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Draft Report

State of Indiana 2024 Action Plan

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CREATED

04/08/2024

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The State of Indiana is eligible to receive grant funds from the U.S. Department of Housing and Urban Development (HUD) to help address housing and community development needs. These grant funds include the: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), Housing Opportunities for People with AIDS (HOPWA) and the National Housing Trust Fund (HTF). The dollars are primarily meant for investment in the State's less populated and rural areas (“non-entitlement” areas), which do not receive such funds directly from HUD.

The Indiana Office of Rural and Community Affairs (OCRA) receives and administers CDBG. The Indiana Housing & Community Development Authority (IHCDA) receives and administers HOME, ESG, HOPWA, and HTF. As a condition for receiving HUD block grant funding, the State must complete a five-year strategic plan called a Consolidated Plan for Housing and Community Development (Consolidated Plan). The Consolidated Plan identifies the State’s housing and community development needs and specifies how block grant funds will be used to address the needs. Each year, the state completes an Annual Action Plan which determines how the funds will be spent in the coming program year (PY).

The 2020-2024 five-year Consolidated Plan was approved by HUD in July 2020. This document, the 2024 Annual Action Plan, is the fifth action plan in the 2020-2024 Five-year Consolidated Plan cycle. It describes how OCRA and IHCDA plan to allocate HUD block grant funds during the 2024 program year (PY2024), which runs from July 1, 2024, through June 30, 2025.

2. Summarize the objectives and outcomes identified in the Plan

During PY2024, the State of Indiana expects to be able to receive approximately $59 million in housing and community development block grant funds. If funding is similar to 2023 levels, the state will receive approximately:

- $30,800,000 in the Community Development Block Grant (CDBG);
- $16,000,000 in the HOME Investment Partnerships grant (HOME);
- $3,900,000 in the Emergency Solutions Grant (ESG);
- $2,200,000 in the Housing Opportunities for Persons with HIV/AIDS grant (HOPWA);
- $5,400,000 for the National Housing Trust Fund (HTF).

At the time this document was prepared, HUD's budget for PY2014 had not been determined. Contingency plans were developed to adjust the allocation if PY2024 funding is different than estimated.

CDBG Contingency Plan:

If cuts are less than 25%:

- CDBG OOR and Stellar Pathways funding amounts will remain at current proposed percentages (of the total CDBG allocation).
- Admin and Technical Assistance will be adjusted to remain at allowable percentages.
- Remaining percentage reduction(s) needed will be spread throughout all other existing programs based on current need as determined by OCRA.

If cuts are greater than 25%:

- Stellar Pathways funding amount will remain at current proposed percentage (of the total CDBG allocation).
- Admin and Technical Assistance will be adjusted to remain at allowable percentages.
- Remaining percentage reduction(s) will be spread throughout all other existing programs based on current need as determined by OCRA.

CDBG will prioritize Wastewater Drinking Program (approximately 40% of CDBG funds), Stellar Pathways Program (13%); stormwater improvements (11%); owner occupied rehabilitation (10%); public facilities (8%); Main Street Revitalization (6%); Blight Clearance (5%); planning grants (3%); admin set-asides (2%); and technical assistance (1%).

HOME funds will prioritize rental construction projects (approximately 66% of HOME funds); innovative developments (6%); tenant based rental assistance (through Program Income) , CHDO Pre-development (0.5%) and affordable homeownership development (12.5%). The remaining goes to Administration (10%) and CHDO Operating (5%).

For ESG, IHCDA plans to allocate funding to approximately 15-19 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Components of the ESG program for line items: Housing Relocation & Services (financial and services), Rental assistance and administration. IHCDA also allocates ESG funds to agencies to administer to emergency shelters and street outreach.

HOPWA will continue to assist persons with HIV and/or AIDS and who also have an income below 80% of AMI with housing placement and rental subsidies.

IHCDA intends to allocate all of its HTF dollars for affordable rental housing, specifically for supportive housing for extremely low-income households, (<30% AMI) which may include persons transitioning from homelessness and persons with disabilities. The HTF will also provide gap financing for Rental Housing Tax Credit developments and developments funded through HOME-ARP.

3. Evaluation of past performance

OCRA remains committed to continuous improvement, and to ensuring that its CDBG programs consistently serve and prioritize the most current needs of rural areas. A study conducted by Ball State University (BSU) and commissioned by the Office of Community and Rural Affairs in 2022 showed that many Hoosier counties are primed for success, and that how OCRA develops plans and program to enhance that potential is critical. Recommendations outlined in the BSU study have assisted OCRA in the development of strategies and approaches to more effectively deliver programming in rural communities throughout the State of Indiana.

