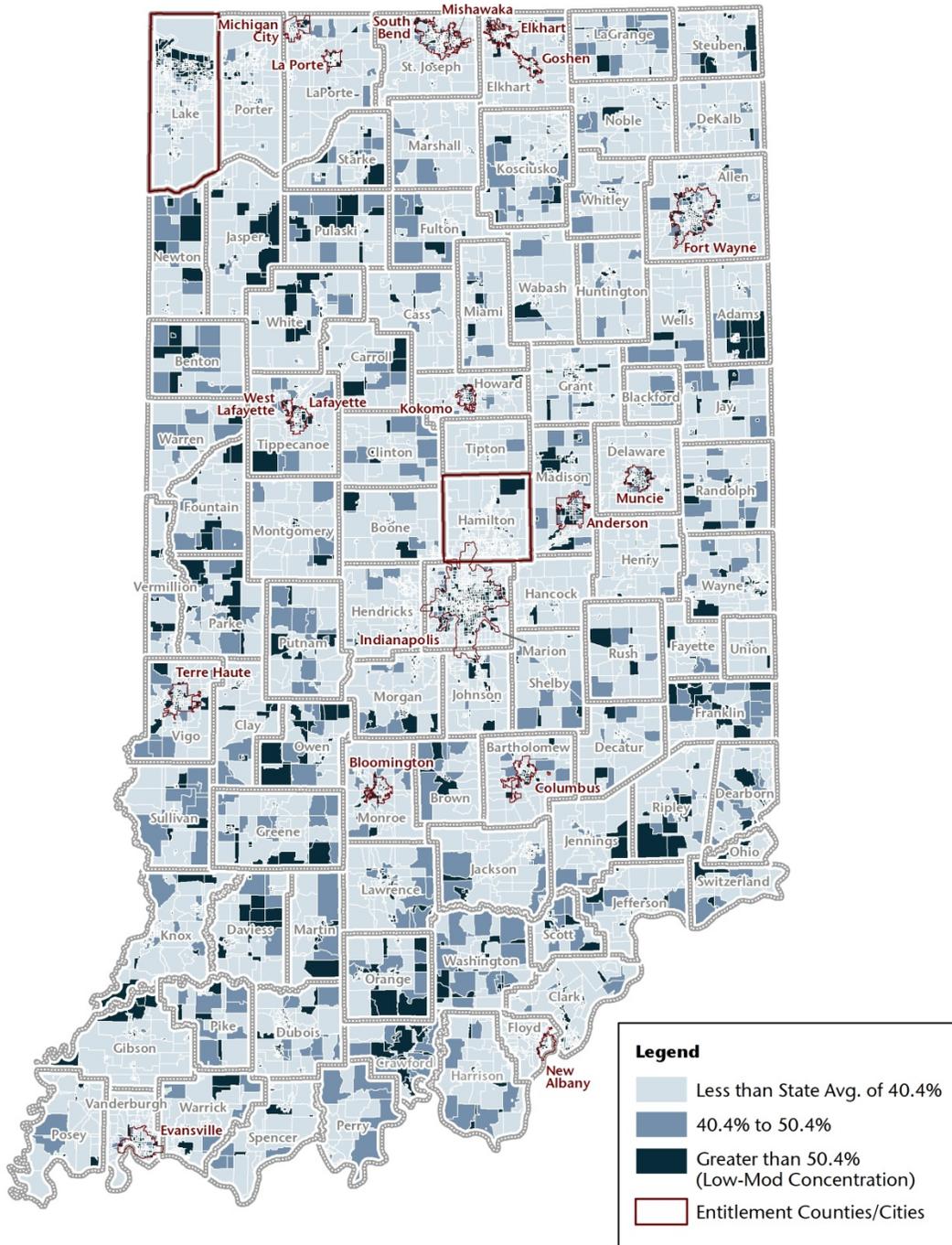
Previously the responsibility for deciding how to allocate funds geographically has been at the agency level. The State has maintained this approach, with the understanding that the program administrators are the most knowledgeable about where the greatest needs for the funds are located. Furthermore,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

The Office of Community and Rural Affairs and the Indiana Housing and Community Development Authority do not use any geographic preference when distributing the federal funds, it is either first come first served or competitive. OCRA does include a component of scoring in their CDBG applications where the low and moderate income percentage is a weighted score, therefore a higher percentage of low and moderate income the higher the score. IHCDA includes a preference for application that attempt to reach low and very low-income levels of area median income.

The following figure shows the geographic location by block group of the percent of the population who earn less than 80 percent of the HUD median family income. HUD reports that in FY2010 40.4

percent of the State's population is low and moderate income, therefore block groups where more than 50.4 percent of the population (the block groups shaded dark blue) is low and moderate income are considered to be low and moderate income concentrated.

**Figure IV-10.**  
**Block Groups Whose Low and Moderate Income Population is Greater than the State Average, State of Indiana, 2010**



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

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

## **Annual Affordable Housing Goals, 91.320 (g)**

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

- **Objective DH-2.1 (Affordability):** Increase the supply and improve the quality of affordable **rental housing**.
  - Support the **production of new affordable rental units** and the **rehabilitation** of existing affordable rental housing.
    - **2011 outcome/goal:** 100 housing units; \$3,000,000, HOME
      - **Targeted to elderly and persons with disabilities** 50 housing units
- **Objective DH-2.2 (Affordability):** Increase and improve affordable **homeownership opportunities** to low and moderate income families.
  - Provide and support homebuyer assistance through **homebuyer education and counseling and downpayment assistance**.
    - **2011 outcome/goal:** 700 households/housing units; \$4,000,000, HOME
  - Provide funds to organizations for the **development of owner occupied units**.
    - **2011 outcome/goal:** 25 housing units; \$1,000,000, HOME
      - **Targeted to special needs populations** 5 housing units
  - Provide funds to organizations to complete **owner occupied rehabilitation**.
    - **2011 outcome/goal:** 300 housing units; \$500,000, CDBG & \$2,554,434 HOME
      - **Targeted to elderly and persons with disabilities** 200 housing units
- **Objective DH-2.3 (Affordability):** Build capacity of affordable housing developers.
  - Provide funding for **predevelopment loans** to support affordable housing.
    - **2011 outcome/goal:** 5 housing units; \$250,000, HOME
  - Provide funding for **organizational capacity**.
    - **2011 outcome/goal:** 8 housing units; \$500,000, HOME

- **Objective DH-1.1 (Availability/Accessibility):** Improve the range of housing options for homeless and special needs populations.
  - Support the construction and rehabilitation of **permanent supportive housing** units.
    - **2011 outcome/goal:** 40 housing units; \$4,000,000, HOME
      - **Targeted to special needs populations** 40 housing units
  - Provide **tenant based rental assistance** to populations in need.
    - **2011 outcome/goal:** 200 housing units; \$1,000,000, HOME
      - **Targeted to special needs populations** 200 housing units
  
- **Objective DH-1.2 (Availability/Accessibility):** Support activities to improve the range of housing options for special needs populations and to end chronic homelessness through the **Emergency Solutions Grant (ESG)** program by providing operating support to shelters, homelessness prevention activities and case management to persons who are homeless and at risk of homelessness.
  - Operating support—provide shelters with operating support funding.
    - **2011 outcome/goal:** 55 shelters annually; \$1090,353, ESG
  - Homelessness prevention activities—provide contractors with homelessness prevention activity funding.
    - **2011 outcome/goal:** 9,088 clients assisted; \$549,758, ESG
  - Essential services—provide shelters with funding for essential services.
    - **2011 outcome/goal:** 31 shelters, for an estimated 19,000 clients assisted annually; \$192,415, ESG
 

***\*2011 program goals are based upon McKinney Vento Act as amended by HEARTH legislation. All recipients of 2011-12 ESG funding will budget 30% for homeless prevention activities, an increase from 3 percent in 2010-11***
  - Anticipated match: Shelters match 100 percent of their rewards
  - Anticipated number of counties assisted: 90 counties annually
  - Anticipated number of clients served over next five years: 150,000 (unduplicated count) with 95,000 assisted with temporary emergency housing
  - Other ESG activities:
    - Homeless Management Information System (HMIS)—Require the use of the HMIS for all residential shelter programs serving homeless individuals and families. HMIS is a secure, confidential electronic data collection system used to determine the nature and extent of homelessness and to report to HUD on an annual basis. This

requirement will be met by only funding entities that either currently use HMIS system or commit to using it once awarded. The HMIS must be used on a regular and consistent basis. All users of HMIS will receive regular report cards detailing the quality of their program data with specific areas of improvement noted. The ESG Coordinator will periodically check with the HMIS coordinator to monitor utilization and data quality. Claim reimbursement is contingent upon participation in and completeness of HMIS data records. Domestic violence shelters are excluded from this requirement in accordance with the Violence Against Women's Act.

- Require participation in annual, statewide homeless Point-in-Time Count in late January and timely submission of this data to Indiana Housing and Community Development Authority.
  - Require all ESG grantees actively participate in their Regional Planning Council on the Homeless meetings regularly. The 2011-12 ESG RFP includes a threshold item that an applicant must have attended at least 75 percent of all of their local planning council meetings in 2010 in order to be considered for funding. Applicants who do not participate in their local homeless planning councils will not receive state ESG funding in 2011-12.
- **Objective DH-1.3 (Availability/Accessibility):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for housing information, permanent housing placement and supportive services.
    - Housing information services.
      - **2011 outcome/goal:** 75 households; \$33,344, HOPWA
    - Permanent housing placement services.
      - **2011 outcome/goal:** 100 households; \$73,135, HOPWA
    - Supportive services.
      - **2011 outcome/goal:** 200 households; \$67,911, HOPWA
  - **Objective DH-2.4 (Affordability):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for short term rental, mortgage, and utility assistance; tenant based rental assistance; facility based housing operations; and short term supportive housing.
    - Tenant based rental assistance.
      - **2011 outcome/goal:** 200 households/units; \$444,035, HOPWA

- Short-term rent, mortgage and utility assistance.
  - **2011 outcome/goal:** 300 households/units; \$208,958, HOPWA
- Facility based housing operations support.
  - **2011 outcome/goal:** 7 units; \$26,120, HOPWA
- Short term supportive housing.
  - **2011 outcome/goal:** 21 units; \$47,015, HOPWA

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

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

- **Objective DH-1.1 (Availability/Accessibility):** Improve the range of housing options for **homeless and special needs populations**.
  - Support the construction and rehabilitation of **permanent supportive housing** units.
    - **2011 outcome/goal:** 40 housing units; \$4,000,000, HOME
      - **Targeted to special needs populations** 40 housing units
  - Provide **tenant based rental assistance** to populations in need.
    - **2011 outcome/goal:** 200 housing units; \$1,000,000, HOME
      - **Targeted to special needs populations** 200 housing units
- **Objective DH-1.2 (Availability/Accessibility):** Support activities to improve the range of housing options for special needs populations and to end chronic homelessness through the **Emergency Solutions Grant (ESG)** program by providing operating support to shelters, homelessness prevention activities and case management to persons who are homeless and at risk of homelessness.
  - Operating support—provide shelters with operating support funding.
    - **2011 outcome/goal:** 55 shelters annually; \$1090,353, ESG
  - Homelessness prevention activities—provide contractors with homelessness prevention activity funding.
    - **2011 outcome/goal:** 9,088 clients assisted; \$549,758, ESG

- Essential services—provide shelters with funding for essential services.
  - **2011 outcome/goal:** 31 shelters, for an estimated 19,000 clients assisted annually; \$192,415, ESG
    - \*2011 program goals are based upon McKinney Vento Act as amended by HEARTH legislation. All recipients of 2011-12 ESG funding will budget 30% for homeless prevention activities, an increase from 3 percent in 2010-11***
- Anticipated match: Shelters match 100 percent of their rewards
- Anticipated number of counties assisted: 90 counties annually
- Anticipated number of clients served over next five years: 150,000 (unduplicated count) with 95,000 assisted with temporary emergency housing
- Other ESG activities:
  - Homeless Management Information System (HMIS)—Require the use of the HMIS for all residential shelter programs serving homeless individuals and families. HMIS is a secure, confidential electronic data collection system used to determine the nature and extent of homelessness and to report to HUD on an annual basis. This requirement will be met by only funding entities that either currently use HMIS system or commit to using it once awarded. The HMIS must be used on a regular and consistent basis. All users of HMIS will receive regular report cards detailing the quality of their program data with specific areas of improvement noted. The ESG Coordinator will periodically check with the HMIS coordinator to monitor utilization and data quality. Claim reimbursement is contingent upon participation in and completeness of HMIS data records. Domestic violence shelters are excluded from this requirement in accordance with the Violence Against Women’s Act.
  - Require participation in annual, statewide homeless Point-in-Time Count in late January and timely submission of this data to Indiana Housing and Community Development Authority.
  - Require all ESG grantees actively participate in their Regional Planning Council on the Homeless meetings regularly. The 2011-12 ESG RFP includes a threshold item that an applicant must have attended at least 75 percent of all of their local planning council meetings in 2010 in order to be considered for funding. Applicants who do not participate in their local homeless planning councils will not receive state ESG funding in 2011-12.

