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Final Report

State of Indiana 2024 Action Plan

PREPARED FOR:

Office of Community and Rural Affairs
Indiana Housing and Community Development Authority
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CREATED

07/10/2024

Amended 05/15/2025

STATE OF INDIANA

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

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS FY 2024 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 (OCRA), 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). Per 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 according 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 2024. **The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds for FY 2025**

This document applies to all federal Small Cities CDBG funds allocated by HUD to the State of Indiana, through OCRA.

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 emphasize 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.

OCRA 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 personnel) when making funding decisions respective to applications for CDBG funding.

PROGRAM AMENDMENTS

OCRA reserves the right to transfer up to twenty-five percent (25%) of each fiscal year's available allocation of CDBG funds between the programs described herein to optimize the use and timeliness of distribution and expenditure of CDBG funds, without formal amendment of this Annual Action Plan.

OCRA will provide citizens and general units of local government with reasonable notice and opportunity to comment on any substantial change to be made in the use of CDBG funds for any open grant year. "Substantial Change" shall mean the movement between programs of more than twenty-five percent (25%) of the total allocation for each fiscal year's CDBG allocation. The twenty-five percent (25%) does not include the reallocation of reverted funds. OCRA, in consultation with the Indianapolis office of the HUD, will determine those actions, which may constitute a "substantial change."

OCRA will submit any Consolidated Plan, Annual Action Plan, or other related documents to HUD before it implements any changes embodied in the given document and before posting the final version publicly.

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 OCRA's CDBG program. However, the OCRA reserves the right to prioritize funding of those eligible activities; the OCRA prefers to expend federal CDBG funds on activities/projects which will produce tangible results for 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 each fiscal year's 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 areas eligible for "entitlement" funding from HUD.
2. All Indian tribes meeting the criteria outlined in Section 102 (a)(17) of the Federal Act.

To be eligible for CDBG funding, applicants may not be suspended from participation in any CDBG funded programs or by OCRA due to findings/irregularities with previous CDBG grants, overdue reports, overdue responses to monitoring issues, or overdue closeout documents on current grants, or other reasons that call into an applicant's ability to be able to comply with all elements of the State's CDBG program. In addition, applicants may be suspended from participation in the state CDBG-funded projects administered by the Indiana Housing & Community Development Authority (IHCDA).

All applicants must fully expend all CDBG Program Income as defined in 24 CFR 570.489(e) before, or as a part of the proposed CDBG-assisted grant, to be eligible for further CDBG funding from the State.

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

FY 2024 FUND DISTRIBUTION

Sources of Funds:

FY 2024 CDBG Allocation	\$30,738,746.00.
CDBG Program Income	\$295,516.20
Total:	\$31,034,262.20.

Uses of Funds:

1. Owner Occupied Rehabilitation	\$ 3,000,000
2. Stellar Pathways Program	\$ 4,000,000
3. Blight Clearance Program	\$ 1,500,000
4. Main Street Revitalization Program	\$ 2,000,000
5. Public Facilities Program	\$ 2,500,000
6. Wastewater Drinking Water	\$12,500,000
7. Stormwater Improvements Program	\$ 3,500,000
8. PreservINg MainStreet	\$ 0
9. Needs Responsive Fund	\$ 0
10. Urgent Need Fund	\$ 0
11. Planning Fund	\$ 1,000,000
12. CDBG Program Income	\$ 295,516.20
13. Technical Assistance	\$ 200,000
14. Administration	\$ 538,746
Total:	\$31,034,262.20.

PROGRAM INCOME POLICY

The State of Indiana via the Office of Community and Rural Affairs (OCRA) does not project receipt of CDBG program income for the period covered by this Annual Action Plan. In the event the Office of Community and Rural Affairs (OCRA) receives CDBG Program Income, such funds will be placed in an existing program based on current needs, as determined by OCRA, to make additional grants under that program. Reversions of other years' funding will also be allocated based on current needs as determined by OCRA. OCRA will allocate and expend all CDBG Program Income funds received before drawing additional CDBG funds from the US Treasury. However, the following exceptions shall apply:

1. This prior-use policy shall not apply to housing-related grants made to applicants by the Indiana Housing & Community Development Authority (IHCDA), a separate agency, using CDBG funds allocated to IHCDA by OCRA.
2. 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.
3. This prior-use policy shall not apply to 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 activity. 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).
4. 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.

Program Income Generated by a Units of General Local Government

Program income generated by grantees and/or subrecipients from CDBG grants awarded by OCRA must be returned to OCRA if such amounts are equal to or greater than \$35,000 per calendar year according to 24 CFR 570.489.

In accordance with 24 CFR 570.489(e)(2), program income does not cover funds that are \$35,000 or less during a program year. In such cases, OCRA may allow local governments to keep the funding that doesn't exceed \$35,000.

If a local government or its subrecipients receive program income, it must be reported to OCRA annually if it equals or exceeds \$35,000 per calendar year. This income retains its CDBG federal identity in accordance with 24 CFR 570.489.

All obligations of CDBG program income by grantee require prior approval by the OCRA. This includes the use of program income as matching funds for CDBG-funded grants from IHCDA. Applicable parties must contact the CDBG Program Director for guidance on the use of program income before the obligation of such funds.

Local governments that have been inactive in using their program income are required to return their program income to OCRA. 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.

Furthermore, US Department of Treasury regulations require that CDBG program income cash on hand

balances be expended on any active CDBG grant being administered by a grantee before additional federal CDBG funds can be requested from OCRA. These US Treasury 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.

