



State of Indiana Recovery Housing Program Action Plan Amendment Four

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EXECUTIVE SUMMARY

Overview

The State of Indiana is eligible to receive Recovery Housing Program (RHP) grant funds in accordance with FR-6225-N-01 authorized by the SUPPORT for Patients and Communities Act (SUPPORT Act) passed in 2018. The U.S. Department of Housing and Urban Development (HUD) allocated funding to states, including the State of Indiana, based on an age-adjusted rate of overdose deaths above the national overdose mortality rate, as required by the SUPPORT Act. Rules for RHP follow those within the Community Development Block Grant (CDBG) Program, as modified for RHP by FR-6225-N-01. The Office of Community and Rural Affairs (OCRA) will be responsible for oversight and management of Indiana's allocation of RHP funds on behalf of the State of Indiana. Grant Services staff, from the office of Indiana's Lieutenant Governor, will be responsible for day-to-day implementation and grant administration of RHP awards.

Purpose


The Recovery Housing Program (RHP) supports entitlement and non-entitlement local units of government in providing individuals in recovery from substance use disorder with temporary transitional housing (up to two years) while on the path toward sober independent living.

RHP funds will be made available to local units of government (LUG) and their partnering qualified sub-recipients (if applicable) through an application process on a competitive basis. This application process will allow the state to prioritize funding for projects aimed at providing much-needed transitional recovery housing successfully and in a timely fashion. Applicants will be required to demonstrate benefit to low-to moderate-income persons through the low-to moderate-income limited clientele national objective. Local matching funds of at least 10% of the total project cost will also be required.

Service Level Gaps

Based on the most recent data collected by the Family and Social Service Administration (FSSA), it indicates that Indiana has 167 actively certified recovery residences with 1,574 beds available. An Indiana recovery residence receives a designation level in alignment with the National Alliance of Recovery Residences (NARR) standards. Residences may range from Level One/Type P (peer-run recovery residences with no paid staff) up to Level Four/Type C (residences with supervised staff and clinical addiction treatment services).

Table 1¹: *Types of Recovery Resident Support*



Types of Recovery Residence Support

Current NARR Levels	New ASAM/NARR Types	Defining Characteristics
Level 1	Type P	<i>Peer-run</i> , decisions made solely by residents.
Level 2	Type M	<i>Managed</i> environment; house rules, appointed resident leader.
Level 3	Type S	<i>Supervised</i> activities, staffing, life skills programming.
Level 4	Type C	<i>Clinical</i> services included.

Note: No changes in NARR level definitions were made in creating this new naming convention.

Indiana, a state of 92 counties, has recovery housing facilities in 45% of these counties (41 counties). As such, the most prevalent area of need is the availability of recovery residences across both urban and rural areas of the state. Presently, 68% of recovery residences are within the city limits of Indianapolis and an additional 25% of recovery residences are in other areas of the state such as Bloomington, South Bend, Kokomo, and Evansville. Another 7% of recovery residents are available in less populated and rural areas of the state. One of the largest areas of need within the recovery community, based on data from FSSA, is availability of recovery housing for women, single parents or families with children. Presently, approximately 40% of beds are available to women, 54% of beds are available to men, 6% of beds are available to women or men, and 96% of available beds are for adults only.

Goals

The Recovery Housing Program aims to achieve the following goals.

Goal 1:	Goal 2:	Goal 3:
Fund at least one newly constructed transitional recovery housing residence.	Increase the number of temporary housing beds available for those recovering from substance use disorder by 1% for a total of at least 1,589 available beds in Indiana designated residences.	All RHP funds will meet the overall benefit low to moderate income people by providing access to temporary transitional housing. ²

¹ National Alliance for Recovery Residences. (2020–2025) <https://narronline.org/standards/>.

² Overall benefit to Low- and Moderate-Income Persons. Section 101(c) of the HCD Act (42 U.S.C. 5301(c)) establishes that all RHP funds must be used to support activities that benefit low- and moderate-income persons. Administrative and technical assistance expenditures are counted toward low- and moderate-income benefit in the same proportion as RHP expenditures for other activities.

RESOURCES

Table 2³: HUD Allocations for the Recovery Housing Program to the State of Indiana.

Fiscal Year	HUD Allocation
2020	\$ 853,000.00
2021	\$ 823,604.00
2022	\$ 874,946.00
2023	\$ 1,145,278.00
2024	\$ 1,206,868.00
Totals	\$ 4,903,696.00

OCRA remains committed to leveraging available funds to support Indiana residents in need of transitional recovery housing. Resources identified are listed below.

- **RHP funds allocated to the State of Indiana:** The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds from FY 2024 RHP. These funds will be utilized alongside any remaining funds from previous fiscal year allocations to support the program. The State of Indiana has received a total of \$4,903,696.00 from FY2020-FY2024 for the Recovery Housing Program. A breakdown of these allocations can be found in table 2.
 - **Publicly Owned Land:** The program may leverage publicly owned land. OCRA may also allow for land to be owned by the sub-recipient operating the facility.
 - **Staffing:** OCRA will provide four CDBG staff, six Grant Services staff and two financial department staff to manage and administer the Recovery Housing Program.
 - **Program Income:** OCRA does not project receiving any CDBG program income for the period covered by this Annual Action Plan. Should an RHP project generate \$35,000 or more in program income, OCRA will abide by CDBG Policy Notice 2024-004, effective June 4, 2024 (Appendix D). OCRA required that program income generated by grantees and/or subrecipients from a CDBG grant award must be returned to OCRA if such amounts are equal to or greater than \$35,000 per calendar year in accordance with 24 CFR 570.489. This income retains its CDBG federal identity per 24 CFR 570.489.
- 1) **Other State and Federal Resources:** It is anticipated that the State will leverage SAMHSA funding through the Indiana Family and Social Services Administration's

³ HUD Award and Allocations <https://www.hudexchange.info/GRANTEES/ALLOCATIONS-AWARDS/?na=1840&start=93>

Department of Mental Health and Addiction and opioid settlement funds through Indiana Department of Health. For more details refer to Partner Coordination

ADMINISTRATION SUMMARY

The Office of Community and Rural Affairs, on behalf of the State of Indiana, under the Lieutenant Governor will be the primary agency responsible for the administration and allocation of the Recovery Housing Program. OCRA will oversee all aspects of program management, Action Plan and required reporting. The Lieutenant Governor's Central Business Office will ensure compliance and monitoring of any program award as well as managing financial oversight by coordinating the receipt of invoices for processing draws. A list of contact information for the staff involved in the Recovery Housing Program is provided below.