- **Objective DH-1.3 (Availability/Accessibility):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for housing information, permanent housing placement and supportive services.
  - Housing information services.
    - **2011 outcome/goal:** 75 households; \$33,344, HOPWA
  - Permanent housing placement services.
    - **2011 outcome/goal:** 100 households; \$73,135, HOPWA
  - Supportive services.
    - **2011 outcome/goal:** 200 households; \$67,911, HOPWA
  
- **Objective DH-2.4 (Affordability):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for short term rental, mortgage, and utility assistance; tenant based rental assistance; facility based housing operations; and short term supportive housing.
  - Tenant based rental assistance.
    - **2011 outcome/goal:** 200 households/units; \$444,035, HOPWA
  - Short-term rent, mortgage and utility assistance.
    - **2011 outcome/goal:** 300 households/units; \$208,958, HOPWA
  - Facility based housing operations support.
    - **2011 outcome/goal:** 7 units; \$26,120, HOPWA
  - Short term supportive housing.
    - **2011 outcome/goal:** 21 units; \$47,015, HOPWA

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

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

IHCDA is one of the lead agencies in the Indiana Planning Council on the Homeless and will undertake the following activities and strategies to address the plan priorities during program year 2011:

- ***Increase resources for family homelessness prevention.*** HOPWA funds can be used to prevent homelessness for low-income families with HIV/AIDS. Local HOPWA project sponsors provide short-term rent, mortgage and utility assistance to help families through financial crisis. In addition, shelters and transitional housing can use ESG funds for homelessness prevention purposes including short-term subsidies to defray rent and utility area averages for families who have received eviction or utility termination notices, or to pay for security deposits or first month's rent to permit a homeless family to move into its own apartment.
- ***Provide preferences*** under the Section 8 Housing Choice Voucher program for the chronically homeless and for homelessness prevention.
- ***Reinforce the importance of stable housing as necessary component of the service continuum.*** IHCDA has served as the lead applicant for two Shelter Plus Care programs to link rental assistance with supportive services for chronically homeless people. We have also made a commitment to the importance of Shelter Plus Care as stable housing by providing administrative reimbursement to local project sponsors as an incentive to bring more Shelter Plus Care stable housing programs to Indiana. IHCDA is also using HOME funds on two targeted tenant based rental assistance programs.
- ***Use HMIS*** for chronically homeless people to reduce duplication, streamline access, ensure consistency of service provision and generate data to carry out this plan. Currently all of the non-domestic violence shelters funded by ESG and Shelter Plus Care grantees are entering beneficiary data into HMIS. IHCDA enters information on HOPWA clients who are chronically homeless.

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

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

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

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

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

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

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

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

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

### **Barriers to Affordable Housing, 91.320 (i)**

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

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

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

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

Please see the Housing Market Analysis included in Section III of this 2011 Action Plan and the 2010-2014 Analysis of Impediments to Fair Housing Choice for a more detailed discussion of barriers to affordable housing.

**Actions to remove barriers to affordable housing.** The State has developed the following objectives and 2011 actions to mitigate barriers to affordable housing:

- **Objective DH-2.1 (Affordability):** Increase the supply and improve the quality of affordable **rental housing**.
  - Support the **production of new affordable rental units** and the **rehabilitation** of existing affordable rental housing.
    - **2011 outcome/goal:** 100 housing units; \$3,000,000, HOME
      - **Targeted to elderly and persons with disabilities** 50 housing units
- **Objective DH-2.2 (Affordability):** Increase and improve affordable **homeownership opportunities** to low and moderate income families.
  - Provide and support homebuyer assistance through **homebuyer education and counseling and downpayment assistance**.
    - **2011 outcome/goal:** 700 households/housing units; \$4,000,000, HOME
  - Provide funds to organizations for the **development of owner occupied units**.
    - **2011 outcome/goal:** 25 housing units; \$1,000,000, HOME
      - **Targeted to special needs populations** 5 housing units
  - Provide funds to organizations to complete **owner occupied rehabilitation**.
    - **2011 outcome/goal:** 300 housing units; \$500,000, CDBG & \$2,554,434 HOME
      - **Targeted to elderly and persons with disabilities** 200 housing units

- **Objective DH-2.3 (Affordability):** Build capacity of affordable housing developers.
  - Provide funding for **predevelopment loans** to support affordable housing.
    - **2011 outcome/goal:** 5 housing units; \$250,000, HOME
  - Provide funding for **organizational capacity**.
    - **2011 outcome/goal:** 8 housing units; \$500,000, HOME

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

**Affirmatively further fair housing choice.** The State of Indiana is currently completing an update to the 2010-2014 Analysis of Impediments to Fair Housing Choice for program year 2011 to be submitted to HUD in May 2011. To address the impediments identified for program year 2010, the State of Indiana will undertake the following fair housing activities during 2010.

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 IHCDCA 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. IHCDCA will continue to incorporate fair housing requirements in its grant implementation training for CSBG, HOME, ESG, and HOPWA grantees.
4. IHCDCA 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 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. IHCDA has established a goal to provide 2 to 5 education trainings on foreclosure prevention and predatory lending each year.
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.

### **Annual Community and Economic Development Goals, 91.320 (j)**

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

- **Objective SL-1.1 (Availability/Accessibility):** Improve the quality and/or quantity of neighborhood services for low and moderate income persons by continuing to fund programs (such as OCRA's **Community Focus Fund**), which use CDBG dollars for community development projects ranging from environmental infrastructure improvements to development of community and senior centers.
  - Construction of fire and/or Emergency Management Stations (EMS) stations.
    - **2011 outcome/goal:** 3 stations; \$1,500,000, CDBG
  - Purchase fire trucks.
    - **2011 outcome/goal:** 4 fire trucks; \$500,000, CDBG
  - Construction of public facility projects (e.g. libraries, community centers, social service facilities, youth centers, etc.). Public facility projects also include health care facilities, public social service organizations that work with special needs

populations, and shelter workshop facilities, in addition to modifications to make facilities accessible to persons with disabilities.

- **2011 outcome/goal:** 4 public facility projects (anticipate receiving 2-3 applications for projects benefiting special need populations); \$2,000,000, CDBG
- Completion of downtown revitalization projects.
  - **2011 outcome/goal:** 1 downtown revitalization projects; \$500,000, CDBG
- Completion of historic preservation projects.
  - **2011 outcome/goal:** 2 historic preservation projects; \$500,000, CDBG
- Completion of brownfield/clearance projects.
  - **2011 outcome/goal:** 1 clearance projects; \$100,000, CDBG
- **Objective SL-3.1 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing to fund programs (such as OCRA's **Community Focus Fund**), which use CDBG dollars for community development projects ranging from environmental infrastructure improvements to development of community and senior centers.
  - Construction/rehabilitation of infrastructure improvements such as wastewater, water and storm water systems.
    - **2011 outcome/goal:** 16 systems; \$10,523,576, CDBG
- **Objective SL-3.2 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing the use of the planning and community development components that are part programs (such as OCRA's **Planning Fund** and **Foundations Program**) funded by CDBG and HOME dollars.
  - 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.
    - **2011 outcome/goal:** 30 planning grants; \$1,000,000, CDBG & HOME; anticipated match, \$100,000
- **Objective SL-3.3 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons through programs (such as the **Flexible Funding Program**, newly created in 2010) offered by OCRA. OCRA recognizes that communities may be faced with important local concerns that require project support that does not fit within the parameters of its other funding programs. All projects in the Flexible Funding Program will meet one of the National Objectives of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.
  - Provide project support for community development projects.

- **2011 outcome/goal:**
  - Flexible Funding Program: 3 projects; \$1,000,000, CDBG;
  - Stellar Communities: 4 projects; 2,000,000, CDBG
  - Main Street Revitalization Program: 2 projects; \$500,000, CDBG
- **Objective EO-3.1 (Sustainability):** Improve economic opportunities for low and moderate income persons by coordinating with private industry, businesses and developers to create jobs for low to moderate income populations in rural Indiana.
  - Continue the use of the OCRA’s **Community Economic Development Fund (CEDF)**, which funds infrastructure improvements and job training in support of employment opportunities for low to moderate income persons.
    - **2011 outcome/goal:** 200 jobs; \$2,000,000, CDBG

### **Other Annual Actions, 91.320 (j)**

**Obstacles to meeting underserved needs.** The State faces a number of obstacles in meeting the needs outlined in the Five Year Consolidated Plan:

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

To mitigate these obstacles, during the 2011 program year, the State will provide training for the application process associated with the HUD grants to ensure equal access to applying for funds, and continually review and update its proposed allocation with current housing and community development needs, gathered through the citizen participation plan and demographic, housing market and community development research.

**Foster and maintain affordable housing.** The primary activities to foster and maintain affordable housing are the State’s CDBG and HOME funded activities that include the production of new units, homeownership opportunities, home rehabilitation and capacity support for affordable housing developers. Applicants of IHEDA’s programs and funds are encouraged to engage in an array of activities necessary to attain the solutions desired by a community, such as:

- Pre-development and seed financing – limited to eligible nonprofits

- Operating capacity grants – limited to eligible nonprofits
- Permanent Supportive Housing – Applicants must participate in the Indiana Permanent Supportive Housing Institute to be considered for an IHEDA investment.
- Rental assistance
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of rental housing
- Homeownership counseling and down payment assistance
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of homebuyer housing
- Rehabilitation, modification, and energy improvements to owner-occupied housing.

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

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

**Reduce lead-based paint hazards.** According to the 2009 ACS, almost one fifth (539,822 housing units) of Indiana’s housing stock was built before 1940, when lead-based paint was most common. Another 19 percent (526,068 housing units) was built between 1940 and 1960, when lead-based paint was still used, but the amount of lead in the paint was being reduced. Finally, 723,428 Indiana housing units (26 percent) were built between 1960 and 1979 as lead-based paint was phased out and eventually banned. Therefore, 64 percent of the housing stock in the State, or about 1.79 million units, were built when lead-based paint was used, to some extent, in residential housing. Urban areas typically have the highest percentages of pre-1940 housing stock, although the State’s non-entitlement areas together have about the same percentage of pre-1940 units as the State overall.

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.

Based on 2009 data on household income, the year housing units were built and HUD’s estimates of risk by year built, it is estimated the following households to be at-risk for lead based paint hazards: 183,000 households (7 percent of all households) who were extremely low income (earning less than 30 percent of the State median income); 168,000 households (7 percent of all households) who were low income (earning between 30 and 50 percent of median income); and 166,000 households (7 percent of all households) who were moderate income (earning between 50 and 80 percent of median income).

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.

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

Legislation was introduced in the 2009 Indiana General Assembly (SEA 202) that transferred the Lead-based Paint Program from the Indiana Department of Environmental Management to the Indiana State Department of Health.

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

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

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

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

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

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

Indiana has a history of aggressively pursuing job creation through economic development efforts at the state and local levels. This emphasis on creating employment opportunities is central to a strategy to reduce poverty by providing households below the poverty level with a means of gaining sustainable employment.

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

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

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

Section 3 is a tool for fostering local economic development, neighborhood economic improvement, and individual self-sufficiency.

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

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

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

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

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

**Indiana Housing and Community Development Authority.** The Indiana Housing and Community Development Authority (IHCD) 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. IHCD 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. IHCD 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, IHCD is currently a HUD designated Participating Administrative Entity for expiring use contracts and an approved contract administrator of certain project-based Section 8 contracts. IHCD also administers the Housing Choice Voucher Program (also known as Section 8 vouchers), LIHEAP and Weatherization programs.

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

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

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

The initiative aims to create at least 1,100 supportive housing units within Indiana by 2014. The IPSHI will be the core component of the growing momentum of the Indiana’s Interagency Council on the Homeless and Transformation Work Group to address the needs of Hoosiers facing long-term homelessness. The IPSHI will be a vehicle for State agencies, private foundations and other constituencies to invest in housing and services for families and individuals experiencing long-term homelessness.

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

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

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

**Not-for-profit sector.** Many not-for-profit organizations or quasi-governmental agencies are putting together affordable housing developments and gaining valuable experience in addressing

housing needs on a local level. As of March 2010, the State now has 49 organizations certified as Community Housing Development Organizations (CHDOs).

The State has an active network of community development corporations, many of which have become increasingly focused on housing and community development issues. These organizations are engaged in a variety of projects to meet their communities' needs, from small-scale rehabilitation programs to main street revitalization. The projects undertaken by community development corporations are often riskier and more challenging than traditional development projects.

Public housing authorities exist in the major metropolitan areas and in small to medium-sized communities throughout the State.

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

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

**Overcoming gaps in delivery systems.** Several gaps exist in the above housing and community development delivery system, especially for meeting the need for affordable housing. The primary gaps include:

- **Lack of coordination and communication.** Many social service providers, local business leaders and citizens continually express frustration about not knowing what programs are available and how to access those programs. Without full knowledge of available programs, it is difficult for communities to start addressing their housing needs. The State continues to address this gap through distribution of information about resources through regional agency networks and at public events.
- **Lack of capacity for not-for-profits to accomplish community needs.** In many communities, the nonprofits are the primary institutions responsible the delivery of housing and community development programs. These organizations function with limited resources and seldom receive funding designated for administrative activities. The State continues to include planning and capacity-building grants as eligible activities for CDBG and HOME.

**Public housing needs.** The needs of public housing residents in Indiana are generally: health, social, education, employment and training, livable wage- and income-related. Often PHA residents—as well as Section 8 HCV holders—have incomes of less than \$15,000 and the private market does not provide housing to accommodate households in this income range. If these

households did not have access to public housing, Housing Choice Vouchers and Section 8 programs (Project Based Assistance) they would be cost burdened, most likely severely cost burdened.

During 2010-2014, IHCDCA 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, IHCDCA 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. IHCDCA 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.

### **Program Specific Requirements, 91.320 (k)**

**CDBG requirements.** 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 2011 CDBG program. A complete description of the FY2011 CDBG Method of Distribution for OCRA is included in Appendix D.