Revolving Loan Fund (RLF) Program Income by a Units of General Local Government

If OCRA permits Units of General Local Government to establish locally administered revolving loan funds to carry out specific activities in accordance with 24 CFR 570.489 (f), program income generated by the RLF shall refer to the repayment of CDBG funds received by borrowers including principal and any interest earned without regard to the amount collected.

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 RLF funds 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 RLF'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 RLF program income generated.

Local governments who do not forgive loans issued as part of a CDBG funded RLF 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.

At closeout of a HUD 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. [The Office of Community and Rural Affairs is anticipated to receive \\$295,516.20 in program income from the Elkhart County NSP-3 program. These funds will be allocated to the public facilities program in accordance with 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.

METHOD OF DISTRIBUTION

The choice of activities on which the State’s CDBG funds are expended has been determined through a robust review that engaged a variety of stakeholders and considered comments from the public. The eligible activities enumerated in the following Method of Distribution are eligible activities as provided for under Section 105(a) of the Federal Act, as amended.

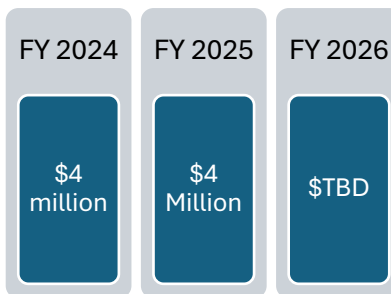
All projects/activities funded by the OCRA will be made on a basis which addresses one (1) of the three (3) national objectives of the Small Cities CDBG Program as prescribed under Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of implementing regulations promulgated by HUD. CDBG funds will be distributed according to the following Method of Distribution (program descriptions):

A. Owner Occupied Rehabilitation Program: \$3,000,000

OCRA will allocate \$3,000,000 of its FY 2024 funds for OOR. OCRA will award such grants that meet the minimum scoring criteria outlined in Attachments C and D on a quarterly basis. The OOR program shall have [a maximum grant of \\$350,000 for cities or towns, and \\$500,000 for counties to establish or support a local Owner-Occupied Rehabilitation Program. Individual grants to homeowners will be capped at \\$25,000. Matching funds of at least 10% of the total project cost is required for participation in this program.](#)

B. Stellar Pathways Program: \$ 4,000,000

OCRA will allocate \$4,000,000 of its FY 2024 CDBG funds for Stellar Pathways. Funds will be allocated to designees in the Action Plan for the fiscal year an application is anticipated from each active designee. Here is a breakdown of the Stellar allocation for FY 2024, 2025, and projected allocation for FY 2026:



Indiana’s Stellar Pathways Program is a collaborative effort of the Office of Community and Rural Affairs (OCRA), the Indiana Housing and Community Development Authority (IHCDA), Indiana State Department of Agriculture (ISDA), Indiana Destination Development Corporation (IDDC), Indiana Department of Health (IDOH), Indiana Department of Natural Resources (DNR), and the Indiana Department of Transportation (INDOT).

The Stellar Pathways Program seeks to engage four (4) regions to achieve a holistic, three-year revitalization strategy that will leverage unified state investment and other available funding from the partnering agencies to complete transformational projects. In the revitalization strategy, selected finalists will identify areas of interest and types of projects along four pathways (Advancing e-

Connectivity, Enhancing Quality of Place, Promoting Community Wellness, and Strengthening Local Economies) following robust community outreach and engagement and through facilitated, pathway-specific focus groups. The resultant Strategic Investment Plan (SIP) will produce a schedule to complete projects, cost estimates, identify local match amounts and additional funding resources needed, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the region. Each partnering agency will choose catalyst projects to fund from each SIP, setting communities along a path to become Stellar upon completion of all selected projects.

Evaluation and selection of the final regions to the Stellar Pathways Program will be based on:

- Letter of Intent submitted
- Completion of all outlined requirements of the Stellar Pathway Finalist designation.
- Document the level of need and significance of each project in overall community revitalization efforts.
- Capacity of the applicant to complete all activities and to administer the funds;

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 IHCD 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 IHCD with HOME, ESG and/or HOPWA funds will meet the specific requirements set forth by those programs.

C. Blight Clearance Program: \$1,500,000

OCRA will allocate \$1,500,000 of its FY 2024 CDBG funds for the Blight Clearance Program (BCP). OCRA will award such grants that meet the minimum scoring criteria outlined in Attachment D on a competitive basis. The BCP shall have a maximum grant amount of \$500,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

D. Main Street Revitalization Program: \$2,000,000

OCRA will allocate \$2,000,000 of its FY 2024 CDBG funds for the Main Street Revitalization Program (MSRP).

OCRA will award MSRP grants to eligible applicants to assist Indiana communities with streetscape and façade activities intended to revitalize their downtown area. Each applicant must meet the following prerequisites:

- 1) Have a designated Indiana Main Street Organization that:
 - a. is Nationally accredited, or
 - b. is an Indiana Accredited Main Street that is at least three (3) years old;
- 2) The Main Street Organization is in good standing and has met all the reporting requirements;

- 3) The Main Street Organization has met their education requirement with the Indiana Main Street Program during past calendar year;
- 4) The Main Street organization is functioning within the Main Street 4 Point Approach of Organization, Design, Economic Vitality, and Promotion and Nationally Accredited Main Streets are using a Transformation Strategy.
- 5) The Main Street organization has current Work Plans for each of its Committees that have been submitted to Indiana Main Street;
- 6) The Community has completed a downtown revitalization plan within the past five (5) years that meets OCRA's Minimum Plan Requirements. If a community has an alternative plan that meets OCRA's Minimum Plan Requirements for a downtown revitalization plan, they can use that alternative plan with approval from the CDBG Program Director.
- 7) The local Indiana Main Street Organization has been involved in the project development process for the application and there is a plan for their continued involvement if awarded.