Name	Office	Job Title	Contact Information
Steve St. John	CDBG	Program Director	(317) 499-6563 ssjohn@ocra.in.gov
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Bryce Gorman	Grant Services	Grants Manager	(463) 245-7690 bgorman@lg.in.gov
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Mitzi Moss	Accounting Division	Controller	(317)-232-8914 MiMoss@lg.IN.gov
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USE OF FUNDS

PROGRAM ADMINISTRATIVE POLICY

The State of Indiana, through the Office of Community and Rural Affairs (OCRA), assumes administrative responsibility as the primary agency in Indiana overseeing the management of Recovery Housing Funds, under the auspices of the U.S. Department of Housing and Urban Development (HUD) and Section 8071 of the SUPPORT for Patients and Communities Act, entitled Pilot Program to Help Individuals in Recovery From a Substance Use Disorder Become Stably Housed, herein referred to as the Recovery Housing Program.

The primary objective of Indiana's Recovery Housing Program (RHP) is to support individuals recovering from substance abuse on a path to self-sufficiency. By providing individuals with more options for stable housing, the RHP program aims to enrich efforts and to enhance outcomes for those striving to achieve independent living.

OCRA will comply with the Recovery Housing Program requirements through the administration of the State's Recovery Housing Program including:

- 1) Funds will be used solely for allowable activities to provide individuals in recovery from substance use disorder stable, temporary housing for a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier;
- 2) The RHP Action Plan has been developed to give the maximum feasible priority to activities that will benefit low- and moderate-income individuals and families;
- 3) In accordance with the HCDA, 24 CFR 570.484, and 24 CFR 570.200(a)(3), the State certified that no less than 70% of RHP funds will principally benefit low- and moderate-income families in a manner that ensures the grant amount is expended for activities that benefit such persons.

SUBSTANTIAL AMENDMENT POLICY

In the event that a substantial change to an approved Action Plan is required, OCRA will follow its Citizens Participation 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:

- A substantial change in the allocation of funds among program categories
- "Substantial change" shall mean a reallocation of funds among program categories of more than 25 percent of the total allocation for a given program year's block-grant allocation. 25 percent threshold does not include the reallocation of reverted funds. The State reserves the right to transfer up to twenty-five percent of each fiscal year's allocation of RHP funds between categories to optimize the use and timeliness of

distribution and expenditure of RHP funds, without formal amendment of this Action Plan.

- A change in how applicants are evaluated and scored including grant size limits and criteria selection that could significantly change how an applicant is considered for funding.

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 rescission 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.

Any changes in federal funding level after the Action 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.

In the event of a substantial amendment to the Action Plan, the state will follow its citizen participation plan by providing citizens and local units of government with reasonable notice and opportunity to comment on any substantial changes to be made in the use of RHP funds for any open grant year.

OCRA will submit any Annual Action Plan or other related documents of a Substantial Amendment to HUD before the implementation of any changes and before posting a final amended Action Plan version publicly.

METHOD OF DISTRIBUTION

The Office of Community and Rural Affairs (OCRA) engaged a variety of stakeholders and considered comments from the public in developing the choice of activities on which to expend RHP funds.

OCRA will adopt a competitive approach as the method of distribution to any eligible entitlement, non-entitlement units of general local government, Indian tribes and their sub-recipients, as applicable. Eligible applicants must meet the requirements outlined in Appendix A. OCRA will accept applicants to the program in round(s) and will award grants to proposed applications that meet the criteria outlined in the Evaluation Criteria (Appendix B). Funding decisions will be based

on established criteria and rating systems used for the state's programs, contingent upon the availability of funds.

OCRA will set aside \$1,146,526.00 towards eligible RHP activities and will set aside \$383,150 of its Recovery Housing Funds for administrative costs of the Program (Docket No. FR-6225-N-01]). This constitutes five percent of the State's Recovery Housing allocation. These funds will be used by OCRA for expenses associated with administering its program, including direct personal services and fringe benefits of applicable OCRA 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, contractual services, etc.). A summary of OCRA's proposed allocations by category is presented in the table below.

It is the state's policy to prioritize the use of RHP funds for actual project costs rather than local administrative expenses. Recovery Housing funding will be allocated for local administrative expenses at no more than eight percent of the funding request.

Use of Funds: FY 2024	Amount
Recovery Housing Program	\$1,146,526.00
Administrative Costs (5%)	\$ 60,342.00
Total	\$ 1,206,868.00

National Objective

All RHP activities funded under this program must comply with the Limited Clientele National Objective as modified by Notice of FY2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program. Modifications are as listed:

- **Expansion of Limited Clientele National Objective-** HUD imposed a waiver and alternative requirement to the limited clientele national objective criteria at 24 CFR 570.208(a)(2) and 570.483(b)(2)(i)(B) to the extent necessary, the limited clientele national objective may be used for acquisition, rehabilitation, reconstruction, or new construction activities funded by RHP that provide stable, temporary housing to individuals in recovery from substance use disorder, when at least 51 percent of the individuals benefitting are low- or moderate-income persons. The RHP activities, when taken as a whole, must not benefit moderate-income persons to the exclusion of low-income persons.

- **Modification of Limited Clientele Presumptions-** HUD modified the requirements at 24 CFR 570.208(a)(2)(i)(A) or 570.483(b)(2)(ii)(A) to add the additional categories of persons who meet the federal poverty limits or persons insured by Medicaid to the list of group categories that are presumed to be low- and moderate-income persons, barring any evidence to the contrary.

The followings groups of people are presumed to be low- and moderate-income people.

- Persons meeting the federal poverty limits
- Persons insured by Medicaid
- Senior citizens (people who are 60 years of age or older)
- Migrant farmworkers
- Abused children
- Battered spouses
- Severely handicapped adults
- Homeless persons
- Illiterate adults
- Persons with AIDS

All RHP funds must be used to support activities that benefit low- and moderate-income persons, therefore, the Slum & Blight and Urgent Needs National Objective are not eligible for this program.

Eligible Applicants

Any entitlement and non-entitlement units of general local government, Indian tribes in the State of Indiana are eligible to receive RHP funding.

A units of general local government may choose to partner with a subrecipient to carry out RHP activities. The subrecipient must demonstrate the following to be considered.

- The organization can document its nonprofit status with the U.S. Internal Revenue Service, the Indiana Department of Revenue, and the Indiana Secretary of State
- The non-profit organization has the capacity to carry out the activities of an eligible project.