**Method of distribution.** 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 percent) of FY 2011 CDBG funds will be expended for activities principally benefiting low and moderate income persons, as prescribed by 24 CFR 570.484, et. seq.

**Section 108 loan guarantee.** The State of Indiana does not use or plan to use Section 108 Loan Guarantee during FY2011.

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

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

**Exhibit IV-11 a.  
CDBG Homeowner  
Affordability Periods**

Source:  
Indiana Housing and Community  
Development Authority.

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

**Exhibit IV-11 b.  
CDBG Rental  
Affordability Periods**

Source:  
Indiana Housing and Community  
Development Authority.

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

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

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

If there will be proceeds from an award, the award recipient can either (1) repay IHCD the amount of recaptured funds or (2) receive approval from IHCD regarding the reuse of these funds.<sup>1</sup>

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

1. Transfer or conveyance of the Real Estate by deed, land contract, lease, or otherwise, within the applicable Affordability Period;
2. Commencement of foreclosure proceedings by any mortgagee (or deed in lieu of foreclosure), within the affordability Period; or

<sup>1</sup> The entities receiving a loan from the award recipient may not re-loan the funds to anyone else.

3. If the CDBG assisted rental units in the Project are not being used as a residence by a Qualifying Tenant; or
4. CDBG assisted units are not being used or leased in compliance with the Affordability Requirements.

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

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

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

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

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

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

IHCDA expects minority participation in its CDBG and HOME programs to reflect the representation of minorities in each funded community's low and moderate income population. Since minorities make up such a small percentage (around 1 percent) of Indiana's non-entitlement

cities, such participation can be relatively minor. Minority participation is most concentrated in larger non-entitlement cities as well as in north-central Indiana.

**Monitoring.** 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.

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

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

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

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

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

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

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

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

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

- On-site monitoring review:
  - Real-estate Development Monitor will contact recipient to set-up monitoring based on award expiration and completion/close-out documentation submitted and approved.
  - Recipient will receive a confirmation letter stating date, time, and general monitoring information.
  - On date of monitoring, IHCDA staff will need: files, an area to review files, and a staff person available to answer questions.
  - Before leaving, IHCDA staff will discuss known findings and concerns, along with any areas that are in question.
- Desk-top monitoring review:
  - Real-estate Development Monitor will request information/documentation from award recipient in order to conduct the monitoring. IHCDA staff will give approximately 14 days for this information to be submitted.

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

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

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

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

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

**HOME requirements.** The Solutions Application will be available on IHCDA's website beginning July 1, 2011. The application replaces IHCDA's old, disparate CDBG, HOME, and Affordable Housing and Community Development Fund applications. IHCDA shall implement the following provisions in order to preserve the affordability of HOME assisted homebuyer units.

**Resale guidelines.** Resale restrictions shall be implemented for every property constructed, redeveloped, rehabilitated, or acquired, in whole or in part, with HOME Funds in the form of a development subsidy. A development subsidy consists of the difference between the cost of producing the unit and the fair market value of the property. If the homebuyer determines that it no longer intends to use the property as its principal residence, resale restrictions require the homebuyer to sell the property to a low-income family that will use the property as its principal residence. The term "low income family" shall mean a family whose gross annual income does not exceed eighty percent (80 percent) of the median family income for the geographic area published annually by HUD. The purchasing family should pay no more than twenty-nine percent (29%) of its gross family income towards the principal, interest, taxes and insurance for the property on a monthly basis.

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

**Recapture guidelines.** Recapture provisions shall be implemented for any property purchased, in whole or in part, by a homebuyer that receives a direct subsidy ("homebuyer subsidy") in an amount greater than or equal to One Thousand and 00/100 Dollars (\$1,000) in HOME Funds. A homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing).

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

If the homebuyer no longer utilizes the property as its principal residence during the Affordability Period defined below, the amount to be recaptured is the shared net proceeds of a prorated amount of

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

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

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

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

**Figure IV-12.**  
**HOME Affordability**  
**Periods**

Source:  
Indiana Housing and Community  
Development Authority

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

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

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

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

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

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

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

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

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

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

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

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

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

solicited for each procurement action and verified by certified mail or a signed receipt of hand delivery.

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

**ESG requirements.** On May 20, 2009, President Obama signed the Homeless Emergency and Rapid Transition to Housing (HEARTH) Act of 2009. The HEARTH Act amends and reauthorizes the McKinney-Vento Homeless Assistance Act with substantial changes, including expanding the definition of homeless and chronic homelessness, a consolidation of HUD's competitive grant program, and an increased emphasis on homeless prevention or rapid rehousing activities, and an increase emphasis on performance. Implementation of HEARTH policies is still unclear at the time of this document's public release and it is expected that HEARTH will not be funded at levels which would make it possible to fully implement all HEARTH regulations. As a result, IHCDA will release one ESG request for proposals to include requests for Operations, Essential Services and Homeless Prevention activities. In an attempt to work towards HEARTH goals of increased emphasis on homeless prevention activities, IHCDA will require all recipients of 2011 ESG funds to budget 30 percent of their ESG grant in homeless prevention activities such as short-term subsidies to defray rent and utility arrearages for families that have received eviction or utility arrearages for families, security deposits or first month's rent to permit a homeless family to move into its own apartment or other innovative programs and activities designed to prevent the incidence of homelessness. Additionally, IHCDA is adding three threshold criteria to its Emergency Solutions Grant request for proposals. In order for a proposal to be reviewed, the program must:

1. Reside within the Balance of State Continuum of Care (all Indiana counties, with the exception of Marion and St. Joseph County),
2. Document organizational attendance to at least 75% of all 2010 regional planning council on the homeless meetings,
3. Serve 100% homeless individuals/families in their shelter/transitional housing program

**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 of Homeless Prevention Activities
- Termination of Participation and Grievance Procedure
- Participation of Homeless Persons in Policy-Making Operations

- Ensuring Confidentiality
- Building & Habitability Standards
- Timely Expenditure of Funds

**Monitoring reports.** Each grantee will be required with their grant proposal to set (3) performance objectives based on HEARTH goals around permanent housing, income and length of stay. Applicants set their own 12 month and 24 month goals based upon IHCDA’s three year goals in each of these areas, which also vary by program type (emergency housing or transitional housing). Performance on these goals will be evaluated each year as part of the proposal process.

Three reports will be due throughout the program fiscal year: a semi-annual progress report due in mid-January, an annual progress report due in mid-July and a fiscal close-out report due in August. The two progress reports collect data on the number and characteristics of the homeless persons served as well as report on the progress in meeting the three performance objectives. The shelter must reach or exceed their goals by the end of the fiscal year. The measurement for each goal should be documented in HMIS (or a comparable software system for domestic violence shelters). Grantees report final totals of ESG monies and match spent in the fiscal close-out report.

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

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

\*\*Positive housing destination for Transitional Housing includes all of the above except for moving into transitional housing.

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

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

- 65 percent to direct housing assistance: long-term rental assistance, short term rental assistance, short term supportive housing and facility based operations;
- 7 percent to administration/program delivery;
- 15 percent to supportive services: specifically to address the concerns raised in the ISDH Comprehensive Plan/Coordinated Statement of Need in the area of Emergency Fund Assistance (food, travel, etc.);
- 8 percent to housing information: salaries;
- 5 percent to permanent housing placement: directly related to a client.

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

- Rental Assistance—households/units
- Short-term rent, mortgage and utility assistance—households/units
- Facility based housing operations support—units
- Short term supportive housing—units
- Housing information services—households
- Permanent housing placement services—households
- Supportive services—households

Using these indicators, a numeric goal has been determined associated with the FY2010 HOPWA allocation. Figure IV-13 identifies the numeric indicators.

**Figure IV-13.  
HOPWA 2011 Goals and  
Allocations**

Source:  
Indiana Housing and Community  
Development Authority.

	Goal	HOPWA Allocation
Rental Assistance—Households/Units	200	\$444,035
Short-term Rent, Mortgage and Utility Assistance—Households/Units	300	\$208,958
Facility based housing operations—Units	7	\$26,120
Short term supportive housing—Units	21	\$47,015
Supportive Services—Households	200	\$67,911
Housing Information—Households	75	\$31,344
Permanent Housing Placement—Households	100	\$73,135

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

**Project sponsor selection process.** IHCDCA worked with the Indiana State Department of Health to develop the criteria for selecting project sponsors for the 2011 HOPWA program. IHCDCA is a member of the Comprehensive HIV Services Planning and Advisory Council which consists of both advocates and consumers of the HIV/AIDS resources available to the State. The 2011 HOPWA project sponsors will be monitored based on the guidelines set forth in the Housing Opportunities for Persons with AIDS (HOPWA) Grantee Oversight Resource Guide. Twenty percent of the project sponsors will be monitored per year.

IHCDCA will encourage the project sponsors to continue housing plans for each of their clients to increase homeless prevention activities. IHCDCA will also encourage the project sponsors to make use of any items made available by the State to assist with placing clients into housing with subsidies other than HOPWA.

For program year 2011 funding, IHCDCA will facilitate a competitive request for qualifications (RFQ) for HIV/AIDS service providers. The RFQ will be competitive in order to allocate funding based on six criteria:

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

To ensure the broadest possible dissemination, IHCDCA will distribute the HOPWA RFQ in April via the statewide Continua of Care network and post online. Because IHCDCA allocates HOPWA to all ISDH-established care coordination regions except Region 7, it was determined that IHCDCA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions except Region 1, in which two HOPWA project sponsors will be funded for different activities during the 2011 program year due to the larger HIV/AIDS epidemiological burden in northwestern Indiana.

The project sponsors will be chosen in May therefore Information regarding the 2011 project sponsors is unavailable at this time. HOPWA allocations for the 2011 program year will reflect a combination of regional epidemiological need and past performance with previous HOPWA awards.

For program year 2011 funding, IHCDA will facilitate a competitive request for proposals (RFP) for one (1) HIV/AIDS service provider in Region 1 (Northwest Indiana) to provide Short Term Supportive Housing due to the larger HIV/AIDS epidemiological burden in Northwest Indiana. The RFP will be competitive in order to allocate funding competitively based on six criteria:

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

IHCDA’s goal for the HOPWA program is to reduce homelessness and increase housing stability for people living with HIV/AIDS and their families. Prospective project sponsors for the 2011 program year will provide information on each program’s ability to support this goal via submission of the RFPs.

**Figure IV-14.**  
**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, Kosciusko, 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, Rush, Union, Wayne
Region 10	Bartholomew, Greene, Lawrence, Monroe, Owen
Region 11	Crawford, Jackson, Jefferson, Jennings, Orange, Switzerland,
Region 12	Daviess, Dubois, Gibson, Knox, Martin, Perry, Pike, Posey, Spencer, Vanderburgh, Warrick

Source: Indiana Housing and Community Development Authority.

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

**Other HOPWA Activities**

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

**Five Year and 2011 Action Year Matrix**

The following exhibit presents the five-year goals, objectives, both five-year and 2011 (year two) outcomes/goals, as well the 2011 funding proposal in one matrix. The matrix shows how the State of Indiana plans to allocate its FY 2011 block grants to address its five-year Consolidated Plan goals.

**Figure IV-15.**  
**FY2011 Action Plan for Five-Year Consolidated Plan Goals, State of Indiana**

Goal	Objectives	HUD Objective Code	2011 Activity	Indicator	Goal			Funding for Year two				
					Five Year	Year One	Year Two	CDBG	HOME	ESG	HOPWA	
<b>1. Expand and preserve affordable housing opportunities throughout the housing continuum.</b>	• Rental housing.	DH-2.1	➤ Rehabilitation and new construction	Units	675	135	100					
			• Homeownership opportunities.	DH-2.2	➤ Homeownership education and counseling and downpayment assistance	Households	2,500	500	700			
		➤ Homebuyer development	Units		125	25	25					\$1,000,000
		➤ Owner occupied rehabilitation	Units	1,500	300	200	\$ 2,554,434				\$500,000	
	• Build capacity for affordable housing developers	DH-2.3	➤ Predevelopment loans	Units	25	5	5					\$250,000
			➤ Organizational capacity	Units	80	16	8					\$500,000
<b>2. Reduce homelessness and increase housing stability for special needs populations.</b>	• Improve the range of housing options for homeless and special needs populations.	DH-1.1	➤ Permanent supportive housing	Units	250	50	40					\$4,000,000
			➤ Rental assistance	Units	1,000	200	200					\$1,000,000
	• Support activities to improve the range of housing options for special needs populations and to end chronic homelessness.	DH-1.2	➤ Operating support	Shelters	55	83	55					\$ 1,090,353
			➤ Homelessness prevention activities	Persons	550	110	9,088					\$ 549,758
			➤ Essential services	Persons	80,000	16,000	19,000					\$ 192,415
	• Improve the rang of housing options for special needs populations living with HIV/AIDS.	DH-1.3	➤ Housing information services	Households	375	75	75					\$ 31,344
			➤ Permanent housing placement services	Households	500	100	100					\$ 73,135
			➤ Supportive services	Households	1,000	200	200					\$ 67,911
	DH-2.4	➤ Tenant based rental assistance	Units	1,000	200	200					\$ 444,035	
		➤ Short-term rent, mortgage and utility assistance	Units	1,500	300	300					\$ 208,958	
➤ Facility based housing operations support		Units	35	7	7					\$ 26,120		
	➤ Short term supportive housing	Units	100	21	21					\$ 47,015		
<b>3. Promote livable communities and community revitalization through addressing unmet community development needs.</b>	• Improve the quality and/ or quantity of neighborhood services for low and moderate income persons.	SL-1.1	➤ Community Focus Fund	Stations	25-30	5-6	3	\$1,500,000				
			- Emergency stations	Vehicles	10-15	2-3	4	\$500,000				
			- Fire trucks	Facilities	30	6	4	\$2,000,000				
			- Public facilities	Projects	10	2	1	\$500,000				
			- Downtown revitalization projects	Projects	10	2	2	\$500,000				
			- Historic preservation projects	Projects	10-25	2-5	1	\$100,000				
	- Brownfield/clearance projects											
• Improve the quality and/or quantity of public improvements for low and moderate income persons.	SL-3.1	➤ Community Focus Fund	Systems	120	24	16	\$10,523,576					
		➤ Infrastructure systems										
	SL-3.2	➤ Planning Fund	Grants	145	29	30	\$1,000,000					
	SL-3.3	➤ Flexible Funding Program	Projects	10-25	2-5	3	\$1,000,000					
		➤ Stellar Communities	Projects			4	\$2,000,000					
		➤ Main Street Revitalization Program	Projects			2	\$500,000					
<b>4. Promote activities that enhance local economic development efforts.</b>	• Coordinate with private industry, businesses and developers to create jobs for low to moderate income populations in rural Indiana.	EO-3.1	➤ Community Economic Development Fund	Jobs	1,300	275	200	\$2,000,000				
<b>Administrative and supportive services</b>			➤ CDBG admin. (OCRA and IHCD)					\$610,887				
			➤ HOME admin. (IHCD)						\$550,000			
			➤ HOPWA admin. (IHCD)								\$30,445	
			➤ ESG program admin. (IHCD)								\$95,000	
			➤ Tech. assist. set-aside (OCRA)					\$255,443				
			➤ HOPWA admin. (other)								\$71,037	
<b>Total</b>								<b>\$25,544,340</b>	<b>\$14,800,000</b>	<b>\$1,927,526</b>	<b>\$1,000,000</b>	

Source: BBC Research & Consulting.