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. The MSRP shall have a maximum grant amount based on the total project cost as shown in the matrix below. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary.

Projects over \$2 million in total project cost \$600,000
Projects under \$2 million in total project cost \$500,000

Matching funds of at least 20% for streetscape project of the total project cost are required for all this program.

Grantees must ensure that local Indiana Main Street Organization remains in good standing with OCRA until the completion of the project. If the local Indiana Main Street Organization falls out of good standing then de-obligation or repayment of CDBG funds is possible.

E. Public Facilities Program: \$2,500,000

OCRA will allocate \$2,500,000 of its FY 2024 CDBG funds for the Public Facilities Program (PFP).

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. The PFP shall have a maximum grant amount of \$750,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

F. Wastewater Drinking Water: \$ 12,500,000

OCRA will allocate \$12,500,000 of its FY 2024 CDBG funds for the Wastewater Drinking Water (WDW).

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. WDW shall have a maximum grant amounts based on present combined user rates (water, wastewater, and stormwater) as shown in the matrix below. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 20% of the total project cost are required for all this program.

Maximum Grant Amounts	Rates for 4,000 gallons		
	User Rates (Over \$50)	User Rates (\$30 to \$50)	User Rates (Under \$30)
Projects over \$1 million in total project cost	\$750,000	\$700,000	\$650,000
Projects under \$1 million in total project cost	\$700,000	\$650,000	\$600,000

E. Stormwater Improvements Program: \$3,500,000

OCRA will allocate \$3,500,000 of its FY 2024 CDBG funds for the Stormwater Improvements Program (SIP).

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. The SIP shall have a maximum grant amount of \$750,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

F. PreserviNG Main Street: \$0

PreserviNG Main Street will assist one (1) Nationally Accredited Main Street (NAMS) or Indiana Accredited Main Street (IAMS) community with historic preservation and economic revitalization efforts over a two (2) year period.

Applications from NAMS and IAMS communities with registered downtown historic districts will be accepted in a single round every other program year and awards will be made on a competitive basis. The selected community will be eligible for \$0 in set aside funds to implement downtown preservation projects based on a two-year preservation and revitalization strategy for their downtown historic district.

The Main Street organization, along with the community foundation and LUG, will be responsible for raising a 10% match (\$200,000) for the project, which could include a mix of private and local funds. The total match must be raised before the end of the 2-year pilot.

Of that 10%:

- 50% will be put in a permanent endowment/revolving loan fund for downtown projects
- 50% will be supplied to the Main Street organization for long-term sustainability.
For example, this could be used for two years of funding a staff position and thus elevating an IAMS community to a NAMS within that two years

Additionally, Indiana Landmarks will work with the Main Street organization and local building owners to provide training and conditions assessments for preservation projects in downtown. The LUG will develop

and adopt a local preservation ordinance, lead the formation of a local preservation commission, and pursue designation of a downtown local historic district within the first 18 months.

The Main Street organization will also implement two humanities-based programs and activities focused on historic preservation using Indiana Humanities funding distributed in two tranches. The selected Main Street organization will also attend trainings provided by Indiana Humanities.

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.

G. Needs Responsive Fund: \$0

OCRA will allocate \$0 of its FY 2024 CDBG Funds to the Needs Responsive Fund. The purpose of this fund is to allow OCRA flexibility to respond to the needs of eligible communities. Specifically, this program will allow OCRA to fund projects that are eligible activities under CDBG, but are not covered by other programs.

OCRA will award such grants that meet the minimum scoring criteria outlined in Attachment D throughout the program year. The Needs Responsive Fund shall have a maximum grant amount of \$1,000,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

H. Urgent Need Fund: \$0

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

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

Only that portion of a project, which addresses an immediate need, should be addressed. This is particularly true of municipal water or sewer system projects, which tend to need major reinvestment in existing plants or facilities, in addition to the correction of the immediate need. The

amount of grant award is determined by the individual circumstances surrounding the request for emergency funds. A community may be required to provide a match through cash, debt or provision of employee labor.

The eligibility of any project is at the full discretion of the Office of Community and Rural Affairs.

I. Planning Grants: \$ 1,000,000

OCRA will allocate \$1,000,000 of its FY2024 CDBG funds for planning-only activities. OCRA 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. OCRA will award such grants that meet the minimum scoring criteria outlined in Attachments C and D on a quarterly basis. The Planning Grant program shall have a maximum grant amount of \$90,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. [Matching funds of at least 8% of the total project cost are required for all this program.](#)

A list of eligible plans and their specific maximum grant amounts is available on OCRA's CDBG policies website. The Office reserves the right to prefer one type of plan over other types of plans when making awards.

The specific threshold criteria and basis for scoring for Planning Grant are provided in Attachment C and D hereto. 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.

J. Technical Assistance Set-aside: \$200,000

Pursuant to the federal Housing and Community Development Act (Federal Act), specifically Section 106(d)(5), the State 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 2024 Action Plan is \$200,000, which constitutes less than one-percent (1%) of the State's FY 2024 CDBG allocation of \$30,738,746. 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. The Technical Assistance Program will also be used by the Office to conduct pilots of new programs or adjustments to current programs.

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 cannot 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.