Eligible applicants must meet eligibility criteria outlined in Appendix A and applicants must not be suspended from accessing funding due to irregularities with previous CDBG grants or for any other reasons that call into question an applicant's ability to be able to comply with all elements of the State's RHP program.

A unit of local government, that chooses to partner with a subrecipient, remains the primary administrative entity for the OCRA RHP award, while the subrecipient serves as the beneficiary of the local government. A unit of local government and subrecipient, with the assistance of an OCRA grant administrator, throughout the entire grant application process. If the grant is awarded, they will also collaborate on grant administration and project closeout.

Eligible Activities

All activities, which are eligible for federal RHP funding under Notice of FY2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program, are eligible for funding under the OCRA's RHP program, as modified. OCRA reserves the right to expend federal CDBG funds on activities which will produce tangible and timely results for low- and moderate-income individuals in need of temporary recovery housing and will allow the use of funds for

- Rehabilitation, expansion, or development of real property to preserve or expand recovery housing units; and
- Assist individuals with limited financial resources to pay for recovery housing through subsidies of the lease, rent, utilities, and other housing-related costs.

The activities listed below are not intended to be comprehensive. OCRA reserves the right to review the eligibility of other activities for this program

- Acquisition of real property
- Lease, rent, and utilities
- Rehabilitation and reconstruction of single or multi unit residential buildings
- Disposition of real property
- Clearance and demolition
- Administrator costs

Program Description

The Recovery Housing Program is a two-stage application process with the submission of a proposal and a final application submission. An eligible applicant must submit only one application at a time.

Application Process

Stage 1.

Eligible applicants must contact their regional Community Liaison to express their interest in the program. Notification must be provided two weeks prior to the proposal deadline, announced each round. OCRA, as applicable, in coordination with DHMA will provide technical assistance to the communities in the development of applications.

Applicants must submit an initial proposal that demonstrates a completion rate of 95%. The proposal must include a detailed project description, an explanation of its need, information on available financial resources, identification of the key parties involved, the project budget, clarification of how it aligns with the objectives of the SUPPORT Act, and all required documentation for the final application submission. After submitting a proposal, proposed projects will be evaluated for threshold issues and initial project design factors.

OCRA may choose to conduct a site visit to verify project eligibility and provide technical assistance before moving forward with the full application submission. At the discretion of OCRA, proposals that are incomplete, lack detailed narratives, or contain phrases like “will complete by application” may not be invited to submit a full application in the current funding round.

Stage 2.

Eligible proposed projects that comply with the SUPPORT Act and have a minimum threshold and project design factors issues will be invited to submit a final application. The final submitted application will be reviewed and evaluated for fundability based on the established Grant Evaluation Criteria. OCRA reserves the right to deny applications lacking credible readiness to proceed.

Maximum Award per Beneficiary: The maximum grant amount for RHP is \$750,000. OCRA has waived the required \$5,000 cost per beneficiary for this program.

Match Requirement: Local matching funds are not required for this program. However, OCRA recommends local units of government to leverage additional funds towards an application.

Other Requirements- While administrative responsibility for the Recovery Housing 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 of the Code of the Federal Register, and with consideration to non-regulatory guidance from HUD. The State is required to provide adequate evidence to HUD that it is carrying out its legal responsibilities under these statutes. The following requirements must be followed by all RHP grantees:

a) Displacement Plan Requirements

As a result of the Federal Act, applicants who receive funds through OCRA’s 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.

b) Program Income Requirements

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.

c) Subrecipient Monitoring

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 receive funds from the program. If a grantee partners with a subrecipient, the grantee retains ultimate accountability for administering and monitoring their RHP award, even when delegating responsibilities of delivery service to a subrecipient. The Federal Act does not permit a grantee to relinquish this responsibility. A grantee must monitor subrecipients involved in a funded project including overseeing a subrecipient's administration, program delivery and fiscal aspects. Grant management techniques and program requirements are explained in the OCRA's CDBG Handbook, which is posted on the Office's website.

d) Citizens Participation Requirements

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.

e) Affirmatively Furthering Fair Housing Requirements

The State requires that each applicant for RHP funds 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.

ACTIVITIES CARRIED OUT DIRECTLY

The Office of Community and Rural Affairs will not allocate any portion of its RHP funds for activities to be carried out directly.

ENTITIES OF GREATEST NEED

In Indiana, a significant challenge persists in the realm of recovery housing, particularly in its rural counties. Out of the 92 counties in the state, over 30 lack any transitional recovery housing

residences, leaving many individuals and families disconnected from essential support services. These rural communities often grapple with limited resources and accessibility, making it difficult for those in recovery to find safe and stable housing options. There is a growing recognition of the need for recovery accommodations that can support single parents and families underscores the pressing demand for more inclusive and flexible housing solutions. OCRA's revised selection criteria and evaluation parameters are aims to address these high demands that have the greatest need for financial assistance by incentivizing focus on creating pathways that foster recovery and unity for families during these critical times in rural communities.

ENTITIES WITH THE ABILITY TO DELIVER EFFECTIVE AND TIMELY ASSISTANCE

The National Alliance of Recovery Residences (NARR) establishes important standards for recovery housing, with Levels Two through Four indicating residences that are equipped to provide effective and timely assistance to individuals seeking transitional recovery support.

In Indiana, recovery residences that have received designation from the State through the Division of Mental Health and Addiction (DMHA) not only meet these crucial NARR standards but also benefit from additional resources and support. This combination enhances their capacity to address the needs of those in recovery, ensuring that residents receive the assistance necessary for successful transitions. OCRA's revised evaluation criteria seeks to evaluate applicants performance regarding previous federal awards and collaboration with other federal programs, including those from DHMA's HHS programs, with the goal of incentivizing facilities to become "Designated Indiana Recovery Residences". OCRA will also explore potential partnership with prior RHP grantees to support ongoing needs to maintain the service levels.

DEFINITIONS

FR-6225-N-01 requires that the State establish definitions for "Individual in Recovery" and "Substance Use Disorder." These definitions must be inclusive and should not omit individuals facing various substance issues or co-occurring disabilities, nor should they focus exclusively on one specific type of substance use disorder. The Office of Community and Rural Affairs aims to ensure consistency with other publicly funded programs that support recovery from substance use disorders. The Office of Community and Rural Affairs has adopted the following definitions from the SMHSA program.

- **Individual in Recovery:** A process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential.

- **Substance Use Disorder:** Substance use disorders occur when the recurrent use of alcohol and/or drugs causes clinically significant impairment, including health problems, disability, and failure to meet responsibilities at work, school, or home.