**APPENDIX A.**  
**Citizen Participation Plan**

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## **APPENDIX A.**

# **Citizen Participation Plan**

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

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

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

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

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

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

### **Encouraging Citizen Participation**

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

## Development of the Plans and Performance Reports

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

State of Indiana Citizen Participation Plan Annual Schedule	
<b>July</b>	<ul style="list-style-type: none"> <li>▪ Begin annual Action Plan year</li> <li>▪ Begin Consolidated Annual Performance and Evaluation Report (CAPER) process</li> </ul>
<b>August</b>	<ul style="list-style-type: none"> <li>▪ At the end of month publish CAPER Public Notice of draft availability for public comment</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>▪ Beginning to middle of month begin 15-day Public Comment period for CAPER</li> <li>▪ CAPER submitted to HUD by September 30</li> </ul>
<b>January-February-March</b>	<ul style="list-style-type: none"> <li>▪ Conduct public participation process for Consolidated Plan</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>▪ At the end of the month publish Public Notice informing public the draft Consolidated Plan/annual Action Plan are available for public comment and announcing public hearings</li> </ul>
<b>April</b>	<ul style="list-style-type: none"> <li>▪ Begin 30-day Public Comment period for draft Consolidated Plan and draft annual Action Plan</li> <li>▪ Hold public hearings at the end of the month</li> </ul>
<b>May</b>	<ul style="list-style-type: none"> <li>▪ Consolidated Plan and Action Plan submitted to HUD by May 15</li> </ul>
<b>June</b>	<ul style="list-style-type: none"> <li>▪ End of annual Action Plan year</li> </ul>

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

**Participation.** The following provides detailed steps for citizen participation for the Five Year Consolidated Plan, covering program years 2010–2014.

- **Elected official survey.** A housing and community development needs survey was distributed to local elected officials, including mayors, county commissioners, etc., of the nonentitlement areas of the state. The survey was available in paper and electronic (PDF and online version) formats. OCRA distributed invitations to elected officials to complete the survey.

- **Resident survey.** A survey of Indiana residents was conducted in order to gather additional information on housing and community development needs and priorities for the Consolidated Plan. The survey was available in paper and electronic version (PDF and online). The survey was distributed to housing and community development providers (e.g., Indiana Department of Workforce Development's WorkOne Centers, Continuum of Care participants, Human Rights Council, organizations who work with persons with disabilities) to be distributed to their clients/members, was available on OCRA's website and included in an IHCDCA email to all who subscribe to IHCDCA's email announcements. The survey was available in English and Spanish.
- **Focus groups.** Four focus groups were held during February and March 2010 with Regional Planning Commissions, advocates for persons with disabilities, persons with disabilities, Continuum of Care Regions and Human Rights Councils. An additional focus group was planned with Public Housing Authorities, but had no participants.
- **Stakeholder interviews.** A series of interviews were conducted with key persons or groups who are knowledgeable about housing and community development needs in the State.
- **Public hearings.** During the 30-day public comment period two public hearings were conducted through videoconferences with six Ivy Tech Community College of Indiana locations across Indiana on April 30, 2010.
- **Written comments.** Written comments are accepted at any time during the Consolidated Plan process.

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

A 30-day public comment period is provided to receive written comments on the draft Plan. The 30-day comment period began on April 9 and continued through May 9, 2010. The draft Plan can be reviewed at OCRA and IHCDCA offices and is available to download on the State's website.

**Public Hearings.** On April 30, 2010, two public hearings were conducted through videoconferences with six Ivy Tech Community College of Indiana locations (Indianapolis, Evansville, Lafayette, Madison, Portland and Valparaiso) across Indiana. 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.

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

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

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

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

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

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

## **Availability and Access to Records**

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

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

## **Citizen Complaints**

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

## **OCRA Citizen Participation Requirements**

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

1. Require each unit of general local government to comply with citizen participation requirements for such governmental units as specified under 24 CFR 570.486(a), to include the requirements for accessibility to information/records and to furnish citizens with information as to proposed CDBG funding assistance as set forth under 24 CFR 570.486(a)(3), provide technical assistance to representatives of low-and-moderate income groups, conduct a minimum of two (2) public hearings on proposed projects to be assisted by CDBG funding, such hearings being accessible to handicapped persons, provide citizens with reasonable advance notice and the opportunity to comment on proposed projects as set forth in Title 5-3-1 of Indiana Code, and provide interested parties with addresses, telephone numbers and times for submitting grievances and complaints.
2. Consult with local elected officials and the Office of Community and Rural Affairs Grant Administrator Networking Group in the development of the Method of distribution set forth in the State's Consolidated Plan for CDBG funding submitted to HUD.

3. Publish a proposed or “draft” Consolidated Plan and afford citizens, units of general local government, and the CDBG Policy Advisory committee the opportunity to comment thereon.
4. Furnish citizens and units of general local government with information concerning the amount of CDBG funds available for proposed community development and housing activities and the range/amount of funding to be used for these activities.
5. Hold one (1) or more public hearings respective to the State’s proposed/draft Consolidated Plan, on amendments thereto, duly advertised in newspapers of general circulation in major population areas statewide pursuant to I.C. 5-3-1-2 (B), to obtain the views of citizens on proposed community development and housing needs. The Consolidated Plan Committee published the enclosed legal advertisement to thirteen (13) regional newspapers of general circulation statewide respective to the public hearings held on the 2010 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 2010 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.

**NOTICE OF PUBLIC HEARING**  
**FY 2011 CONSOLIDATED PLAN FOR FUNDING**

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

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

Pursuant to 24 CFR part 91.115(a)(2), the State of Indiana wishes to encourage citizens to participate in the development of the State of Indiana Consolidated Plan for 2011. In accordance with this regulation, the State is providing the opportunity for citizens to comment on the 2011 Consolidated Plan draft report, which will be submitted to the US Department of Housing and Urban Development (HUD) on or before May 15, 2011. 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 2011 Consolidated Plan will set forth the method of distribution of funding for the following HUD-funded programs:

State Community Development Block Grant (CDBG) Program

**Home Investment Partnership Program**  
**Emergency Solutions Grant Program**  
**Housing Opportunities for Persons With AIDS Program**

These public hearings will be conducted **on Tuesday, April 26** 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. 59<sup>th</sup> St.  
Lawrence, IN 46208  
3:30-5:00 p.m. or  
5:30-7:00 p.m.

**Valparaiso**

Room D-129  
3100 Ivy Tech Drive  
Valparaiso, IN 46383  
2:30-4:00 p.m. or  
4:30-6:00 p.m.

**Lafayette**

3101 South Creasy Lane  
Griffin Hall, Room 131  
Lafayette, IN 47903  
3:30-5:00 p.m. or  
5:30-7:00 p.m.

**Richmond**

2357 Chester Boulevard  
Stidham Auditorium  
Richmond, IN 47374  
3:30-5:00 p.m. or  
5:30-7:00 p.m.

**Evansville**

Room 327 B  
3501 N. First Ave.  
Evansville, IN 47710  
2:30-4:00 p.m. or  
4:30-6:00 p.m.

All members of the public are invited to review the draft Plan prior to submission April 8, 2011 through May 9, 2011 during normal business hours of 8:30am to 5:00pm, Monday-Friday, at the Indiana Office of Community and Rural Affairs. A draft Plan will also be available on the IHEDA website ([www.in.gov/iheda](http://www.in.gov/iheda)) and the OCRA website ([www.in.gov/ocra](http://www.in.gov/ocra)).

Written comments are invited from Friday, April 8, 2011 through Monday, May 9, 2011, at the following address:

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

Persons with disabilities will be provided with assistance respective to the contents of the Consolidated Plan. Interested citizens and parties who wish to receive a free copy of the Executive Summary of the FY 2011 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](mailto:bdawson2@ocra.in.gov).

**APPENDIX B.**  
**Citizen Participation**  
**Process Materials and Comments**

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# 2011 Indiana Stakeholder Housing & Community Development Survey

## Introduction

The State of Indiana is currently preparing its 2011 Action Plan, a report required by the U.S. Department of Housing and Urban Development (HUD) for the State to receive housing and community block grant funding. In FY2010, the State received approximately \$53 million in Federal housing and community development assistance.

In the past, these dollars have funded homeownership and rental assistance programs, construction of homeless and domestic violence shelters, water and sewer infrastructure improvements, and programs that assist people with special needs. The funds are distributed by the State of Indiana to local governments and nonprofit housing and community development organizations throughout the state.

Engaging Solutions, LLC is assisting the State with the preparation of its 2011 Action Plan. We are working in association with the Indiana Office of Community & Rural Affairs (OCRA) and the Indiana Housing & Community Development Authority (IHCDA).

We are requesting your assistance in identifying housing and community needs in your area. This information will be incorporated into the state's 2011 Action Plan.

Please complete the following survey by March 31, 2011.

## General Information

### 1. Name/Organization

### 2. Please provide the name of the community you plan to address in this survey.

City (provide name)

County (provide name)

Region (describe region)

Statewide

## I would like...

### 3. Please complete the following sentence:

I would like my community to...

(e.g., be more accessible for persons with physical disabilities, be more affordable for renters, be safer for children, provide more jobs, etc.)

# 2011 Indiana Stakeholder Housing & Community Development Survey

## Suitable Living Environment

As you complete this section of the survey, please consider the needs in your community. Rate the level of need for each of the following items by selecting the appropriate box. Please indicate whether the need is: 0 (no need), 1 (low) to 4 (high)

### 4. Community Facilities

	No Need	1 (low)	2	3	4 (high)
Asbestos Removal	<input type="checkbox"/>				
Child Care Centers	<input type="checkbox"/>				
Community Centers	<input type="checkbox"/>				
Emergency Services Facilities/Fire Stations & Equipment	<input type="checkbox"/>				
Health Care Facilities	<input type="checkbox"/>				
Libraries	<input type="checkbox"/>				
Non-Residential Historic Preservation	<input type="checkbox"/>				
Parking Facilities	<input type="checkbox"/>				
Parks & Recreation Facilities	<input type="checkbox"/>				
Other	<input type="checkbox"/>				

(please specify "Other" below)

### 5. Special Needs Population Facilities

	No need	1 (low)	2	3	4 (high)
Abused/Neglected Children Facilities	<input type="checkbox"/>				
Centers for Disabled	<input type="checkbox"/>				
Domestic Violence Facilities	<input type="checkbox"/>				
HIV/AIDS Facilities	<input type="checkbox"/>				
Homeless Shelters	<input type="checkbox"/>				
Senior Centers	<input type="checkbox"/>				
Youth Centers	<input type="checkbox"/>				
Other	<input type="checkbox"/>				

(please specify "Other" below)

# 2011 Indiana Stakeholder Housing & Community Development Survey

## 6. Infrastructure

	No need	1 (low)	2	3	4 (high)
ADA/Accessibility Improvements	jn	jn	jn	jn	jn
DSL/Internet Infrastructure	jn	jn	jn	jn	jn
Flood Drainage Improvements	jn	jn	jn	jn	jn
Sidewalk Improvements	jn	jn	jn	jn	jn
Street/Alley Improvements	jn	jn	jn	jn	jn
Storm Water Improvements	jn	jn	jn	jn	jn
Water/Sewer Improvements	jn	jn	jn	jn	jn
Other	jn	jn	jn	jn	jn

(please specify "Other" below)

## Suitable Living Environment (continued)

## 7. Community Services

	No need	1 (low)	2	3	4 (high)
Abused /Neglected Children Services	jn	jn	jn	jn	jn
Child Care Services	jn	jn	jn	jn	jn
Crime Awareness Programs	jn	jn	jn	jn	jn
Domestic Violence Services	jn	jn	jn	jn	jn
Family Self-Sufficiency Services	jn	jn	jn	jn	jn
Fair Housing Services	jn	jn	jn	jn	jn
Health Services	jn	jn	jn	jn	jn
HIV/AIDS Services	jn	jn	jn	jn	jn
Homeless Services	jn	jn	jn	jn	jn
Legal Services	jn	jn	jn	jn	jn
Mental Health Services	jn	jn	jn	jn	jn
Senior Services	jn	jn	jn	jn	jn
Services for Developmentally Disabled	jn	jn	jn	jn	jn
Services for Physically Disabled	jn	jn	jn	jn	jn
Substance Abuse Services	jn	jn	jn	jn	jn
Tenant/Landlord Counseling	jn	jn	jn	jn	jn
Transportation Services	jn	jn	jn	jn	jn
Youth Services	jn	jn	jn	jn	jn
Other	jn	jn	jn	jn	jn

(please specify "Other" below)

# 2011 Indiana Stakeholder Housing & Community Development Survey

## 8. Most Important Community Development Needs

In your opinion, what are the three most important community development needs in your service area or community?