K. Administrative Funds Set-aside: \$538,746

The State (Office of Community and Rural Affairs) will set aside up to \$538,746 of its FY 2024 CDBG funds for payment of costs associated with administering its State Community Development Block Grant (CDBG) Program (CFDA Number 14.228). This amount (\$589,752) constitutes less than two-percent (2%) of the State's CDBG allocation (\$30,738,746). The amount of \$538,746 is subject to the \$1-for-\$1 matching requirement of HUD regulations. A \$100,000 is not subject to state match per HUD regulations. 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 Annual Action Plan and statement of Method of Distribution is intended to amend all prior Consolidated and Action 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 with 2024 Round 2, unless subsequently amended, for all FY 2024 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.

In the case that prior years' funds should become available, they will be placed in any of the currently open programs and become subject to the requirements and allowances set forth in this plan. Non-expended funds, which revert from the financial settlement of projects funded from other programs, will be placed in any open program for use in that ongoing program.

APPLICATION PROCESSES

Planning Grant applications and Owner-Occupied Rehabilitation (OOR) applications are accepted on a quarterly basis. Eligible units of local governments must first contact their regional Community Liaison to discuss their interest in a planning or OOR grant. Then, an application can be submitted for scoring. This is a single stage competitive application process.

Stellar Pathways Program is a single competitive application process. Interested applicants submit a Letter of Intent from which up to four (4) finalists are selected by the partner organizations. Finalists take part in numerous capacity-building, teamwork, and planning activities throughout the year as they build their Strategic Investment Plan (SIP). Each finalist must complete an SIP. The Stellar Teams will review completed plans for Catalyst Projects. Each agency then allocates funding to projects within the SIP based on alignment with the requirements of each funding source and will work collaboratively to have fundable projects for each community identified as a finalist.

PreservINg Main Street is a single competitive application process held every other year. Interested applicants submit a Letter of Intent from which up to one (1) will be selected to participate by OCRA the partnering organizations.

The application process for the Blight Clearance Program (BCP), Public Facilities Program (PFP), Stormwater Improvements Program (SIP), the Main Street Revitalization Program (MSRP), and the Wastewater Drinking Water (WDW) will be a two-stage competitive application process held twice each calendar year with a third-round possible.

For grant programs with a two-stage process, eligible applicants will first submit an abbreviated proposal. After submitting a 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. OCRA, as applicable, will provide technical assistance to the communities in the development of full applications and require an in-person site visit with the community prior to application.

An eligible applicant may submit only one application at a time. OCRA reserves the right to deny applications lacking credible readiness to proceed.

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 of the Code of the Federal Register, and with consideration to non-regulatory guidance from HUD. 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 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.

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 Handbook, which is posted on the Office's website.

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 heads OCRA. Principal responsibility for the CDBG program is vested in the Executive Director of OCRA. OCRA also has the responsibility of administering compliance activities respective to CDBG grants awarded to units of local government through a partnership with the Grant Services Division of the Lieutenant Governor's business office.

Primary responsibility for providing "outreach" and technical assistance for the Stellar Regions Program, Main Street Revitalization Fund, Stormwater Improvement Program, Wastewater Drinking Water, Public Facilities Program, and Planning Grants process 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 OCRA.

The LG's Business Office will provide internal fiscal support services for program activities. The OCRA has the responsibility for the development of the Consolidated Plan and the CAPER, CDBG program management, compliance and financial monitoring of all CDBG programs. The Indiana State Board of Accounts pursuant to 2 CFR 200 will conduct audits. Potential applicants should contact the OCRA with any questions or inquiries they may have concerning these or any other programs.

Information regarding the past use of CDBG funds is available at the:

**Indiana Office of Community and Rural Affairs
CDBG Program Director
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 CDBG Program Director.

Matching funds - is defined as public funds (federal, state or local) or private sector in-kind services, or debt allocated to the CDBG project. The required level of local matching funds for CDBG projects varies by program. This percentage is calculated by adding the proposed grant amount to the local matching amount, then divide the local matching funds amount by the total of these two sums. The definition of match includes a maximum of 5% in pre-approved and validated in-kind contributions. Any in-kind contributions exceeding the specified 5% can be counted as local effort. Other funds provided to applicants by OCRA are not eligible as matching funds.

Proposal – is defined as a document submitted by a non-entitlement unit of local government which outlines the proposed project, the principal parties, and the project budget and how the proposed project will meet a goal of the Federal Act. The proposal constitutes a draft of a final application.

Reversions – is defined as funds placed under contract with a non-entitlement unit of local government 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 OCRA 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 Indiana Code 36-7-1-3 or local law 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). More specifically, OCRA defines blight as:

An area possessing a substantial amount of buildings (public or privately owned), and or public improvements which demonstrate:

1. General deterioration, seen through:
 - a. Neglect or lack of maintenance on the property; or
 - b. Facilities of plumbing, heating, sewage, and/or others that have been disconnected, destroyed, removed, or rendered inadequate; or
 - c. Impaired structural condition, making the building(s) unsafe to a person or property (IC 36-7-9-4); or
 - d. Any combination of these factors
2. Significant noncompliance with current building code, safety code, health code, fire code, state statute, or local ordinance, as seen by:
 - a. Excessive vacancy and/or abandonment of properties; or
 - b. Environmental hazards; or

- c. Fire hazards; or
 - d. Lack of ventilation, light, or sanitary facilities; or
 - e. any combination of these factors
3. Building(s) are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, increased criminal activity compared to other areas, and detrimental to public health, safety, , or welfare through any of the following conditions:
- a. Age; or
 - b. Dilapidation; or
 - c. Overcrowding of structures and/or high density population; or
 - d. Excessive land coverage; or
 - e. Impairment of overall economic vitality of community through declines in property value, substantially lower property value than surrounding community areas; or
 - f. any combination of these factors

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 evaluate applications using the criteria listed below. Although projects will be assessed for these criteria during the proposal stage, failing to meet them at this stage will not automatically disqualify a project. Instead, the community will be informed of any issues identified during the proposal review. Communities must address and rectify any identified deficiencies prior to submitting a final application for the project to be considered for funding. The proposal review stage applies only to programs that have a two-stage application process.