ANTICIPATED OUTCOMES & EXPENDITURES

EXPENDITURE PLAN

OCRA will utilize multiple application rounds and anticipates that 100% of available RHP funds will be expended by the period of performance. OCRA understands that at least 30% of RHP funds must be expended within one year of the execution of the grant agreement with HUD. OCRA will award funds from previous funding years first. This should allow the state to satisfy both the requirement of expending at least 30 percent of any newly allocated RHP funds within one year of obligation and expending 100 percent of its total RHP funds before the end of the period of performance. OCRA will expend no more than 5% of RHP grant funds for its own administrative costs.

ANTICIPATED OUTCOMES

The following are the outcomes that were met from the 2023 FY allocation

ACTUAL OUTCOMES:

- 2 houses with 10 beds each currently under construction
- 2,200 square foot recovery housing facility with 12 beds currently under construction
- 20 individuals assisted in RHP housing from the most recent program allocations.
- 100% or 20 individuals were able to transition to permanent housing through RHP-assisted temporary housing from the most recent program allocations.

It is anticipated that these funds will fund a variety of temporary recovery housing facilities or activities. The program aims to finance both the development of new recovery housing and the renovation of existing properties to provide temporary accommodation for individuals recovering from substance use disorders. OCRA intends to offer support to help sustain the operations of recovery housing facilities. The following are the anticipated outcomes for the 2024 FY allocation

ANTICIPATED OUTCOMES:

- Fund at least two newly constructed or rehabilitation to expand recovery housing facilities
- Fund at least one land acquisition for the purpose of building recovery housing.
- At least 50 new individuals will directly benefit from RHP projects upon the opening of the facilities.

- All funded facilities will remain operational for a minimum of five years, ensuring the continuation of recovery services for a greater number of individuals in need.
- At least 70% of beneficiaries of recovery housing will transition to permanent housing.

CITIZEN PARTICIPATION SUMMARY

The State of Indiana, through OCRA, will provide the opportunity for a 30-day public comment period on the draft of the RHP action plan. During public comment periods, the RHP Action Plan is available for public inspection prior to its submission. Members of the public are invited to review the action plan or amendment during the hours of 8:30am to 5:00pm ET, at the Indiana Office of Community and Rural Affairs, One North Capitol, Suite 600, Indianapolis, IN 46204.

The RHP Action Plan draft or its draft Amendments are also made available on [OCRA's website](#). Two public hearings will be held in addition to the public comment period.

OCRA will respond to comments received in accordance with its Citizen Participation Plan (see Appendix C). OCRA will consider and summarize public comments received in its RHP Action Plan, including any comments not accepted and the reasons, therefore.

Previous public hearings, public comment periods, public comments received, and overall citizen engagement efforts are documented in the chart below.

ACTION PLAN	PURPOSE	PUBLIC HEARING DATE	PUBLIC HEARING FORMAT	PUBLIC COMMENT PERIOD	PUBLIC COMMENTS RECEIVED
2020 ACTION PLAN	Initial submission	May 18, 2021, 4:00 pm	Virtual	May 10, 2021-June 8, 2021	No comments received.
2020 ACTION PLAN AMENDMENT ONE	Combine FY2020 and FY 2021 allocations	March 21, 2022 10:00am and 4:00pm	Virtual	March 4, 2022-April 6, 2022	No comments received.
2020 ACTION PLAN AMENDMENT TWO	Combine FY2020, FY 2021, and FY2023 allocations	May 17, 2023 at 2:00pm and 4:00pm	Virtually and in-person	May 1, 2023-May 31, 2023	No comments received.
2020 ACTION PLAN	Combine FY 2020, FY	November 20, 2023 at	Virtual and in-person	November 8, 2023-	One public comment was received during the

AMENDMENT THREE	2021, and FY2023 allocations	9:00am and 4:00pm		December 8,2023	hearing inquiring about when the funding will be made available.
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PARTNER COORDINATION

To maximize and leverage its resources, OCRA will partner with the Family and Social Services Administration's (FSSA) Department of Mental Health and Addiction (DMHA) and will explore additional partnership opportunities with the Indiana Housing and Community Development Authority and the Indiana Department of Health (IDOH)

OCRA will partner with the following entities to maximize resources available to those in need of temporary recovery housing.

1) Indiana Family and Social Services Administration's Department of Mental Health and Addiction (DMHA)

The Indiana Family and Social Services Administration (FSSA), through its Department of Mental Health and Addiction (DMHA), supports integrated and accessible systems for mental health and substance use disorder prevention, treatment, and recovery. This is achieved by establishing care standards, certifying providers, and funding services for those in need.

OCRA and DMHA will utilize funding from the Substance Abuse and Mental Health Services Administration (SAMHSA) to assist individuals requiring recovery housing by covering accommodation costs. DMHA offers room and board for \$15 a day if all food is donated, or \$20 a day if at least one meal is provided by the residence. Additionally, DMHA allocates \$6-\$8 per day for a staff member to be present at the residence. Annually, \$25 million in SAMHSA funding is available for recovery residences that meet NARR Levels II through IV through the mental health and addiction forensic treatment fund, known as Recovery Works.

OCRA has collaborated with DMHA to gather data on the current state of recovery housing in Indiana, identifying areas of need and barriers to accessing recovery programs in rural communities. Their communication teams will work together to promote the Recovery Housing Program through a social media awareness campaign, as well as other related initiatives. Through the Recovery Housing Program, OCRA aims to encourage residents to obtain designation as Indiana recovery residences. This designation not only provides access to SAMHSA funding but also ensures adherence to state and federal regulations.

2) Indiana Housing and Community Development Authority (IHCD)

To enhance the effectiveness of wraparound services, the DMHA, in collaboration with the Indiana Housing and Community Development Authority (IHCDA), has established the landlord reserve mitigation fund. This fund offers landlords up to three months' rent and covers damages to incentivize them to provide permanent housing for individuals post-recovery. Currently, there is limited coordination between the IHCDA and Continuum of Care programs, particularly in relation to those seeking temporary recovery housing. OCRA has reached out to explore cross-sector partnerships that could leverage existing IHCDA programming. These programs may align with efforts to provide rental assistance, short-term rentals, or funding for shelter operators and affordable housing initiatives, as well as administer temporary rental assistance and supportive services aimed at ending homelessness. OCRA plans to utilize this partnership for the FY 2025 allocation.