1.
2.
3.

## Economic Opportunities

As you complete this section of the survey, please consider the needs in your community. Rate the level of need for each of the following items by selecting the appropriate box. Please indicate whether the need is: 0 (no need), 1 (low) to 4 (high)

### 9. Businesses and Jobs

	No need	1 (low)	2	3	4 (high)
Business Mentoring	<input type="checkbox"/>				
Commercial/Industrial Clearance/Demolition	<input type="checkbox"/>				
Commercial/Industrial Improvements	<input type="checkbox"/>				
Commercial/Industrial Rehabilitation	<input type="checkbox"/>				
Economic Development Technical Assistance	<input type="checkbox"/>				
Employment Training	<input type="checkbox"/>				
Façade Improvements	<input type="checkbox"/>				
Job Creation/Retention	<input type="checkbox"/>				
Micro-Enterprise Assistance	<input type="checkbox"/>				
Small Business Improvements	<input type="checkbox"/>				
Small Business Loans	<input type="checkbox"/>				
Start-up Business Assistance	<input type="checkbox"/>				
Other	<input type="checkbox"/>				

(please specify "Other" below)

# 2011 Indiana Stakeholder Housing & Community Development Survey

## 10. Most Important Economic Development Needs

In your opinion, what are the three most important economic development needs in your service area or community?

1.
2.
3.

## Decent Housing

As you complete this section of the survey, please consider the needs in your community. Rate the level of need for each of the following items by selecting the appropriate box. Please indicate whether the need is: 0 (no need), 1 (low) to 4 (high)

### 11. Housing

	No need	1 (low)	2	3	4 (high)
Affordable For Sale Housing	<input type="checkbox"/>				
Affordable Rental Housing	<input type="checkbox"/>				
Energy Efficiency Improvements	<input type="checkbox"/>				
Home Maintenance Education	<input type="checkbox"/>				
Homeownership Assistance	<input type="checkbox"/>				
Lead-based Paint Testing/Abatement	<input type="checkbox"/>				
Owner-Occupied Housing Rehabilitation	<input type="checkbox"/>				
Rental Housing Rehabilitation	<input type="checkbox"/>				
Rental Housing Subsidies	<input type="checkbox"/>				
Residential Clearance/Demolition	<input type="checkbox"/>				
Other	<input type="checkbox"/>				

(please specify "Other" below)

# 2011 Indiana Stakeholder Housing & Community Development Survey

## 12. Housing for Special Needs Population

	No need	1 (low)	2	3	4 (high)
ADA/Accessibility Improvements	jn	jn	jn	jn	jn
Farm Worker Housing	jn	jn	jn	jn	jn
Housing for Developmentally Disabled	jn	jn	jn	jn	jn
Housing for Foster Youth	jn	jn	jn	jn	jn
Housing for Large Families	jn	jn	jn	jn	jn
Housing for People with HIV/AIDS	jn	jn	jn	jn	jn
Housing for Physically Disabled	jn	jn	jn	jn	jn
Housing for Severe Mental Illness Disabled	jn	jn	jn	jn	jn
Housing for Victims of Domestic Violence	jn	jn	jn	jn	jn
Senior Housing	jn	jn	jn	jn	jn
Emergency Shelter	jn	jn	jn	jn	jn
Transitional Housing	jn	jn	jn	jn	jn
Supportive Housing	jn	jn	jn	jn	jn
Other	jn	jn	jn	jn	jn

(please specify "Other" below)

## Top Housing Issues

**13. In your opinion, what are the three most important housing needs in your service area or community?**

1.
2.
3.

**14. To your knowledge, which groups of people in this community have the greatest unmet housing needs, and why? (Groups can be categorized by age, income, ethnicity, geography, disability status, etc.)**

1.
2.
3.

## Perception of Your Community

# 2011 Indiana Stakeholder Housing & Community Development Survey

**15. Has the perception of your community gotten better or worse over the last 5 years?**

Better

Worse

Same

Why?

## We Appreciate Your Input!

**16. Additional Comments:**

## Thank You For Completing the Survey

If you would like to obtain additional information regarding the draft report, or to get times and locations of local public hearings about the State's 2011 Action Plan, go to either of the following websites:

[www.in.gov/ocra](http://www.in.gov/ocra)  
[www.in.gov/ihcda](http://www.in.gov/ihcda)

# 2011 Indiana Resident Fair Housing Survey

## Introduction

Dear Resident,

The State of Indiana is in the process of conducting a housing and community development needs assessment. The study is required for the State to obtain their annual allocation of federal housing and community development funding.

As part of the study, we are collecting input from residents about housing discrimination to be used in the state's housing and community development 2011 Action Plan.

Please take a few moments to complete this survey by March 31, 2011; it will take only 5 minutes of your time.

### 1. Please provide the county and zip code of where you live.

County:

Zip Code:

### 2. Suppose you or someone you knew thought they'd been discriminated against in trying to find a place to rent or a house to buy. What would you do or recommend they do? Please choose only 1 response.

Nothing

File a complaint

Move to another home/apartment

I don't know

Other (please specify your recommendation)

### 3. If you or someone you knew ever felt you were discriminated against and wanted to report it, do you know who you or others should contact?

Yes

No

# 2011 Indiana Resident Fair Housing Survey

**4. If you felt you had been discriminated against in housing, which person/organization would you call first for information? Please choose only 1 response.**

- Legal resource (e.g., an attorney/Legal Aid/ACLU)
- Community/Neighborhood organization
- HUD (U.S. Department of Housing and Urban Development)
- Business organization-Better Business Bureau or Chamber of Commerce
- Local government official/mayor's office/city council member
- Indiana Civil Rights Commission
- Tenant hotline
- Other (please specify the organization/person you would call first for information)

**5. Do you think you have ever experienced housing discrimination?**

- Yes
- No
- Not sure

**6. If you feel you have experienced housing discrimination, what was the reason(s) you were discriminated against.**

- Ethnicity/National Origin
- Disability
- Race/Color
- Sex/Gender
- Religion
- I have children
- My partner/girlfriend/boyfriend and I are not married
- Other (please specify the reason)

## 2011 Indiana Resident Fair Housing Survey

**7. In general, when you want to learn about housing/community development or government issues in Indiana, what information sources do you use? Please choose up to 2 responses.**

- Internet
- Radio
- Local government information sources/officials
- Local small newspaper or specialty print publication
- Television
- State government information sources/officials
- Library
- Religious institution (e.g., church, synagogue, parish)
- Word of mouth/conversations with friends/colleagues
- Other (please specify)

**8. Do you or a member of your household have a disability?**

Yes

No

**9. If you answered "yes" to the previous question, does your current home meet the physical needs of the disabled member of your household?**

Yes

No

# 2011 Indiana Resident Fair Housing Survey

## 10. What ethnic or cultural group do you consider yourself a member of?

- African American/Black
- American Indian/Native American
- Anglo/White
- Asian/Pacific Islander
- Hispanic/Chicano/Latino
- Multi-racial
- Other

## 11. Just for classification purposes, into what category does your total household income fall?

- Less than \$10,000
- \$10,000 to less than \$25,000
- \$25,000 to less than \$35,000
- \$35,000 to less than \$50,000
- \$50,000 to less than \$75,000
- \$75,000 to less than \$100,000
- \$100,000 and more

**NOTICE OF PUBLIC HEARING  
FY 2011 CONSOLIDATED PLAN FOR FUNDING**

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

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

Pursuant to 24 CFR part 91.115(a)(2), the State of Indiana wishes to encourage citizens to participate in the development of the State of Indiana Consolidated Plan for 2011. In accordance with this regulation, the State is providing the opportunity for citizens to comment on the 2011 Consolidated Plan draft report, which will be submitted to the US Department of Housing and Urban Development (HUD) on or before May 15, 2011. 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 2011 Consolidated Plan will set forth the method of distribution of funding for the following HUD-funded programs:

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

These public hearings will be conducted **on Tuesday, April 26** 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. 59<sup>th</sup> St.  
Lawrence, IN 46208  
3:30-5:00 p.m. or  
5:30-7:00 p.m.

***Valparaiso***

Room D-129  
3100 Ivy Tech Drive  
Valparaiso, IN 46383  
2:30-4:00 p.m. or  
4:30-6:00 p.m.

***Lafayette***

3101 South Creasy Lane  
Griffin Hall, Room 131  
Lafayette, IN 47903  
3:30-5:00 p.m. or  
5:30-7:00 p.m.

***Richmond***

2357 Chester Boulevard  
Stidham Auditorium  
Richmond, IN 47374  
3:30-5:00 p.m. or  
5:30-7:00 p.m.

***Evansville***

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Evansville, IN 47710  
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**APPENDIX C.**  
**HUD Tables**

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**Table 1. Housing, Homeless and Special Needs (Required)—State of Indiana  
Housing Needs (2000 CHAS, State of Indiana)**

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

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

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

**Continuum of Care: Homeless Population and Subpopulations Chart (Balance of State Indiana)**

Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Number of Families with Children (Family Households)	261	282	107	650
1. Number of Persons in Families with Children	820	927	35	2,112
2. Number of Single Individuals and Persons in Households without Children	1,069	453	683	2,205
<b>(Add lines Numbered 1 &amp; 2 Total Persons)</b>				
Part 2: Homeless Subpopulations	Sheltered		Unsheltered	Total
a. Chronically Homeless	351		234	585
b. Seriously Mentally Ill	395		185	580
c. Chronic Substance Abuse	76		209	1,085
d. Veterans	244		104	348
e. Persons with HIV/AIDS	11		0	11
f. Victims of Domestic Violence	378		57	435
g. Unaccompanied Youth (Under 18)	36		38	74

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

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

**Balance of State COC Point-in-Time Homeless count 1/27/10**

<b>Households <i>with</i> Dependent Children</b>						
	<b>Sheltered</b>		<b>Unsheltered</b>	<b>2010 Total</b>	<b>2009 Total</b>	<b>2007 Total</b>
	<b>Emergency</b>	<b>Transitional</b>				
<b>Number of Households</b>	261	282	107	<b>650</b>	697	639
<b>Number of Persons (adults and children)</b>	820	927	365	<b>2112</b>	1980	1916
<b>Households <i>without</i> Dependent Children</b>						
	<b>Sheltered</b>		<b>Unsheltered</b>	<b>2010 Total</b>	<b>2009 Total</b>	<b>2007 Total</b>
	<b>Emergency</b>	<b>Transitional</b>				
<b>Number of Households</b>	1052	448	645	<b>2145</b>	2306	2684
<b>Number of Persons (adults and unaccompanied youth)</b>	1069	453	683	<b>2205</b>	2307	2990
<b>All Households/All Persons</b>						
	<b>Sheltered</b>		<b>Unsheltered</b>	<b>2010 Total</b>	<b>2009 Total</b>	<b>2007 Total</b>
	<b>Emergency</b>	<b>Transitional</b>				
<b>Total Households</b>	1313	730	752	<b>2795</b>	3003	3323
<b>Total Persons</b>	1889	1380	1048	<b>4317</b>	4287	4906
<b>SUBPOPULATIONS</b>						
	<b>Sheltered</b>		<b>Unsheltered</b>	<b>2010 Total</b>	<b>2009 Total</b>	<b>2007 Total</b>
<b>Chronically Homeless (federal definition)</b>	351		234	<b>585</b>	424	450
<b>Severely Mentally Ill</b>	395		185	<b>580</b>	509	383
<b>Chronic Substance Abuse</b>	876		209	<b>1085</b>	740	936
<b>Veterans</b>	244		104	<b>348</b>	311	222
<b>Persons with HIV/AIDS</b>	11		0	<b>11</b>	19	30
<b>Victims of Domestic Violence</b>	378		57	<b>435</b>	562	641
<b>Unaccompanied Youth (under 18)</b>	36		38	<b>74</b>	19	60
<b>TOTALS</b>	<b>2291</b>		<b>827</b>	<b>3118</b>	<b>2584</b>	<b>2722</b>

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

<b>PART 1. PRIORITY HOUSING NEEDS</b>		<b>Priority Level</b> Indicate High, Medium, Low, checkmark, Yes, No	
<b>Renter</b>	<b>Small Related</b>	0-30%	High
		31-50%	Medium
		51-80%	Low
	<b>Large Related</b>	0-30%	High
		31-50%	Medium
		51-80%	Medium
	<b>Elderly</b>	0-30%	High
		31-50%	High
		51-80%	Medium
	<b>All Other</b>	0-30%	High
		31-50%	High
		51-80%	Medium
<b>Owner</b>	0-30%	High	
	31-50%	High	
	51-80%	Medium	
<b>PART 2 PRIORITY SPECIAL NEEDS</b>		<b>Priority Level</b> Indicate High, Medium, Low, checkmark, Yes, No	
Elderly		High	
Frail Elderly		High	
Severe Mental Illness		High	
Developmentally Disabled		High	
Physically Disabled		High	
Persons w/ Alcohol/Other Drug Addictions		High	
Persons w/HIV/AIDS		High	
Victims of Domestic Violence		High	
Other			