A. General Criteria (all programs - see exception for program income):

1. The applicant must be a legally recognized general-purpose unit of local government and qualified 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 funding through CDBG, they must have successfully completed the program. Additionally, the applicant should not have any outstanding closeout reports, State Board of Accounts audit findings, or unresolved monitoring issues from OCRA/IHCDA that are the community's responsibility to address. The determination of what constitutes "overdue" is entirely at the discretion of the Indiana Office of Community and Rural Affairs.
4. The applicant must not have any overdue CDBG semi-annual Grantee Performance Reports, subrecipient reports, or other reporting obligations required by OCRA/IHCDA. The classification of any report as "overdue" is solely at the discretion of the Indiana Office of Community and Rural Affairs.
5. The applicant must clearly demonstrate how the proposed project will fulfill one of the three national CDBG objectives and meet the criteria outlined in 24 CFR 570.483.
6. The applicant must show that the proposed project is an eligible activity under Title 1 of the Housing and Community Development Act of 1974.
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.
8. To be eligible to apply at the time of an application submission, an applicant must not have any of the following:
 - a. Overdue grant reports, sub-recipient reports, or project closeout documents; or
 - b. More than three (3) CDBG grants that are open or pending award (Indiana cities and incorporated towns), or four (4) CDBG grants that are open or pending award (Indiana counties) from OCRA;
 - c. For those applicants with an open MSRP, WDW, PFP, SIP or BCP a "Notice of Release of Funds and Authorization to Incur Costs" must have been issued for the

construction activities under the open MSRP, WDW, PFP, SIP or BCP 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 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 MSRP, SIP, WDW, PFP, or BCP application for the project.

9. To be eligible to apply at the time of application submission, an applicant must not have:

- a. 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”)¹
 - i. A complaint during the investigation stage can be resolved for the purposes of this application if the applying party provides the response it submitted to the Commissions and provides verification that it is cooperating in the investigation.
 - ii. To resolve a complaint for the purposes of this application that has received a finding of Probable or Reasonable Cause, the complaint must be closed in a manner that includes the applying party taking a fair housing training and implementing a relevant policy to prevent future possible discriminatory incidents. The applying party need not take the training or implement the policy prior to the application being submitted if the applying party can provide proof that it intends to complete the training and implement the policy within a reasonable period of time. If a complaint has been closed and the closure did not include training or the implementation of a policy, then the applying party can elect to contact the Commissions to voluntarily complete training and have Commissions assist in the implementation of a relevant policy.
 - iii. To resolve a complaint that merits litigation, the applying party must submit evidence that the complaint cannot be settled (i.e. settlement ask too high etc.) and evidence that training and a policy are not the impediments to settlement. Possible evidence can include offer letters, statements of disputed legal questions, statements of disputed facts, statements on behalf of the Commissions that they are unwilling to settle the case, or any similar document that illustrates the case is not ripe for settlement.
- b. An unresolved pattern of complaints filed against the applying party with the Indiana Civil Rights Commission or any other local human relations commission with jurisdiction (collectively “Commissions”)
 - i. A pattern for purposes of this application is defined as any more than an average of two complaints over a period of four years, regardless of outcome.
 - ii. To resolve a pattern of complaints for purposes of this application, the applying party must partner with the Commissions or other equivalent housing organization to fully review the applying party’s current policies for best practices as well as for compliance with the Indiana Fair Housing Act

¹ If agreeable, it would be the Indiana Civil Rights Commissions obligation to provide timely responses as well as to provide data retrieved from other relevant local human relations commissions.

and Indiana Civil Rights Law. Additionally, the applying party must show proof that the applying party intends to undergo annual fair housing training for all of its employees that regularly interact with tenants and biannual training for all supervising employees for at least one year.

10. The cost/beneficiary ratio for all CDBG funds will be maintained at \$5,000.
11. Required leveraging based on program (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.
12. 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.
13. The application must be complete and submitted by the announced deadline.

GRANT EVALUATION CRITERIA 700 POINTS TOTAL

To be eligible for an award, applications must attain a minimum score of 450 points out of a total of 700 points. The scoring framework includes the National Objective Score (100 points), Community Distress factors (175 points), Local Match Contribution (75 points), Project Design Factors (300 points), and Program Specific Points (50 points).

Applications that complete the Bonus Point section can receive up to an additional 25 points towards their application total. If the point reduction policy applies, 50 points will be deducted out of the total score achieved.

NATIONAL OBJECTIVE SCORE (100 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: 100 points maximum awarded according to the percentage of low- and moderate-income individuals to be served by the project. The total points given are computed as follows:

National Objective Score = % Low/Mod Beneficiaries X 1

3. National Objective = Prevention or Elimination of Slums or Blight: 100 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)

- Applicant has a Slum/Blight Resolution for project area (50 pts.)
- The project site is a brownfield* (25 pts.)
- The building or district is listed on or 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. Points are awarded for sites listed on the IFA Brownfield registry which indicates prior involvement of the Indiana Brownfield Program or a letter is provided from the IFA Brownfield program that states the site is a brownfield.