3) National Opioid Settlement

The RHP program will also leverage National Opioid Settlement Funds. The Office of Drug Prevention, Treatment, and Enforcement, in partnership with the Indiana Family and Social Services Administration - Division of Mental Health and Addiction and the Indiana Department of Health developed a framework for how the State of Indiana plans to use the state's 35% appropriation for abatement from the National Opioid Settlement with distributors McKesson, Cardinal Health and AmerisourceBergen and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson. House Enrolled Act 1193, passed by the Indiana General Assembly and signed by Governor Eric J. Holcomb in March 2022, created a 50/50 state and local split and defined the intensity metrics on how much money each locality received. The State Budget Committee approved Indiana's plan for the 35% appropriated for abatement to the Indiana Family and Social Services Administration in December 2022. Local subdivisions received their first payments in December 2022.

As part of the National Opioid Settlement, the Indiana Family and Social Services Administration – Division of Mental Health and Addiction (DMHA) is also making available a one-time funding opportunity available to local units of government to support evidence-based prevention, treatment, recovery, harm reduction, behavioral health workforce, enforcement, jail treatment, recovery residences, and other services and initiatives across the state. Respondents must provide match funds. Match funds may come from any source, including local distributions from the National Opioid Settlement, Federal American Rescue Plan (ARP) funds, local general funds, private contributions, or philanthropy dollars. The total funding amount available for Indiana's Matching Program is \$25,000,000.

SUBRECIPIENT MANAGEMENT AND MONITORING

OCRA conducts 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 objectives, 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 a project unless determined otherwise by OCRA staff.
- **Subrecipients monitoring** Grants utilizing a subrecipient to carry out eligible activities are monitored on-site annually during the 5-year reporting period to confirm continued compliance with a 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 the monitoring visit and is given 30 days to resolve it.

PRE-AWARD/PRE-AGREEMENT COSTS

In line with the current State of Indiana and OCRA CDBG policies and procedures, RHP funds will not be used to cover costs that are incurred by grantees or, if applicable, their subrecipient, prior to the execution of the grant agreement between OCRA and the grantee

APPENDIX A: GENERAL SELECTION CRITERIA

The Office of Community and Rural Affairs (OCRA) will assess applications based on the criteria outlined below. While projects will be evaluated against these criteria during the proposal stage, not meeting them at this point does not automatically disqualify a project. Instead, applicants will be notified of any issues identified during the threshold review at their required site visits. Applicants must resolve these deficiencies before submitting a final application for funding consideration. OCRA reserves the right to invite or exclude an applicant from submitting a final application.

The proposal stage, 1st threshold review and site visit are applicable only to programs with a two-stage application process, including the Recovery Housing Program. Communities must address and rectify any identified deficiencies prior to submitting a final application for the project to be considered for funding. All proposals and applications will be evaluated for threshold criteria, ensuring each submission demonstrates a sufficient level of readiness to proceed upon grant approval.

1. The applicant must be a legally recognized non-entitlement local unit of government.
2. The applicant must have the legal capacity to implement the proposed program.
3. If the applicant partners with a non-profit to conduct eligible project activities, that organization must be able to provide documentation of its non-profit status from the U.S. Internal Revenue Service, the Indiana Department of Revenue, and the Indiana Secretary of State.
4. At the time of application submission, the applicant must not have any overdue or outstanding semi-annual reports, closeout reports, State Board of Accounts audit findings, or unresolved monitoring issues from OCRA/IHCDA. The determination of what constitutes "overdue" is entirely at the discretion of the Indiana Office of Community and Rural Affairs.
5. The applicant must clearly demonstrate how the proposed project will fulfill with the LMI-Limited Clientele National Objective, as modified by the [Federal Register Notice \(FR-6225-N-01\)](#)
6. The applicant must use funds for activities described in the [Federal Register Notice \(FR-6225-N-01\)](#), which are CDBG-eligible activities consistent with the purpose of RHP to provide stable, temporary housing for individuals in recovery from a substance use disorder.
7. The applicant must show that the proposed project is an eligible activity under Title 1 of the Housing and Community Development Act of 1974 and meets the requirements of the SUPPORT Act.

8. 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.
9. The applicant may only submit one proposal or application per round per program. Counties may submit either for their own project or an “on-behalf-of” application for projects of other eligible applicants within the county. However, no application will be invited from an applicant where the purpose is clearly to circumvent the “one application per round” requirement for other eligible applicants
10. There is no limit on open CDBG grants or pending awards for the Recovery Housing Program.
11. If an applicant has any pending applications awaiting a “Notice of Release of Funds” or has not yet received approval for a final plan, these will not be considered when determining applicant eligibility.
12. To be eligible to apply at the time of application submission, an applicant must not have any unresolved complaints filed against the applying party with the Indiana Civil Rights Commission or any other local human relations commission with jurisdiction (collectively “Commissions”).
13. The cost/beneficiary ratio is waived for this program.
14. 14. While matching or leveraging funds is strongly encouraged, it is not a requirement of the program. If an applicant includes leveraged funds in their application, the Indiana Office of Community and Rural Affairs will evaluate the appropriateness and eligibility of such leveraging.
15. The application must be completed and submitted by the announced deadline.

APPENDIX B: CRITERIA FOR EVALUATION

7000 POINTS TOTAL -Applications must pass threshold review and achieve a minimum score of 450 points to be eligible for award.

NATIONAL OBJECTIVE SCORE (100 POINTS) – The National Objective for RHP grants is Benefit to low-and moderate-income-limited clientele. To show that a project will benefit individuals who are generally presumed to be principally low- to moderate-income, awardees will submit transitional recovery housing program admission criteria addressing the following items. A total of 100 total points is available for this section.

1. Who will use the proposed facility?
2. Are the beneficiaries in a group presumed to be low- and moderate-income (see list of limited clientele groups)? If yes, identify the qualifying limited clientele group(s).
3. Will any beneficiaries be qualified based on income?
 - a. If the facility is to be used on an income-eligible basis, how will income and family size information of users be documented? How was the percentage of low- to moderate-income users determined or estimated?
 - b. The benefit to low- and moderate-income people must be documented by an income verification process and should include at least three (3) months of data.
4. Submit Income Verification Document to be used.
5. Income data for people served at the facility must be provided if using more than 51% LMI.

COMMUNITY DISTRESS FACTORS (150 POINTS) - Various factors are used to determine the distress of a community. OCRA 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:

Poverty Rate
Median Household Income
Unemployment Rate
Non-seasonal Housing Vacancy Rate
Housing Cost Burden
Population Change (10-year % Change)

LOCAL MATCH CONTRIBUTION (25 Points) A maximum of 25 points may be awarded based on the percentage of local funds devoted to the project. This category is capped at 25 points or 25% match, i.e., a project with 25% match or greater will receive 25 points. Below 25% match, the following formula will apply.