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

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



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

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

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

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

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

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

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

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

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
<b>DH-1 Availability/Accessibility of Decent Housing</b>							
<b>DH-1.1</b>	Improve the range of housing options for homeless and special needs populations by supporting <b>permanent supportive housing</b> and <b>tenant based rental assistance</b> .	HOME	Households/housing units (5 year) Permanent supportive housing = 250 TBRA = 1,000	2010	250		
				2011	240		
				2012			
				2013			
		2014					
<b>MULTI-YEAR GOAL</b>					<b>1,250</b>		
<b>DH-1 Availability/Accessibility of Decent Housing</b>							
<b>DH-1.2</b>	Support activities to improve the range of housing options for special needs populations and to end chronic homelessness through the <b>Emergency Solutions Grant (ESG)</b> program by providing operating support to shelters, homelessness prevention activities and case management to persons who are homeless and at risk of homelessness.	ESG	Shelters/ Clients with: Operating support = 55 shelters Homelessness prevention = 9,088 clients Essential services = 53 shelters with 19,000 clients annually	2010	135/110		
				2011	9,088		
				2012			
				2013			
		2014					
<b>MULTI-YEAR GOAL</b>					<b>135/550</b>		
<b>DH-1 Availability/Accessibility of Decent Housing</b>							
<b>DH-1.3</b>	Improve the range of housing options for special needs populations through the <b>Housing Opportunities for Persons With AIDS (HOPWA)</b> program by providing recipients who assist persons with HIV/AIDS with funding for housing information, permanent housing placement and supportive services.	HOPWA	Households with Housing information services Permanent housing placement Supportive services	2010	375		
				2011	375		
				2012			
				2013			
		2014					
<b>MULTI-YEAR GOAL</b>					<b>1,875</b>		

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

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

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

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

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

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators (5 years)	Program Year	Expected Number	Actual Number	Percent Completed
<b>SL-1 Availability/Accessibility of Suitable Living Environment</b>							
<b>SL-1.1</b>	Improve the quality and/ or quantity of neighborhood services for low and moderate income persons by continuing to fund programs (such as <b>OCRA's Community Focus Fund</b> ).	CDBG	Fire/EMS stations = 25-30	2010	19-24		
			Fire trucks = 10-15	2011	15		
			Public facility projects = 30	2012			
			Downtown revit projs = 10	2013			
		Historic preservation projs = 10	2014				
			<b>MULTI-YEAR GOAL</b>		<b>95</b>		
<b>SL-3 Sustainability of Suitable Living Environment</b>							
<b>SL-3.1</b>	Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing to fund programs (such as <b>OCRA's Community Focus Fund</b> ).	CDBG	Infrastructure systems	2010	24		
				2011	16		
				2012			
				2013			
		2014					
			<b>MULTI-YEAR GOAL</b>		<b>120</b>		
<b>SL-3 Sustainability of Suitable Living Environment</b>							
<b>SL-3.2</b>	Improve the quality and/or quantity of public improvements for low and moderate income persons by providing 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. (such as <b>OCRA's Planning Fund</b> and <b>IHCDA's Foundations Program</b> ).	CDBG	Planning grants Foundation grants	2010	29		
		HOME		2011	30		
				2012			
				2013			
			2014				
			<b>MULTI-YEAR GOAL</b>		<b>145</b>		

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

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

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

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

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

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

**APPENDIX D.**  
**OCRA's CDBG 2011 Method of Distribution**

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STATE OF INDIANA

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

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS

FY 2011 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 2011. **The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds for FY 2011 is \$25,544,340.**

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 2011, the State of Indiana does not propose to pledge a portion of its present and future allocation(s) of Small Cities CDBG funds as security for Section 108 loan guarantees provided for under Subpart M of 24 CFR Part 570 (24 CFR 570.700).**

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

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

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

## PROGRAM AMENDMENTS

The Indiana Office of Community and Rural Affairs reserves the right to transfer up to ten percent (10%) of each fiscal year's available allocation of CDBG funds (i.e. FY 2011 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 2011 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 2011 Consolidated Plan if the Office of Community and Rural Affairs' **Method of Distribution for FY 2011 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 2011 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 2011 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 2011 CDBG funds will be expended for activities principally benefiting low and moderate income persons, as prescribed by 24 CFR 570.484, et. seq.**

## ELIGIBLE APPLICANTS

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

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

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

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

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

## **FY 2011 FUND DISTRIBUTION**

### **Sources of Funds:**

FY 2011 CDBG Allocation	\$25,544,340
CDBG Program Income	\$0
<b>Total:</b>	<b>\$25,544,340</b>

### **Uses of Funds:**

1. Community Focus Fund (CFF)	\$15,623,576
2. Housing Programs	\$2,554,434
3. Community Economic Development Fund	\$2,000,000
4. Flexible Funding Program	\$1,000,000
5. Stellar Communities Program	\$2,000,000
6. Planning Fund	\$1,000,000
7. Downtown Revitalization	\$500,000
8. Technical Assistance	\$255,443
9. Administration	<u>\$610,887</u>
<b>Total:</b>	<b>\$25,544,340</b>

(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 2011 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 (IHCD), a separate agency, using CDBG funds allocated to the IHCD by the Office of Community and Rural Affairs.
2. Program income generated by CDBG grants awarded by the Office of Community and Rural Affairs (State) using FY 2011 CDBG funds must be returned to the Office of Community and Rural Affairs, however, such amounts of less than \$25,000 per calendar year shall be excluded from the definition of CDBG Program Income pursuant to 24 CFR 570.489.

All obligations of CDBG program income to projects/activities require prior approval by the Office of Community and Rural Affairs. This includes use of program income as matching funds for CDBG-funded grants from the IHCD. 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 IHEDA 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 IHEDA.

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

## **METHOD OF DISTRIBUTION**

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

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

### **A. Community Focus Fund (CFF): \$15,623,576**

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)	\$10,523,576
2. Emergency Services projects (fire trucks, fire stations, ems stations)	\$2,000,000
3. Other public facilities ( i.e., senior centers, health centers, libraries)	\$2,000,000
4. Downtown revitalization projects	\$500,000
5. Historic preservation projects	\$500,000
6. Brownfield/Clearance projects	\$100,000

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.

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

Projects will be funded in two (2) cycles each year with approximately a six (6) month pre-application and final-application process. Projects will compete for CFF funding and be judged

and ranked according to a standard rating system (Attachment D). The highest ranking projects from each category will be funded to the extent of funding available for each specific CFF funding cycle/round. The Office of Community and Rural Affairs will provide eligible applicants with adequate notice of deadlines for submission of CFF proposal (pre-application) and full applications. Specific threshold criteria and point awards are explained in Attachments C, D and E to this Consolidated Plan.

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

**B. Housing Program: \$2,554,434**

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 2011 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: \$2,000,000**

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

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

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

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

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

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

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

### **1. Beneficiaries and Job Creation/Retention Assessment:**

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

### **2. Public Benefit Standards:**

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

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

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

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

#### **D. The Flexible Funding Program: \$1,000,000**

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

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

These activities must be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

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

#### **E. Stellar Communities Pilot Program: \$ 2,000,000**

The State of Indiana will set aside \$2,000,000 of its FY 2011 CDBG funds for the newly created Stellar Communities Program. Indiana's Stellar Communities Pilot Program is a collaborative effort of the Office of Community and Rural Affairs (OCRA), the Indiana Housing and Community Development Authority (IHCDA), and the Indiana Department of Transportation (INDOT). The Stellar Communities Program is seeking to engage two communities to achieve a three-year revitalization strategy that will leverage unified state investment and funding from the partnering agencies to complete projects comprehensively. In the revitalization strategy communities will identify areas of interest and types of projects, produce a schedule to complete projects, produce cost estimates, identify local match amounts, sources, and additional funding resources, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the community. From this revitalization strategy, communities will produce a three-year community investment plan which will identify capital and quality of life projects to be completed during that period.

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

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

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

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

All projects funded by IHEDA with CDBG funds will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations. All projects funded by IHEDA with HOME, ESG and/or HOPWA funds will meet the specific requirements set forth by those programs.

#### **F. Planning Fund: \$ 1,000,000**

The State (Office of Community and Rural Affairs) will set aside \$1,000,000 of its FY 2011 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 Affairs' Community Focus Fund or Community Economic Development Fund.

CDBG-funded planning costs will exclude final engineering and design costs related to specific activities which are eligible activities/costs under 24 CFR 570.201-204.

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

- Environmental infrastructure studies, the limits are as follows: \$30,000 for a study on a single utility, \$40,000 for a study on two utilities, and \$50,000 for a master utility study (water, wastewater, and storm water).
- Levee System Evaluations will be limited to \$50,000.
- Downtown revitalization plans, comprehensive plans and economic development plans are limited to \$50,000.
- All other plans will be limited to \$30,000.

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

#### **G. Main Street Revitalization Program: \$500,000**

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

Applications will be accepted and awards will be made on a competitive basis one (1) time per year. The specific threshold criteria and basis for project point awards for MSRP grant awards are provided in Attachment E hereto. The Main Street Revitalization Program (MSRP) shall have a maximum grant amount of \$250,000.

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

## **H. Technical Assistance Set-aside: \$255,443**

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 2011 Consolidated Plan is \$340,591, which constitutes one-percent (1%) of the State's FY 2011 CDBG allocation of \$34,059,120. The State of Indiana reserves the right to set aside up to one percent (1%) of open prior-year funding amounts for the costs of providing technical assistance on an as-needed basis.

The amount set aside for the Technical Assistance Program will not be considered a planning cost as defined under Section 105(a)(12) of the Federal Act or an administrative cost as defined under Section 105(a)(13) of the Federal Act. Accordingly, such amounts set aside for Technical Assistance will not require matching funds by the State of Indiana. The Department reserves the right to transfer a portion or all of the funding set aside for Technical Assistance to another program hereunder as deemed appropriate by the Office of Community and Rural Affairs, in accordance with the "Program Amendments" provisions of this document. The Technical Assistance Program is designed to provide, through direct Office of Community and Rural Affairs staff resources or by contract, training and technical assistance to units of general local government, nonprofit and for-profit entities relative to community and economic development initiatives, activities and associated project management requirements.

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

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

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

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

## **I. Administrative Funds Set-aside: \$610,887**

The State (Office of Community and Rural Affairs) will set aside \$781,182 of its FY 2011 CDBG funds for payment of costs associated with administering its State Community Development Block Grant (CDBG) Program (CFDA Number 14.228). This amount (\$781,182) constitutes two-percent (2%) of the State's FY 2011 CDBG allocation (\$681,182), plus an amount of \$100,000 ( $\$34,059,120 \times 0.02 = \$681,182 + \$100,000 = \$781,182$ ). The amount constituted by the 2% set aside (\$681,182) 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, 2011, and ending June 30, 2011, unless subsequently amended, for all FY 2011 CDBG funds as well as remaining residual balances of previous years' funding allocations, as may be amended from time to time subject to the provisions governing "Program Amendments" herein. The existing and amended program budgets for each year are outlined below (administrative fund allocations have not changed and are not shown below). Adjustments in the actual dollars may occur as additional reversions become available.

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

## **PROGRAM APPLICATION**

The Community Economic Development Fund Program (CEDF), Flexible Funding Program (FF), and Planning Fund/Program (PL) will be conducted through a single-stage, continuous application process throughout the program year. The application process for the Community Focus Fund (CFF) and the Main Street Revitalization Program (MSRP) will be divided into two stages. Eligible applicants will first submit a short program proposal for such grants. After submitting proposal, eligible projects under the Federal Act will be invited to submit a full application. For each program, the full application will be reviewed and evaluated. The Office of Community and Rural Affairs, as applicable, will provide technical assistance to the communities in the development of proposals and full applications.

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

## **OTHER REQUIREMENTS**

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

As a result of the Federal Act, applicants who receive funds through the Indiana Office of Community and Rural Affairs selection process will be required to maintain a plan for minimizing displacement of persons as a result of activities assisted with CDBG funds and to assist persons actually displaced as a result of such activities. Applicants are required to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the use of assistance under this program to acquire or substantially rehabilitate property. The State has adopted standards for determining reasonable relocation benefits in accordance with HUD regulations.

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

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

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

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

## **INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS (OCRA)**

The Indiana Office of Community and Rural Affairs intends to provide the maximum technical assistance possible for all of the programs to be funded from the CDBG program. Lieutenant Governor Rebecca Skillman heads the Office of Community and Rural Affairs. Principal responsibility within the OCRA for the CDBG program is vested in Kathleen Weissenberger, Director of 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 Grant Support 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**

## 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 2011 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).

**DISPLACEMENT PLAN**

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

## GENERAL SELECTION CRITERIA

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

### **A. General Criteria (all programs - see exception for program income and housing projects through the IHCD 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 (IHCD) for CDBG-funded housing projects.