For example, OCRA has taken steps to further enhance its strategic stakeholder engagement approach. This approach played a key role in the successful implementation of the Green Infrastructure program-specific points outlined in the 2023 Action Plan. To achieve this success, OCRA proactively sought guidance from other funding and regulatory agencies such as the Indiana Department of Environmental Management (IDEM), USDA Rural Development (USDA_RD), and the Indiana Finance Authority (IFA). These agencies not only provided skilled personnel to aid in the development of an implementation plan for these points, but also initiated new, enhanced coordination of state-level efforts to evaluate available programming. By aligning cross-cutting requirements, the State of Indiana is able to reduce administrative learning and compliance costs for rural communities who engage in its diverse programming, including CDBG. OCRA also worked to ensure that impacted local stakeholders were involved in designing an implementation plan for its Green Infrastructure points. OCRA consulted with organizations such as the American Council of Engineering Companies (ACEC), the Rural Affair Working Group (RAWG), and Indiana Association of Regional Councils (IARC), and sought specific feedback from these stakeholder groups on best practices in the field. This review included a study of existing green infrastructure projects in rural areas, an analysis of challenges in accessing green infrastructure project funding, and an exploration of any other barriers or consequences to effective project design.

Additionally, OCRA remains committed to growing the expertise of its staff through ongoing professional development training. This training is designed to increase their knowledge in the areas of federal grants management and CDBG programming requirements. As a result of this training, OCRA has been able to improve its technical assistance provision to grant administrators and rural communities. Lessons learned have been instrumental in identifying needed enhancements to OCRA's grants management procedures and CDBG programming. In total, OCRA staff members have completed 525 hours of training provided by reputable organizations such as the National Grants Management Association (NGMA) and the Council of State Community Development Agencies (COSCDA).

Additionally, in the past year, OCRA has dedicated a significant amount of its resources and staff time to create a more comprehensive and functional CDBG handbook. This handbook is primarily used by OCRA certified grant administrators who assist rural communities in accessing CDBG funding statewide. This work has also created a new opportunity for OCRA to delve deeper into its own policy structure and will help lead the development of a new agency policy manual in PY2024. This resource will assist OCRA with training and development of new staff, while ensuring current policies are communicated to stakeholders with more transparency and efficiency. With one consolidated resource, OCRA is better equipped to stay engaged with federal regulatory changes from agencies such as Office of Management and Budget (OMB), U.S Department of Housing and Urban Development (HUD), U.S Department of Labor, Environmental Protection Agency (EPA) and Council on Environmental Quality (CEQ). OCRA's approach to regulatory tracking has also been enhanced, which has better prepared the agency to proactively implement and address necessary changes in the program while reducing the impact on communities.

OCRA remains committed to continuous improvement, and to ensuring that its CDBG programs consistently serve and prioritize the most current needs of rural areas. A recent study conducted by Ball State University (BSU) and commissioned by the Office of Community and Rural Affairs in 2022 shows that many Hoosier counties are primed for success, and that how our agency develops plans to enhance that potential is critical.

Along with the evaluation efforts described above, OCRA has continued to routinely review its entire CDBG grant program with the goal of reducing redundancies, and unnecessary burdens placed on communities. In 2021 and 2022, OCRA completed a series of in-person meetings (15 total) with local grant administrators to gather feedback on OCRA’s current programs. During these meetings, OCRA received diverse input on evolving needs and opportunities in non-entitlement communities post pandemic, along with ways to improve its CDBG program delivery.

This review has resulted in ongoing improvements to the grant programs and process such as:

- Updating OCRA's existing policy adoption process to prioritize and increase stakeholder engagement during development.
- Revising OCRA’s existing CDBG procurement forms and available admin guides to comply with the Buy American Build America Act, along with available Income Survey resources to ensure they are user-friendly and comply with all current federal and state requirements. Leveraging partners, such as ACEC, to offer new training opportunities to OCRA's certified grant administrators, including training focused on state and federal procurement procedures to enhance local skills and knowledge on best practices and requirements. Making improvements to OCRA’s electronic grants management system (eGMS) to better assess data and process applications including new upgrades to application scoresheets and new program income reporting.
- Expanding training opportunities for program staff to serve as subject matter experts and;
- Reallocating funds to ensure obligation and expenditure rates.

IN PY 2023, IHCDA focused on additional training and policy updates for the HOME Homebuyer program; IHCDA interviewed other Participating Jurisdictions who implement homebuyer programs, interviewed selected grantees on the program, and discussed the program with IHCDA’s

Homeownership Department and the Participating Providers to layer the buyer subsidy with IHCDA down-payment assistance programming.