Total Match Points = % Eligible Local Match X 1

Match funds may come from any source, including local distributions from the National Opioid Settlement, Federal American Rescue Plan (ARP) funds, local general funds, private contributions, or philanthropy dollars.

INDIANA RECOVERY RESIDENCE DESIGNATION (30 POINTS) - A maximum of 30 points based on the level of recovery residence that the facility will seek from FSSA DMHA or has already been designated by FSSA. Certificate of designation or required documentation must be submitted with application. Total points are determined as follows:

Level II Designation-10 points

Level III Designation-20 points

Level IV Designation-30 points

FEASIBILITY STUDY (30 POINTS)- A maximum of 30 points will be awarded to applicants who have completed an assessment of the practicality and viability of the proposed project. The study must have been completed within the last 12 months from the program opening.

PROJECT DESIGN FACTORS (300 POINTS) – These points are awarded by an OCRA Scoring Committee. Scoring questions for these categories are defined for each round and are provided to applicants that submit a proposal at the site visit. The questions are subject to change each round. Applicants should work with their OCRA Community Liaison to address these questions competitively. Applicants should also refer to the application packet, scoring guide and other resources to address all questions present.

A maximum of 300 points are awarded according to the evaluation in three areas:

1. **Project Description** – Is the project clearly defined as to determine eligibility?
2. **Project Need** - Is the community need for this project documented and compelling?
3. **Financial Impact** - Why is grant assistance necessary to complete this project?
4. **SUPPORT Act Goal**- What policies and procedures are in place for the facilities, and do they comply with all applicable federal regulations, including non-discrimination requirements?

PROGRAM SPECIFIC POINTS (65 POINTS)

- Non-Entitlement Communities (10 points) – A maximum of 10 points will be awarded to applicants that are a non-entitlement.
- Beds Available to Pregnant Women or Women with Dependent Children (15 points)–A maximum of 1 point per new bed that is provided by the facility and made available to pregnant women or women with dependents will be awarded up to 10 points.
- Individuals with Justice Involvement (10 points) - A maximum of 1 point will be awarded per new bed that is provided by the facility and made available to people involved in court ordered rehabilitation up to 10 points.

- Beds Available to Veterans (15 points)-A maximum of 1 point will be awarded per new bed that is provided by the facility and made available to veterans up to 10 points.
- Project Sustainability (15 points) - A maximum of 10 points will be awarded for documentation of National Opioid Settlement Funds being used as project match.

BONUS POINTS (25 POINTS)

It is the Division of Mental Health and Addiction's policy to encourage Medication Assisted Treatment (MAT) amongst providers. As such, a grant application should include how the provider will support residents in their recovery through the acceptance of individuals on medication for the treatment of their substance use disorder.

- Applications that include policies written in a manner to encourage and support use of medications including, but not limited to, nicotine replacement, long acting injectables and daily medication for substance use disorder, and
- Trauma informed care approach into practices and policies will receive 25 bonus points.

Appendix C: CITIZENS PARTICIPATION PLAN

CDBG Policy Notice 2025-001

From: CDBG Division

Effective Date: August 8th, 2025.

RE: State of Indiana Citizens Participation Plan (CCP) for the Recovery Housing Program

This Citizen Participation Plan (CPP) will guide stakeholder engagement and resident participation for the State of Indiana's Recovery Housing Annual Action Plans. 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.

Residents and stakeholders have a role in the development of the annual Action Plans, regardless of age, gender/sex, race, ethnicity, national origin, disability, familial status, religion, and economic level.

This CPP was developed in accordance with Sections 91.110 and 91.115 of the U.S. Department of Housing and Urban Development (HUD)'s regulations and in accordance with best practices to maximize input from low to moderate income residents and residents living in predominantly low to moderate income areas.⁴ This plan is also designed to facilitate input from residents of Indiana for whom traditional avenues of engagement can be difficult—because they live in remote areas, may not have reliable access to transportation or cannot drive, have family caregiver responsibilities or language barriers, and/or because they may be unaccustomed to attending public meetings. To facilitate participation, this plan offers a variety of ways to participate, including holding meetings in hybrid (virtual plus in-person) settings and offering recordings of meetings.

Purpose of the Citizen Participation Plan

The purpose of the CPP is to provide residents residing in, and stakeholders serving, nonentitlement areas covered by the state's block grants⁵ the opportunity to identify and prioritize housing and community development needs. The HUD programs covered by this CPP include:

Recovery Housing Program (RHP).

The purpose of these programs is to facilitate provision of decent housing, create suitable living environments, and grow economic opportunities, especially for low to moderate income residents living in nonentitlement communities.

⁴ <https://www.ecfr.gov/current/title-24/subtitle-A/part-91/subpart-B?toc=1>

⁵ "Nonentitlement" is a HUD term that means geographic areas that do not receive HUD block grants directly and instead apply for funding from states. These are usually small cities and towns with populations of less than 50,000.

Subrecipient requirements. Subrecipients of state block grant funds are held to all citizen participation requirements in their grant agreements. OCRA grantees certify that they will comply with the citizen participation requirements in this plan by providing for and encouraging citizen participation in the planning, implementation, and assessment of their CDBG project. In addition, grantees must hold two public hearings as part of the application submission and the grant close out. OCRA also requires each applicant for CDBG funds to certify that it has identified its housing and community development needs, including those of low to moderate income persons, and the activities to be undertaken to meet those needs. Technical assistance is provided by OCRA to assist program applicants in meeting citizen participation requirements.

Development of the Plans and Performance Reports

This document outlines how residents and stakeholders of the State of Indiana may participate in the development and review of the state's Action Plan and any substantial amendments to an 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) and the Indiana Housing and Community Development Authority (IHCDA) are responsible for implementing and reporting on all aspects of the Consolidated Plan process. The following schedule provides an approximate timeline for the Consolidated Plan, annual Action Plan, and the CAPER.

Annual schedule. Annually, the preparation of the Action Plan, stakeholder consultation, and resident participation approximates the following. This schedule can change based on the timing of funding allocations from HUD, HUD guidance or directives, and/or states of emergency that affect report submissions.