**Project may either be listed on or eligible for listing on the Indiana or National Register of Historic Places. Both cannot be checked.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. 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 government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (75 POINTS):

A maximum of 75 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 75 points or 75% match, i.e., a project with 75% match or greater will receive 75 points. Below 75% match, the formula calculation will apply.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of \$25,000. Use of in-kind donations as eligible match requires approval from the CDBG Program Director approximately 1-2 weeks prior to application submission (date of deadline will be announced each round, quarter).

PROJECT DESIGN FACTORS (300 POINTS):

A maximum of 300 points 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 documented and compelling? – 125 points

Financial Impact - Why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA Scoring Committee when evaluating the projects. 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 refer to the application instruction, scoring guide and other resources to address all questions present.** Applicants are encouraged to work with their OCRA Community Liaison to identify ways to increase their project's competitiveness in these areas and of the application as a whole.

PROGRAM SPECIFIC POINTS (50 POINTS):

Blight Clearance Program (BCP)

- **IFA Registry** - A maximum of 25 points awarded for sites registered with the IFA Brownfield program which indicates prior involvement of the Indiana Brownfield Program or a letter is provided from the IFA Brownfield program that states the site is a brownfield.
- **Site Development Plan** - A maximum of 25 points will be awarded for projects that have a site development plan for the future use of the Brownfield site.

Owner Occupied Rehabilitation (OOR) Program

- **Targeted Populations:** A maximum of 25 points will be awarded to applicants whose program design parameters prioritize funding assistance to households that belong to at least one of the targeted population groups listed below.
 - Individuals with Disabilities Households with at least one individual living in the home with a disability using the Fair Housing definition of disabled as defined by HUD.
 - Aging in Place Households with at least one elderly individual, as defined by HUD Glossary, living in the home. Repairs made to the home must address accessibility and/or livability.
 - Veterans Households with at least one veteran individual, as defined in HUD, living in the home.
 - Single Parent Head of Household Households with a single parent, grandparent, or guardian head of household.

Household(s) must be the primary residence for qualifying individual(s). Individuals or households that meet the criteria for two or more categories (i.e. a veteran with a disability or a single parent household with a child with a disability) may only be counted for one of the categories in which they qualify.

- **New Administrator Experience:** A maximum of 25 points will be awarded to applicants who are working with administering entities who can demonstrate prior experience in construction management, rehabilitation of built structures, and/or prior CDBG OOR experience through a different funding agency. Applicants must provide a written narrative explaining previous relevant experience and a third-party reference of experience in the above-mentioned fields to receive these points.
 - Less than 3 years – 10 Points
 - Between 3 to 5 years – 15 points
 - Greater than 5 years – 25 Points

Planning Grants (PL) Program

- **Community Engagement and Resident Feedback**– A maximum of 25 points will be awarded to communities that exceed the basic requirements of submitting letters of support, surveys, and holding a public hearing for application submission to document public engagement and feedback. These additional points recognize communities that demonstrate meaningful public engagement

to solicit feedback from residents. Additional efforts may include activities such as flyers, bulletins, social media promotion, community workshops, citizens participation in committees and other methods.

- 0 points- no additional engagement methods
 - 10 points- 1 to 2 additional engagement methods
 - 25 points- 3 or more additional engagement methods
- **Connection to Previous Planning Efforts and Implementation** – A maximum of 25 will be awarded to communities that effectively demonstrates their engagement with previous planning initiatives. This includes providing documentation indicating how the current plan relates to a previous planning effort of the community applying or documenting the successful execution of a previous planning grant.
 - 0 points- no previous planning efforts or documentation of execution of previous planning grant
 - 25 points- previous planning efforts or documentation of execution of previous planning grant

Public Facilities Program (PFP)

- **Philanthropic Contributions** - Points are assigned based on philanthropic contribution to the project match as a percentage of total project costs.
 - Less than 1% - 0 points
 - 1-1.99% - 10 points
 - 2-2.99% - 15 points
 - 3-3.99% - 20 points
 - 4%+ - 25 points
- **Project Sustainability** - A maximum of 25 points for the establishment of a (or documentation of existing) permanent Community Facility Fund, to be used for ongoing operation and maintenance activities of the project.
 - 0 points – Less than \$3,000
 - 10 points - \$3,000-\$5,000
 - 25 points – More than \$5,000

Main Street Revitalization Program (MSRP)

- Community is designated as a Nationally Accredited Main Street Organization (10 points)
- Documentation of active and continued involvement in the application and project by the Main Street organization (10 points)
- The Main Street Organization has a sustainability/fundraising plan in place. (Maximum of 10 points)
- The Main Street Organization has provided proof of philanthropic match for the project (Maximum of 10 pts)
- For streetscape projects:
 - The project has unique design elements or is part of a community branding effort. (Maximum of 10 points)

Wastewater Drinking Water (WDW) Program

- **Financial Gap** – A maximum of 10 points per each \$1 in financial gap. The result of the OCRA Gap Calculation Worksheet is the amount that your community would have to increase the monthly utility rate charged to each customer without grant assistance. This is the “gap,”

which is the amount by which grant funds will reduce or “buy down” your utility rates. This amount added to the actual rates anticipated with OCRA grant funds will give you the rates needed “without OCRA grant funds”. (Maximum 10 points)

- **Green Infrastructure** – A maximum of 15 points for the inclusion of green infrastructure elements in the project. (Maximum of 15 points)
- **Project Sustainability** - A maximum of 25 points for the establishment of, or documentation of existing combined utility rate for the ongoing operation and maintenance activities of the wastewater and drinking water systems.
 - 0 points – Less than \$50 combined user rates
 - 10 points – \$50-\$90 combined user rates
 - 25 points – More than \$90 combined user rates