### **B. Community Focus Fund (CFF), Flexible Funding (FF), Main Street Revitalization Program (MSRP) and Planning Fund (PL):**

1. To be eligible to apply at the time of application submission, an applicant must not have any:
  - a. Overdue grant reports, subrecipient reports or project closeout documents; or
  - b. More than one open or pending CFF, FF, MSRP or PL grant (Indiana cities and incorporated towns).
  - c. For those applicants with one open CFF, FF or MSRP, a "Notice of Release of Funds and Authorization to Incur Costs" must have been issued for the construction activities under the open CFF, FF or MSRP contract, and a contract for construction of the principal (largest funding amount) construction line item (activity) must have been executed prior to the deadline established by OCRA for receipt of applications for CFF funding.

- d. For those applicants who have open Planning Fund grants, the community must have final plan approved by the Office of Community and Rural Affairs prior to submission of a CFF application for the project.
  - e. An Indiana county may have two (2) open CFF's, FF's, MSRP's and/or PL and apply for a third CFF, FF, MSRP or PL. A county may have only three (3) open CFF's, FF's, MSRP's or PL's. All grants must have an executed construction contract by the application due date.
2. The cost/beneficiary ratio for all CDBG funds will be maintained at \$5,000, except for CEDF projects where that ratio will not exceed the maximum allowable per job in accordance with 24 CFR 570.209 and 24 CFR 570.208(a)(4)(vi)(F). Housing-related projects are to be submitted directly to the Indiana Housing & Community Development Authority (IHCDA) under its programs.
  3. At least 5% leveraging (as measured against the CDBG project, see definitions) must be proposed. The Indiana Office of Community and Rural Affairs may rule on the suitability and eligibility of such leveraging.
  4. The applicant may only submit one proposal or application per round for CFF. Counties may submit either for their own project or an "on-behalf-of" application for projects of other eligible applicants within the county. However, no application will be invited from an applicant where the purpose is clearly to circumvent the "one application per round" requirement for other eligible applicants.
  5. The application must be complete and submitted by the announced deadline.
  6. For area basis projects, applicants must provide convincing evidence that circumstances in the community have so changed that a survey conducted in accordance with HUD survey standards is likely to show that 51% of the beneficiaries will be of low-and-moderate income. This determination is not applicable to specifically targeted projects.

**C. Housing Programs: Refer to Method of Distribution for Indiana Housing & Community Development Authority within this FY 2011 Consolidated Plan**

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

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

**GRANT EVALUATION CRITERIA – 750 POINTS TOTAL**  
**Community Focus Fund (CFF), Flexible Funding (FF) and Planning Grant (PL)**

Community Focus Fund (CFF) and Planning Grants (PL) must achieve a minimum score of 450 points (60%) 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:

$$\text{National Objective Score} = \% \text{ Low/Mod Beneficiaries} \times 3.125$$

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:

$$\text{National Objective Score} = (\text{Total of the points received in each category below}) \times 3.125$$

- \_\_\_ Applicant has a Slum/Blight Resolution for project area (30 pts.)
- \_\_\_ Community is an Indiana Main Street Senior Partner or Partner, and the project relates to downtown revitalization (5 pts.)
- \_\_\_ The project site is a brownfield\* (10 pts.)
- \_\_\_ The building or district is listed on the Indiana or National Register of Historic Places (10 pts.)
- \_\_\_ The building or district is eligible for listing on the Indiana or National Register of Historic Places (10 pts.)
- \_\_\_ The building is on the Historic Landmarks Foundation of Indiana’s “10 Most Endangered List” (15 pts.)

\* The State of Indiana defines a brownfield as an industrial or commercial property that is abandoned, inactive, or underutilized, on which expansion or redevelopment is complicated due to actual or perceived environmental contamination.

**COMMUNITY DISTRESS FACTORS (250 POINTS):**

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

**Community Distress Points = (Total of the points received in each category below) X 0.8**

**Unemployment Rate**  
**Net Assessed Value/per capita**  
**Median Housing Value**  
**Median Household Income**  
**Family Poverty Rate**  
**Percentage Population Change**

Local government scores, which are updated and published annually, can be found at:  
[www.stats.indiana.edu](http://www.stats.indiana.edu).

**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:

$$\text{Total Match Points} = \% \text{ Eligible Local Match} \times .5$$

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 2011, they would be subject to a point reduction of 50pts. In Round II of 2011 they would be subject to a point reduction of 25pts.

**GRANT EVALUATION CRITERIA – 750 POINTS TOTAL  
Main Street Revitalization Program (MSRP)**

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

**NATIONAL OBJECTIVE SCORE (150 POINTS):**

**Elimination of Slums or Blight:** 150 points maximum awarded based on the characteristics listed below. The total points given are computed as follows:

**National Objective Score = (Total of the points received in each category below) X 3**

- \_\_\_ Community is designated as a Nationally Accredited Indiana Main Street Organization. (10 pts.)
- \_\_\_ The Indiana Main Street Organization is in good standing for meeting all the reporting requirements. (10 pts.)
- \_\_\_ The Indiana Main Street Organization has attended all required workshops associated with the Indiana Main Street Program during past year. (10 pts.)
- \_\_\_ The Community has completed a downtown revitalization plan within the past five years. (5 pts.)
- \_\_\_ The Indiana Main Street Organization has a business recruitment/retention plan. (5 pts.)
- \_\_\_ The building or district is listed on the Indiana or National Register of Historic Places\*\* (10 pts.)
- \_\_\_ The building or district is eligible for listing on the Indiana or National Register of Historic Places\*\* (10 pts.)

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

**COMMUNITY DISTRESS FACTORS (200 POINTS):**

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

**Community Distress Points = (Total of the points received in each category below) X 0.8**

- Unemployment Rate**
- Net Assessed Value/per capita**
- Median Housing Value**
- Median Household Income**
- Family Poverty Rate**
- Percentage Population Change**

Local government scores, which are updated and published annually, can be found at: [www.stats.indiana.edu](http://www.stats.indiana.edu).

### **LOCAL MATCH CONTRIBUTION (25 POINTS):**

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

$$\text{Total Match Points} = \% \text{ Eligible Local Match} \times .5$$

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of \$12,500. Use of in-kind donations as eligible match requires approval from the Indiana Office of Community and Rural Affairs, Grant Support Division approximately 2 weeks prior to application submission (deadline will be announced each round).

### **PROJECT DESIGN FACTORS (350 POINTS):**

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

- Project Description** – is the project clearly defined as to determine eligibility? – 50 points
- Project Need** - is the community need for this project clearly documented? – 150 points
- Financial Impact** - why is grant assistance necessary to complete this project? – 150 points

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

### **LEVERAGING PHILANTHROPIC CAPITAL (25 POINTS):**

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

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

### **POINTS REDUCTION POLICY:**

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

#### CFF Point Reduction Policy

- 0 – 5 years since previous funding – 50pts
- 5 – 7 years since previous funding – 25pts

MSRGP Point Reduction Policy

0-4 years since previous funding – 50 pts

**Example I:**

Community submits and receives a CFF award for a streetscape project in Round II of 2010. When applying for facade rehabilitation in Round II of 2015, they would be subject to a point reduction of 50 points. In Round I of 2016 they would be subject to a point reduction of 25 points. Round I of 2018 they would have no point reduction.

**Example II:**

Community submits and receives a MSRGP award for a streetscape project in Round I of 2011. When applying for facade rehabilitation in Round I of 2015, they would be subject to a point reduction of 50 points. Round II of 2015 they would have no point reduction.

**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 2011 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 2011 consolidated planning process:

**The Republic, Columbus, IN**  
**Indianapolis Star, Indianapolis, IN**  
**The Journal-Gazette, Fort Wayne, IN**  
**The Chronicle-Tribune, Marion, IN**  
**The Courier Journal, Louisville, KY**  
**Gary Post Tribune, Gary, IN**  
**Tribune Star, Terre Haute, IN**  
**Journal & Courier, Lafayette, IN**  
**Evansville Courier, Evansville, IN**  
**South Bend Tribune, South Bend, IN**  
**Palladium-Item, Richmond, IN**  
**The Times, Munster, IN**  
**The Star Press, Muncie, IN**

6. Provide citizens and units of general local government with reasonable and timely access to records regarding the past and proposed use of CDBG funds.
7. Make the Consolidated Plan available to the public at the time it is submitted to HUD, and;
8. Follow the process and procedures outlined in items 2 through 7 above with respect to any amendments to a given annual CDBG Consolidated Plan and/or submission of the Consolidated Plan to HUD.

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

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

**APPENDIX E.**  
**IHCDA 2011 Method of Distribution**

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# 2011 Method of Distribution

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# Solutions Allocation Process

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## Overview

IHCDA creates housing opportunity, generates and preserves assets, and revitalizes neighborhoods by investing technical and financial resources into the development efforts of its partners across Indiana.

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

## *Comprehensive Community Development*

While the opportunities and challenges may vary from Adeyville to Angola or Patriot to Peru, every community strives to be a place people choose to live, work, and play. Comprehensive development recognizes that a community's potential lies in the identification and creation of a shared vision, planned by local leadership, and carried out by a wide array of partners. When successful, it yields results beyond what can be achieved by individual organizations or disparate programs because the value they add to each other.

A thriving community is a community with job opportunities, strong schools, safe neighborhoods, diverse housing, and a vibrant culture. Comprehensive development marshals resources and deploys comprehensive strategies in a concentrated footprint to serve as a catalyst for community vitality. The demolition of blighted structures, the rehabilitation of housing units, and the creation of new uses such as recreational amenities, retail services, or employment centers serve as a tipping point for future development by market forces.

## *Aging in Place*

Aging in place refers to adapting our living environment for aging in place involving home modifications which can make it safer, more comfortable, and increases the likelihood of remaining independent and living where you have lived for years by using products, services, and conveniences which allow you to remain in your home as circumstances change.

### *Ending Homelessness*

It is in no one's best interest to manage homelessness. IHEDA and its partners are focused on systematically preventing and ending homelessness for those most vulnerable in our communities. By identifying an individual's or family's barriers to self-sufficiency and targeting the most appropriate housing solution, the number of people that enter and the duration of time they spend in the homeless delivery system can be minimized.

For the chronically homeless, those who cycle through health care institutions and correctional facilities seeking services and shelter, linking services with housing provides them stability and reduces the burden on other community systems. At the end of the day, our collective goal is to ensure that everyone has a place to call home.

### *High Performance Building*

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

IHEDA's commitment to investing in community solutions meant its method of distributing a variety of resources had to fundamentally change. Traditionally IHEDA was organized around pots of money. Applications were linked to a discrete funding source. The move to funding solutions places the focus on the strategic fit of a proposed activity, the strength of the sponsor and its development team, and the financial feasibility and readiness of the development. As a result, IHEDA has created a single allocation and investment process that bundles a variety of federal and state resources including but not limited to CDBG and HOME Investment Partnerships Program funds. The following pages outline the method of distribution IHEDA will follow regarding eligible, threshold and evaluation criteria, and funding limits.

### Submission Process

The Solutions Application will be available on IHCDA's [website](#) beginning July 1, 2011. The application replaces IHCDA's old, disparate CDBG, HOME, and Affordable Housing and Community Development Fund applications.

Applications are welcomed on a first-come, first-served basis, from July 1, 2011 – October 31, 2011 and again from March 1, 2011 - June 30, 2011. **Faxed or e-mailed applications will not be accepted.**

The applicant must submit the following:

Via CD-ROM:

One (1) completed electronic copy of the application forms

Via hard copy:

All forms that require original signatures

All supporting documents required in the tabs

All applicants must retain a copy of this application package. Applicants that receive funding will be bound by the information contained herein.

### **Submit application packages to:**

Indiana Housing and Community Development Authority

Attn: Community Development Department

30 South Meridian Street, Suite 1000

Indianapolis, IN 46204

IHCDA's office is located on the 1<sup>0</sup><sup>th</sup> Floor of 30 South Meridian Street. A map showing IHCDA's location, along with directions to the building is available in the Appendices.

### Technical Assistance Meeting

The applicant may schedule a technical assistance meeting with their IHCDA Community Development Representative to discuss both the proposed development and IHCDA's application process. A technical assistance meeting can be face-to-face or via an IHCDA webinar. Given that applications will be accepted on a first-come, first-served basis, applicants are urged to contact IHCDA early in the planning process to obtain guidance and technical assistance.

## Eligible Activities and Applicants

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Applicants are encouraged to engage in an array of activities necessary to attain the solutions desired by a community.

- Pre-development and seed financing – limited to eligible nonprofits
- Operating capacity grants – limited to eligible nonprofits
- Permanent Supportive Housing – Applicants must participate in the Indiana Permanent Supportive Housing Institute to be considered for an IHCD A investment.
- Rental assistance
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of rental housing
- Homeownership counseling and down payment assistance
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of homebuyer housing
- Rehabilitation, modification, and energy improvements to owner-occupied housing.

Eligible applicants include cities, towns, counties, townships, public housing authorities, CHDO's, and not-for-profit 501(c)3 or 501(c)4 corporations, and for-profit developers in good standing with IHCD A.\*

Except for permanent supportive housing projects, activities located within a participating jurisdiction or entitlement community must demonstrate equal and comparable financing from the local unit of government to be considered for an IHCD A investment.

Organizations that are religious or faith-based are eligible to participate in IHCD A programs on the same basis as any other organization. Organizations that are directly funded under an IHCD A program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the assistance funded under this part. If an organization conducts such activities, the activities must be offered separately, in time or location, from the assistance funded under this part, and participation must be voluntary for the beneficiaries of the assistance provided.