July:

- Hold public hearings during the 30-day comment period on the draft plan(s) with at least one in-person meeting location and a virtual option. The public hearing notice will be posted at least 14 days prior to its occurrence.
- The draft plan(s) is available for public comment; availability is posted.
- Begin 30-day Public Comment period for Action Plan

August:

- Finalize Action Plan draft based on stakeholder consultation and public comment
- On or about 15th: Submit Annual Action Plan to HUD
- End of annual Action Plan year

September through December

- Measure anticipated outcomes and goals of the program

January- March:

- Plan community meetings and public hearings
- Conduct stakeholder consultation
- Develop narrative of Annual Action Plan

April- May:

- Draft/write/update the Action Plan
- Update funding allocation, as needed, based on notice of HUD funding amounts

June:

- Finalize Action Plan draft process
- The public will be notified of the intent to file an Action Plan at least 14 days prior to the plan becoming available.

Resident participation and stakeholder consultation. Annually, the state will choose from the following options for resident participation and stakeholder consultation into the Plans. These techniques incorporate various methods of public process that encourage a broad spectrum of participation and a review of program performance.

Resident survey. A survey of Indiana residents could be conducted during the research phase of the Action Plan in order to gather additional information on housing and community development needs and priorities for the Action Plan. The survey would be available online using software that is Section 508 compliant. The survey would also be available on agency websites, as part of social media, and in email notifications (e-notifications). The survey would be available in the languages required of the state's Language Access Plan (LAP). Special accommodations for persons with disabilities would be made upon request.

Stakeholder survey and elected official survey. An online stakeholder survey may be administered to community development organizations, economic development officials, local government leaders and staff, housing developers, housing providers, social service providers, and advocacy organizations, among others. The survey would be available online using software that is Section 508 compliant.

A combined survey that contains questions appropriate for both residents and stakeholders.

Focus groups. Focus groups may be held with local government leaders and staff, planning entities, housing developers and housing providers (especially those specializing in affordable housing), advocates for persons with disabilities, Continuum of Care funding recipients, Community Action Agencies and Human Rights Councils, and residents, to gather in-depth information on the challenges Indiana residents face in accessing housing and services in their communities, community and economic development needs, and policy and program changes to address needs.

Stakeholder interviews. A series of interviews may be conducted with key persons or groups who are knowledgeable about housing and community development needs in the state.

Draft Plan(s). For at least 30 days, a draft Annual Action Plan will be available for public review. A copy can be downloaded or viewed on OCRA's; hard copies can be requested by writing or emailing to: Office of Community and Rural Affairs (OCRA), **c/o Recovery Housing Action Plan**,

One North Capitol, Suite 600, Indianapolis, Indiana 46204-2027. Email comments can be sent to: cdbg@ocra.in.gov

Notices of availability of the draft plan(s) are sent through e-notifications that reach community development organizations, economic development officials, local government leaders and staff, housing developers, housing providers, social service providers, and advocacy organizations, among others, and posted on OCRA's websites. Upon reasonable request, these documents will be provided in a format that is accessible to persons with disabilities and in translated languages. The state's current Language Access Plan (LAP) determines the languages in which notice is provided.

Public hearings. A public hearing will always be conducted during the draft plan(s) comment period. The hearing will be hybrid, with one in-person meeting location and a virtual meeting option. The in-person location will be accessible to persons with disabilities, and the virtual meetings will be conducted on a platform that can accommodate interpretation, as requested, and content will be narrated to accommodate people who have visual disabilities. The notice announcing the public hearings will contain language on how and when to request accommodations and interpretation (email contact, number of days notice, etc).

During the hearing, a facilitator will describe the proposed funding allocation, discuss funding priorities and how they were derived, and instruct attendees on how to submit comments on the draft plan(s). In addition, participants will be given an opportunity to provide feedback or comment on the draft plan(s). A summary of the public hearing comments will be included in the final Action Plans submitted to HUD.

Written comments. All written comments provided during the Action Plan processes will be considered in finalizing the Plans. A summary of the comments received and a summary of the state's reasons for not accepting any comments will be included in the final Plans submitted to HUD.

Written comments will be accepted at any time during the Consolidated Plan and Action Plan processes in email or in hard copy. Comments can be submitted in hard copy to: Office of Community and Rural Affairs (OCRA), **c/o Recovery Housing Action Plan comments**, One North Capitol, Suite 600, Indianapolis, Indiana 46204-2027. Email comments can be sent to: cdbg@ocra.in.gov with subject line: **Recovery Housing Action Plan comments**.

Complaints. The state will provide a substantive written response to all written complaints related to the Action Plan amendments within 15 working days of receiving the complaint. Residents and stakeholders may submit written complaints to: Office of Community and Rural Affairs (OCRA), **c/o Recovery Housing Action Plan complaint**, One North Capitol, Suite 600, Indianapolis, Indiana 46204-2027. Email comments can be sent to: cdbg@ocra.in.gov with subject line: **Recovery Housing Action Plan complaint**. Copies of the complaints, along with the state's response, will be sent to HUD if the complaint occurs outside of the Action Plan process and, as such, does not appear in the Action Plan.

Notices for public hearings and Draft Plan(s). OCRA will post notices in English and Spanish on their websites at least 14 days in advance of public hearings and publication of the draft plan(s). Notices will also be circulated 14 days in advance of public hearings and the draft plan(s) publication in press releases and/or e-notification distribution lists that OCRA typically utilize for information sharing.

Summaries of Plans

The **Annual Action Plan** provides information that includes the amount of assistance the state expects to receive and the range of activities that may be undertaken, including the estimated amount that will benefit persons with low to moderate income, if available, and the plans to minimize displacement of persons and to assist any persons displaced.

The **Annual Action Plan** specifies how that year's funding allocation for HUD Recovery Housing Program will be used to achieve the goals outlined in the SUPPORT Act.

Substantial Amendments

Occasionally, public comments warrant an amendment to the Action 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 allocation of funds among program categories (e.g., water and sewer infrastructure improvements v. public facilities). "Substantial change" shall mean a reallocation of funds among program categories of more than 25 percent of the total allocation for a given program year's grant allocation.
2. A change in how applicants are evaluated and scored including grant size limits and criteria selection that could significantly change how an applicant is considered for funding.
3. 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 rescission 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.

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

Citizen participation in the event of a substantial amendment. In the event of a substantial amendment to the Action Plan, the state will conduct at least one additional public hearing. This hearing will fall during a comment period of no less than 30 days, unless HUD allows a shorter

period to expedite the amendment, during which the proposed Plan amendment will be made available to interested parties. OCRA will post information regarding the hearing on their website(s) and send out a notice via their distribution list.