Stormwater Improvement Program (SIP)

- **Financial Gap** – A maximum of 10 points per each \$1 in financial gap. The result of the OCRA Gap Calculation Worksheet is the amount that your community would have to increase the monthly utility rate charged to each customer without grant assistance. This is the “gap,” which is the amount by which grant funds will reduce or “buy down” your utility rates. This amount added to the actual rates anticipated with OCRA grant funds will give you the rates needed “without OCRA grant funds”. (Maximum 10 points)
- **Green Infrastructure** – A maximum of 15 points for the inclusion of green infrastructure elements in the project. (Maximum of 15 points)
- **Project Sustainability** - A maximum of 25 points for the establishment of, or documentation of an existing stormwater utility rate for the ongoing operation and maintenance activities of the storm system.
 - 0 points – under \$3 monthly Stormwater utility user rate
 - 10 points – \$3-\$5 monthly stormwater utility user rate
 - 25 points – \$5 or higher monthly stormwater utility user rate

BONUS POINTS POLICY:

It is OCRA’s policy to promote and enhance the resilience of rural communities. As such, the Community Resilience Score will be employed for bonus points. Grant application may receive a maximum of 25 points for the submission of a community resilience improvement plan and their corresponding point awarded value from the Community Resilience Score provided by Stats Indiana. Community Resilience Scores, updated and published annually, along with the methodology, can be found at: <https://www.stats.indiana.edu/topic/cdbg.asp>.

Applicants must submit the community resilience improvement plan to the CDBG Program Manager approximately 1-2 weeks prior to the application submission deadline, which will be announced each round or quarterly for consideration under this bonus points policy.

Community Resilience Improvement Plan & Community Resilience Score Point Value: The Chief Elected Official must schedule a meeting with the Community Liaison to discuss how the proposed CDBG project or plan will increase the community’s resilience score. The Chief Elected Official must submit a community resilience improvement plan clearly describing how the project benefits the community short term and increases the community resilience in the long term. The community resilience improvement plan must explain how the project will increase the community’s resilience score in the next five years in the following metrics:

Structure of the local economy
Entrepreneurship activity
Human capital
Social Network/Social Connectivity
Broadband connectivity
Wealth Gap
Homeownership

A formula will be used to convert the Community Resilience Score into a straightforward point awarded system. This system will assign a point value based on the Community Resilience Score calculated by Stats Indiana. Higher scores mean a community is less resilient (e.g., Score of 50 = Most Resilient, Score of 100 = Least Resilient) For community resilience scores below 100, the points awarded will be determined using the formula: $\text{Slope} * \text{Community Resilience Score} - \text{Intercept}$.

Points will be a factor of the provided community resilience improvement plan and the community's corresponding point value from the Community Resilience Score. The Community Resilience Score points value is provided to grant applications that submit the required community resilience improvement plan to the CDBG Program Manager approximately 1-2 weeks prior to the application submission deadline.

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of the same project or planning type in different funding rounds. This applies to all project and planning types, *except* OOR*, although it is particularly relevant to utility projects and utility study plans. If a community needs to phase a project to complete it, the local government should consider which phase would be most appropriate for CDBG assistance. Even if a community does not intend to phase its project, OCRA will consider previous awards for the same project or planning type. A community that has previously been awarded a grant for the same project or planning type will likely not be competitive and will be subject to the point reduction policy.

0 – 5 years since previous funding – -50 points

1st Example: A community is awarded a Wastewater project grant from the Wastewater Drinking Water (WDW) program in 2020. When they apply for another Wastewater project grant under the same program in 2025, they would be subject to a point reduction of 50 pts. In 2026, the community's Wastewater project will not be affected by the point reduction policy.

2nd Example: A community is awarded a utility study grant in 2020 for a single utility study. When applying for another planning grant for a single, two, or master utility study in 2025, they would be subject to a point reduction of 50 pts. In 2026, they would have no point reduction for any of these utility studies.

***Point Reduction Policy Exemption:**

There will be no point reduction for the Owner-Occupied Rehabilitation (OOR) Program. Eligible communities may seek additional funding under the OOR Program only after they have completed the closeout of all previous OOR grants awarded by OCRA.

CITIZEN PARTICIPATION PLAN

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS (STATE) The Citizen Participation Plan (CPP) herein is the CPP established for the State of Indiana's Five Year Consolidated Plan for Housing and Community Development, covering program years 2020-2024. 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, annual Action Plans, and Consolidated Annual Performance and Evaluation Reports regardless of age, gender/sex, race, ethnicity, national origin, disability, familial status, religion, 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 and Evaluation Report (CAPER). This CPP 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 residents residing in communities eligible to receive housing and community development funds from the state maximum involvement in identifying and prioritizing housing and community development needs in the state, and responding to how the state intends to address such needs through allocation of the following federal grants:

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

This Consolidated Plan typically covers a five-year timeframe. 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 facilitate provision of decent housing, a suitable living environment, and growing economic opportunities, especially for low to moderate income residents.

Subrecipient requirements. 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.