A religious organization that participates in an IHCD A program will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use funds administered by IHCD A to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things,

faith-based organizations may use space in their facilities, without removing religious art, icons, scriptures, or other religious symbols. In addition, an IHCD A-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents. An organization that participates in an IHCD A program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

Funds administered by IHCD A may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. IHCD A investments may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities. Where a structure is used for both eligible and inherently religious activities, IHCD A investments may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to this part. Sanctuaries, chapels, or other rooms that are used as a principal place of worship, however, are ineligible. Disposition of real property after the term of the award, or any change in use of the property during the term of the award, is subject to government-wide regulations governing real property disposition (*see* 24 CFR parts 84 and 85).

\*While IHCD A is only permitted to invest CDBG funds into a local unit of government, it expects that LUGs will partner nonprofit organizations, CHDOs, public housing authorities and planning commissions in implementing their community solutions.

## **Threshold and Evaluation Criteria**

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To be considered for funding, an applicant must meet **all** of the criteria listed below. Applications that fail to meet **any** of these criteria will **not** be considered. All required supporting documentation must be included in the application. Applicants that meet threshold will be assessed for strategic fit of a proposed activity, the strength of the sponsor and its development team, and the financial feasibility and readiness of the development.

1. The project sponsor must provide documentation as instructed within the Solutions Application. If the Authority requests additional information from the sponsor, all documents are due before IHCD staff can proceed with an investment decision.
2. Except for permanent supportive housing projects, activities located within a participating jurisdiction or entitlement community must demonstrate equal and comparable financing from the local unit of government to be considered for an IHCD investment.
3. The applicant must have resolved all previous monitoring requirements.
4. All open CDBG and HOME awards provided to the award recipient, sub-recipient and/or administrator must have made sufficient progress towards setup and completion.
5. IHCD reserves the right to disqualify from funding any application where the applicant, sub-recipient, administrator, preparer, or any of their related parties has a history of disregarding the policies, procedures, or staff directives associated with administering any IHCD program or programs of other State, Federal, or affordable housing entities, such as, but not limited to the Indiana Office of Rural Affairs, U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture - Rural Development, or Federal Home Loan Bank.

### Application Review Process

Each application will be reviewed in a four step-step process:

#### Step One – Strategic Review

Applicants submit information packet summarizing the development concept and the sponsor's qualifications. An IHCD Review Team evaluates the request for its fit with the Authority's strategic priorities as enumerated above.

#### Step Two – Project Review

Applicants submit information packet substantiating the credentials of the sponsor, the feasibility project, and the proposed timeline. An

IHCDA Review Team will evaluate the strength of the sponsor and its development team, the financial soundness of the development, and its readiness to proceed.

Step Three – Investment Structure An IHCDA Review Team develops and proposes an investment strategy. Depending on the source of the investment, applicants will submit additional information in accordance with regulatory guidelines as appropriate.

Step Four – Fund Disbursement An IHCDA Review Team executes award and disburses funds.

Preference will be given to applicants that:

1. Demonstrate they are meeting the needs of their specific community.
2. Attempt to reach low and very low-income levels of area median income.
3. Are ready to proceed with the activity upon receipt of the award.
4. Revitalize existing neighborhoods.
5. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure.
6. Encourage the use of Indiana contractors, employees, and products when planning their housing activities particularly Minority Business Enterprise and/or Women-Owned Business Enterprise.

IHCDA recognizes that reducing this assessment to a single metric or threshold (e.g., number of findings) ignores the complexity of a deal and its sponsor. Each project assessment is taken in totality based on the expertise of IHCDA staff with a given particular facet. In some instances, deficiency in one area of project assessment may be offset by strengths in another aspect of the review process (e.g., history of proven experience may help mitigate soft cash flows). In other instances, additional supporting documentation may be requested and accepted to mitigate perceived deficiencies in a particular assessment area.

#### *Sponsor Assessment*

Underwriting for the capacity of the project sponsor and its development team is done in the context of the applicant and the proposed project given the diverse nature of IHCDA's partners and their activities. Due diligence is based on the expertise of personnel on the project, their performance with IHCDA investments, and the financial position of the sponsor. Expertise is assessed by reviewing qualifications of development team members.

Performance is assessed by reviewing the applicant's ability to take a project from concept to completion including on-going monitoring. Areas of emphasis on performance include funds drawn, project sales or

lease-up, compliance with state and federal regulations, and ongoing financial stability through property and asset management. All performance and compliance issues associated with any proposed development team member must be fully satisfied. IHCDA, in its sole discretion, may refuse to consider all or any part of a pending application or a future application until such time as IHCDA decides otherwise when any Development Team member has demonstrated a chronic and/or egregious failure to materially perform or comply with the procedures and requirements of IHCDA or any of its programs.

The financial position of an applicant is assessed by reviewing current and audited financial statements. Focus areas on the financial strength of the project sponsor are cash flow, income sustainability, balance sheet health and internal controls. IHCDA reviews certain ratios, including current and debt-to-equity, over a three year period for trend analysis.

#### *Feasibility Review*

Financial feasibility of a project is intended to assess its strength and viability to serve low-income residents and its contribution as a community asset beyond any statutory compliance period. In making this determination, IHCDA shall consider: (i) the market demand for the proposed development activity; (ii) the sources and uses of funds and the total financing planned for the Development; (iii) appraisal (as-is or as-improved as appropriate); (iv) capital needs assessment and energy audit as appropriate; (v) the reasonableness of the developmental and operational costs of the project; and (vi) other factors it may consider applicable. Development and/or operational costs should reflect the nature and true cost of the proposed activity. The underwriting criteria IHCDA will use to determine the reasonableness and feasibility of a project are based on best practices, industry standards, and comparisons to IHCDA's portfolio and other applications of similar activity, size, market, and tenure. Evidence of demand may be demonstrated by a current market study or survey conducted by a disinterested party. The analysis will be assessed based upon the description of intended beneficiaries or target populations, demand for the proposed activity and project scope (e.g., waiting list or pre-qualified buyer list) and reasonable projections of a sustainable market.

IHCDA considers a number of indicators and ratios when assessing the reasonableness and feasibility of development and operational pro formas. The following guidelines are targets and IHCDA, at its sole discretion, will consider underwriting outside of these guidelines on a case-by-case basis:

- Total Operating Expenses: Minimum operating expense of \$2,500 per unit per year (net of taxes and reserves);
- Management Fee: 5-7% of "effective gross income" (gross income for all units less vacancy rate);
- Vacancy Rate: Applicants should scrutinize the market analysis of the proposed project when estimating the vacancy rate. IHCDA compares vacancy rates to the performance of similar projects in the market and to similar projects in its portfolio. In general, applicants should expect a vacancy rate between 6%-8%.
- Income and Expense Growth: Given the intent of IHCDA's public investment, income growth projections should take into account the on-going affordability to the beneficiary as well as the

differential below market rents. Operating expenses should grow at least 1% higher than income.

- Operating Reserves: four (4) to six (6) months (Operating Expense plus debt service) or \$1500 per unit (whichever is greater);
- Replacement Reserves: Replacement reserves are used for substantial capital improvements not general maintenance expenses and should be reflected in the operating budget. Contributions to the reserve account typically start at or before the conversion date of the construction loan to permanent loan and must be funded for the term of the loan. Reserve amounts vary based on unit type and construction. For example, sponsors of a single-site, new construction, rental project should expect to budget \$250 per unit whereas sponsors of an historic rehabilitation project should budget at least \$420 per unit. Reserve amounts should escalate at a rate of 3% per year.
- Stabilized Debt Coverage Ratio: Although stabilization occurs usually in year two, the debt coverage ratio projection for a project should never go below 1.1. Rural projects typically require a higher stabilized debt coverage ratio in order to remain feasible over the life of the development.
- Developments without hard debt are allowed but will be subject to additional scrutiny from IHCD. Developments submitted with no debt will not have a debt coverage ratio but will be required to have a cash flow without having an undue profit. This will be determined by a ratio of Effective Gross Income to Total Annual Expenses (including reserve for replacement). A ratio of 1.15 shall be the minimum required to be considered feasible by IHCD.
- Projects that include “soft” loans (i.e. HOME or HOPE VI loaned to the Development with payments through available cash flow) must demonstrate a reasonable expectation (as determined by IHCD in its sole and absolute discretion) that the loan will be repaid at a date certain (usually eight (8) to fifteen (15) years). If the loan and any outstanding interest is not expected to be paid by the date certain, there must be reasonable expectation that the fair market value of the property will be sufficient at that time to pay the accrued interest and debt and that the net income of the project will be sufficient to sustain debt service.

### *Readiness Review*

IHCD review documentation from applicants that demonstrate its readiness to proceed with the proposed project and to complete the project within a reasonable timeframe. Factors demonstrating the applicant’s readiness to proceed include site control, architectural and engineering plans, secured financing, pricing commitments, utility availability, and initiation of environmental and historic review process. Site control may be documented by a long-term lease option, a purchase agreement, or an executed and recorded deed with evidence of proper zoning and clear title. Architectural and engineering plans will be reviewed for (i) placement and orientation buildings, infrastructure, amenities, easements and any potential construction deterrants; (ii) elevations for all buildings, (iii) floor plans for all unit types, common areas, or commercial spaces; and (iv) design elements that reflect neighborhood characteristics, encourage accessibility and visitability, and promote energy conservation. An applicant’s ability to obtain financing may be demonstrated by a letter of interest from a lender acknowledging its review of the proposed project and the

anticipated terms of the loan.

#### Unfunded Applications

Unfunded applicants will receive a notice from IHCDA detailing why the application was not funded. Any application that is not recommended for funding may be resubmitted in another program year at IHCDA's discretion.

#### Award Manual

The Solutions Award Manual outlines the requirements for administering an IHCDA investment that may include federal sources such as CDBG and HOME funds and state sources such as the Affordable Housing and Community Development Fund. A complete copy of the 2011 Award Manual is available via [IHCDA's](#) website.

#### Award Training

Following the award date, Community Development Representatives will be available to conduct a one-on-one CDBG award training, upon request. This training is required for all applicants, sub-recipients, or administrators who have received fewer than two IHCDA awards. This training will cover various aspects of the regulatory requirements for administering funds, record keeping, and the forms and reports that must be submitted to IHCDA.

# Activity Guidelines and Regulatory Requirements

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## Regulatory Provisions for Recipients of Federal Funds

- Any investment of CDBG funds must meet the requirements set forth in 24 CFR Part 570.
- Any investment of HOME funds must meet the requirements set forth in 24 CFR Part 92.
- Recipients of federal funds are required to perform an environmental and historic review on all assisted properties. For the regulatory requirements of environmental and historic review found in [24 CFR Part 58](#), see the Environmental Review and Historic Review User Guides or contact your IHCDA Community Development Representative for further guidance.
- All applicants are required to complete the environmental review record (ERR) and submit it to the appropriate Community Development Representative prior to or with application submission. Refer to the [Environmental and Historic Review User Guides](#) for further explanation of these requirements.

Local unit of government applicants must publish a notice requesting a release of funds no later than 7 days following the application due date and submit the publisher's affidavit to IHCDA within 14 days of application due date.

- All applicants must also submit documentation to the IHCDA DNR-SHPO Housing Liaison requesting the initiation of the historic review process on or before the application deadline (single-site projects ONLY). On average, a historic review may take up to 90 days or more to complete. If the development involves an historic structure, approval may take much longer or rehabilitation may be prohibited entirely. Submitted documentation must be deemed sufficient and complete to meet this requirement.

### **Required documentation includes:**

A description of the Federal involvement – use of any federal funds;  
A description of the undertaking;  
Description of steps to identify historic properties and information pursuant to Sec. 8 00.4(b);  
Determination of affect (Sec. 800.5);  
Map with area of potential effect (APE) and development site clearly identified;  
Clear photographs of all areas that will be affected by the project.

- Applicants may not rehabilitate any property to be assisted with federal funds until the environmental and historic review process has been completed.
- Applicants must demonstrate that it will complete an action to affirmatively further fair housing during

the time frame of an award.

- Award recipients will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the affordability period of the award. Owner-occupied rehabilitation must also stipulate that adequate property insurance be maintained throughout the affordability period in their beneficiary loan documents.
- The applicant must hold one public hearing about the undertaking prior to application submission. Specific requirements must be completed for this meeting, as identified in the Appendices. Additionally, if funded, a second public hearing will be required upon project completion and prior to the submission of the award closeout documents.
- Recipients of federal funds must follow competitive procurement procedures for all costs intended to be reimbursed by the award.
- Recipients of federal funds are subject to the requirements of the Uniform Relocation Act. See the Appendices for guidance on the regulatory requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, and Federal regulations at [49 CFR Part 24](#) and the requirements of [Section 104\(d\) of Title I of the Housing and Community Development Act of 1974, as amended](#).
- The housing must meet the accessibility requirements of [24 CFR Part 8](#), which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covers multifamily dwellings, as defined at [24 CFR 100.201](#). It must also meet the design and construction requirements at [24 CFR 100.205](#), which implement the Federal Fair Housing Act Amendments of 1988 (42 U.S.C. 3601-3619). See IHCDA's Award Manual for guidance on the regulatory requirements of Section 504 Accessibility Standards.
- Recipients of federal funds are subject to the HUD requirements of dealing with lead-based paint hazards required by [24 CFR Part 35](#). If a risk assessment is required, then all lead-based paint issues must be addressed within the area of rehabilitation. See IHCDA's Award Manual for guidance on the regulatory requirements of lead-based paint.

#### Subsidy Limitations

- While there is no cap on a total project request, applicants must adhere to the most current 221(d)3 subsidy limits appropriate for income targets and unit size. IHCDA, at its sole discretion, will only invest an amount it deems necessary to ensure the financial feasibility of a project.
- Funds budgeted for program delivery, administration, and environmental review may not exceed 20%.