In the event of substantial amendments, 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 and the state's acceptance or rejection of each comment will be included in the amended Action Plan.

Availability and Access to Records

The state provides reasonable and timely access for residents, public agencies, and other organizations to access information and records relating to the state's annual Action Plan, substantial amendment(s), the CPP, and the state's use of assistance under the programs covered by the plan.

The Indiana Office of Community and Rural Affairs webpage is <http://www.in.gov/ocra> These are available for residents interested in obtaining more information about state services and programs or to review the plans and reports. A reasonable number of free copies will be available to residents upon request. Hard copies can be requested by writing or emailing: Office of Community and Rural Affairs (OCRA), **c/o Recovery Housing Action Plan**, One North Capitol, Suite 600, Indianapolis, Indiana 46204-2027. Email requests can be sent to: cdbg@ocra.in.gov.

Upon reasonable request, these documents will be provided in a format that is accessible to persons with disabilities and in translated languages.

Anti-Displacement

The State of Indiana will take all reasonable steps to minimize displacement and to assist any persons displaced as a result of a federally funded project or activity. Should displacement become necessary, the state will follow the regulations and procedures outlined under Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and the government-wide implementing regulations found at 49 CFR part 24, as they apply to the acquisition of real property and the displacement of persons resulting from Federal or federally-assisted programs or projects. The level of assistance to persons displaced and the actions the state take will be consistent with statutory and regulatory requirements, and HUD policy.

APPENDIX D: PROGRAM INCOME POLICY

CDBG Policy Notice 2024-004

From: CDBG Division

Effective date: June 4th, 2024

RE: CDBG Program Income

This Policy Notice outlines the requirements set by the Office of Community and Rural Affairs for implementing the Program Income Policy included in the 2023 & 2024 Action Plan submission for approval by the U.S. Department of Housing and Urban Development.

A. Applicability

These requirements apply to CDBG grantees who generate program income from a project funded by the OCRA's CDBG program(s).

B. Exemptions

The requirements outlined in Section B of this Policy Notice do not apply to the following:

- a) Housing-related grants made to applicants by the Indiana Housing & Community Development Authority (IHCD), a separate agency, using CDBG funds allocated to IHCD by OCRA.
- b) In accordance with 24 CFR 570.489(e)(2), program income does not cover funds generated by grantees and/or subrecipients from CDBG grants awarded by OCRA that are \$35,000 or less during a calendar year. In such cases, OCRA may allow local governments to keep the funding that doesn't exceed the \$35,000 threshold established by this policy.
- c) Program income generated by locally administered revolving loan funds to carry out specific activities. Grantees are not required to use the program income generated before drawing down grant funds awarded by OCRA for a different CDBG funded activities. However, program income in the revolving loan fund must be used before drawing down additional grant funds for other revolving fund activities in accordance with 24 CFR 570.489(f).
- d) Any interest earned, above the threshold in accordance 24 CFR 570.489(e)(2)(iv)(C), on a deposit of CDBG grant funds before disbursement of those funds for an eligible CDBG activity will be considered CDBG program income by OCRA. Interest earned should subsequently be used as a credit toward additional claims submitted, reducing the payment of a future claim by the amount of interest earned.

C. Program Income Generated by a Units of General Local Government

Program income generated by grantees and/or subrecipients from a CDBG grant(s) award must be returned to OCRA if such amounts are equal to or greater than \$35,000 per calendar year in

accordance with 24 CFR 570.489. This income retains its CDBG federal identity per 24 CFR 570.489.

All obligations of CDBG program income by a grantee require prior approval by OCRA. This includes the use of program income as matching funds for CDBG-funded grants from IHCD.

Applicable local governments must contact the CDBG Program Director for guidance on the use of program income before obligating program income funds to other activities. Local governments that have been approved to use their program income to fund at least one project in the previous twelve (12) months will be considered active. Local governments that have been inactive in using their program income are required to return their program income to OCRA.

The U.S Department of Treasury regulations require that CDBG program income cash on hand balances be expended on any active CDBG grant(s) being administered by a grantee before additional federal CDBG funds can be requested from OCRA. These regulations apply to projects funded both by IHCD and OCRA.

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 OCRA or IHCD.

D. Revolving Loan Fund Program Income by a Units of General Local Government.

The Program income collected as part of a locally established revolving loan fund is defined as the repayment of CDBG funds received by borrowers, including the principal and any interest earned, regardless of the amount collected.

If OCRA authorizes Units of General Local Government to create locally administered revolving loan funds for specific activities in line with 24 CFR 570.489 (f), the local revolving fund balances must be held in an interest-bearing account in accordance with 24 CFR 570.500(b).

Program income collected by grantees should only be maintained in a local revolving loan fund account for a short period of time before they are awarded back out to new local applicants. Units of General Local Government must ensure any revolving loan fund held are revolved in order for the account to be considered active by OCRA in accordance with 24 CFR 570.489(f).

It is OCRA's policy that grantees with local revolving loan funds must report on any program income earned and the revolving loan fund's activity on a quarterly basis. This report should be governed by guidelines provided by OCRA to its grantees in order to ensure the timely and proper reporting of any revolving loan fund program income generated.

Local governments who do not forgive loans issued as part of a CDBG program will continue to generate program income and must continue to report on in perpetuity on each loan made until all payments have been paid in-full, forgiven, or written off.

E. Transfer of Program Income Generated by Other HUD Funded Awards

At closeout of a U.S. Department of Housing and Urban Development funded award including, but not limited to, CDBG, CDBG Disaster Recovery (CDBG-DR), CDBG Cares Act (CDBG-CV), and the Neighborhood Stabilization Program (NSP), program income on hand or subsequently received by a grantee or subrecipient generated by that award may become program income of OCRA's CDBG formula grant program.

Grantees may transfer any amount of program income collected to OCRA. Program income generated by a grantee or its subrecipients that is transferred to OCRA continues to be subject to all CDBG requirements as outlined in 24 CFR 570.504(b)(3), even after closeout is achieved, until all program income is fully expended.

The transfer of program income generated by other HUD funded awards must comply with CPD 14- 02:Closeout Instructions for Community Development Block Grant (CDBG) Programs Grant. OCRA will assess the best use of any program income transferred to CDBG based on current needs and any applicable

HUD guidance. Grantees must maintain an inventory of acquired real property and equipment and must properly report any new program income generated as instructed by HUD.

Effective Date

This policy is effective as of June 4th, 2024, and will remain in effect until amended, superseded, or rescinded.