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 CPP 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 and stakeholders 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 CAPER, 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) 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 citizen engagement 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:

Begin Consolidated Annual Performance and Evaluation Report (CAPER) process

September:

15th: Begin 15-day Public Comment period for CAPER

30th: CAPER submitted to HUD

November through February:

Develop narrative of Annual Action Plan or Five Year Consolidated Plan

Plan community meetings and public hearings

Create and launch surveys

Conduct stakeholder consultation

January—February—March:

Conduct public participation process for Consolidated Plan including options discussed below

Draft Consolidated Plan or Action Plan, funding allocation plans/method of distribution (MOD), and policies for public comment

Update funding allocation plan and policies based on stakeholder consultation

March – April:

Hold public hearings

April:

Finalize plan based on stakeholder consultation and public comment

May:

15th: Consolidated Plan and Action Plan submitted to HUD

June:

End of annual Action Plan year

Citizen participation and stakeholder consultation. Annually, the state will choose from the following options for citizen participation and stakeholder consultation into the Plans. These techniques incorporate alternative 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 Five Year Consolidated Plan in order to gather additional information on housing and community development needs and priorities for the Consolidated Plan. The survey would be available online using software that is Section 508 compliant. A variety of sampling and distribution methods may be used including a “snowball” sampling technique in which the survey is distributed to housing and community development partners who then circulate the survey to their clients/members. 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 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. During some Consolidated Plan and Action Plan years, the survey may be conducted in the form of key informant interviews from a voluntary sample of stakeholders from throughout the state.

Focus groups. Focus groups may be held with local government leaders and staff, Regional Planning Commissions, 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.

Public hearings. A public hearing will always be conducted during the 30 to 45-day public comment period in virtual formats in five to six locations across Indiana. This meeting will occur at least one month prior to submission of the Plan, generally during the months of March or April. Alternatively, the State may choose to conduct in-person hearings in three to four locations throughout the state. These will occur on different days to encourage maximum participation.

Written comments. Written comments will always be accepted at any time during the Consolidated Plan and Action Plan processes in email or in hard copy. Instructions on how to provide comments will be part of public notices and described during the public hearings.

Consolidated Plan

The draft will provide 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 of low- and moderate-income, if available, and the plans to minimize displacement of persons and to assist any persons displaced.

A reasonable notice—generally two calendar weeks—is given to announce to the public the availability of the draft Consolidated Plan. Availability of the draft Plan is advertised 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 is posted on OCRA and IHCD websites. The state's current Language Access Plan (LAP) determines the languages in which notice is provided.

A 30 to 45-day public comment period is provided to receive written comments on the draft Plan. The 30 to 45-day comment period usually begins in March or April and ends in April or early May. The draft Plan can be reviewed at OCRA and IHCD websites; emailed or hard copies can be provided upon request.

All written comments provided during the Consolidated Plan process will be considered in preparing the final Consolidated Plan. A summary of the comments received and a summary of the state's reasons for not accepting any comments will be included in the final Consolidated Plan. The state considers these comments before taking final action on the Consolidated Plan.

The final Consolidated Plan is submitted to HUD no later than May 15 each year, unless extensions are granted (e.g., for federal budget allocation delays, in the case of emergency response needs, etc).

Annual Action Plan

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, HOPWA, and NHTF grants will be used to achieve the goals outlined in the Five Year Consolidated Plan. The CPP for preparation of the Action Plan is as follows:

The draft Action Plan will be available for 30 to 45 days to gather public comment on the proposed spending allocation. The state will hold at least one public hearing to describe the state's proposed allocation of the program year's funding allocation during the 30 to 45-day public comment period. The availability of the draft Plan and public hearings will be publicized on OCRA and IHCD websites and circulated through e-notifications to housing and community development partners. In addition, OCRA and IHCD will collaborate with stakeholder associations to further distribute the notice of the draft plan to their memberships and networks.

The public hearing will be conducted virtually and broadcast to several locations across the state. Alternatively, the state may choose to conduct in-person hearings in three to four locations throughout the state. These will occur on different days to encourage maximum participation.

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. 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.

The state will review and consider all written public comments. The final Action Plan that is

submitted to HUD will include 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. The availability of the draft Plan and public hearings will be publicized on OCRA and IHCD websites and circulated through e-notifications to housing and community development partners. In addition, OCRA and IHCD will collaborate with stakeholder associations to further distribute the notice of the draft plan to their memberships and networks.

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 a reallocation of funds among program categories of programs of more than 25 percent of the total allocation for a given program year's block-grant allocation.

Elements of a "method of distribution" are:

- Application process for local governments or nonprofits;
 - Allocation among funding categories;
 - Grant size limits; and
 - Criteria selection.
2. An administrative decision to reallocate all the funds allocated to an activity in the Action Plan to other activities of equal or lesser priority need level, unless the decision is a result of the following:
 - There is a federal government recession of appropriated funds, or appropriations are so much less than anticipated that the state makes an administrative decision not to fund one or more activities;
 - The governor declares a state of emergency and reallocates federal funds to address the emergency; or
 - A unique economic development opportunity arises wherein the state administration asks that federal grants be used to take advantage of the opportunity.

Citizen participation in the event of a substantial amendment. In the event of a substantial amendment to the Consolidated Plan, the state will conduct at least one additional public hearing.

This hearing will fall during a comment period of no less than 30 days, during which the proposed Plan amendment will be made available to interested parties. Either IHCD or 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 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 and the state's acceptance or rejection of each comment will be included in the final Consolidated Plan.

Changes in Federal Funding levels

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, CAPERs, substantial amendment(s), the Citizen Participation Plan, and the state's use of assistance under the programs covered by the plan during the preceding five years.

The Indiana Office of Community and Rural Affairs webpage is www.in.gov/ocra and the Indiana Housing and Community Development Authority webpage is <https://www.in.gov/ihcda/4048.htm> for citizens interested in obtaining more information about state services and programs or to review the plans and CAPERs. A reasonable number of free copies will be available to citizens that request it. Upon request, these documents will be provided in a reasonable form accessible to persons with disabilities.

Citizen complaints

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