Based on this critical feedback, IHCDA released an updated HOME Homebuyer Policy, a Closing Manual, which outlines the requirements and processes for selling a Homebuyer-assisted unit and hosted a six-part training series on the HOME Homebuyer Program. Based on feedback from Homebuyer applicants, IHCDA will be hosting additional trainings on the program throughout PY 2024, and will establish a HOME Homebuyer Roundtable Working Group, to continually solicit feedback, and design future trainings.

IHCDA has also continued to cross-train on the implementation of the HOME Homebuyer program and is in the process of developing Standard Operation Procedures.

In 2023, the Permanent Supportive Housing Institute addressed issues of homelessness with a focus on serving people with high needs who are on the Coordinated Entry System. The Institute has produced 57 supportive housing projects, and an additional 23 projects are in development. In 2023, 5 projects were added to the pipeline through the Institute process, and 4 were awarded IHCDA capital funds. IHCDA tracks housing stability rates, as this is a key metric of success for projects addressing homelessness. In 2023, Institute projects had a housing stability rate of 94%, meaning that 94% of tenants residing in IHCDA assisted supportive housing units in 2023 either stayed housed at the property or moved to another permanent housing situation.

The 2024 Institute will continue to help supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. Participation in the Institute is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process. This year’s Institute developments will be eligible for HOME Investment Partnerships Program (HOME) funds for a total of up to $500,000 dollars per project. Consideration will only be given to responses proposing 100% permanent supportive housing developments.

The 2024 Institute continues to provide targeted training, technical assistance, and the opportunity to apply for predevelopment financing for both new and experienced development teams. Trainings and technical assistance are focused on designing supportive housing for those referred from the Coordinated Entry System. Teams receive individualized technical assistance and resources to assist in completing their project. Industry experts, including staff from the IHCDA, provide insight on property management, financing, and building design.

4. Summary of Citizen Participation Process and consultation process

Public comment period. A public comment period is being held between April 8, 2024, through May 8, 2024. The draft plan was posted on both the OCRA and IHCDA websites beginning on April 8, 2024.

Public hearings. Two public hearings on the Draft 2024 Action Plan were held virtually and in-person. The first hearing was held on February 20th at 4pm EST via Zoom and in person at the Indiana Government Center South in Indianapolis. The second hearing was held on April 15 at 4pm EST via Zoom and in person at the following locations: Downtown Indianapolis (1 North Capitol Ave., Indianapolis, IN 46204), Brookville Public Library (919 Main St. Brookville, IN 47012), Fusion 54 Coworking Space (101 W. Main St., Crawfordsville, IN 47933), Monticello Public Library (321 W. Broadway St. Monticello, IN 47960), and the Huntington Public Library (255 W. Park Dr., Huntington, IN 46750).

Notifications of the hearings were posted through RED notices, a statewide press release, through OCRA's Community Liaisons team, and via OCRA's social media pages. Notices reached more than 4,000 people.

Stakeholder interviews. 20 stakeholder interviews were conducted with housing and social service providers, organizational leaders, fair housing and civil rights organizations, advocacy groups, planners, housing authorities, and other individuals serving Indiana residents with special needs.

Resident survey. A statewide survey of residents was conducted between January and February 2024. A total of 2,620 residents responded to the survey. Survey questions focused on: housing and community and economic development needs; housing challenges and experiences; access to banking and credit; access to job opportunities and quality schools; and experiences with discrimination/domestic violence or sexual assault in housing.

5. Summary of public comments

Two public hearings on the draft 2024 Action Plan were held in February 2024 and April 2024. Three participants attended the first public hearing on February 20th online via Zoom, no participants attended the public hearing in-person. Primary themes from comments provided during the first public hearing included:

- Sharp increases in rent have forced many households to sacrifice basic need items such as food and medicine. Rent increases are compounded by the lack of housing options available as these households have very few choices and have to "make do" with small and substandard units.
- Low income families (especially those with children), Black and African Americans, and persons with disabilities face the greatest housing barriers in the state. Participants emphasized that these barriers don't necessarily vary by geography (e.g., urban, suburban, rural communities).
- Participants would like to see more opportunities for homeownership, innovative strategies to development new housing units, and programs to acquire accessible and affordable housing units for special needs populations.

6. Summary of comments or views not accepted and the reasons for not accepting them

All public comments were reviewed and considered in finalizing the Action Plan for submittal to HUD.

7. Summary

Response continued from "Evaluation of Past Performance" above:

As the needs of communities have continued to evolve post-pandemic, OCRA made adjustments to its program allocations during FY 2023 and will continue to do so in FY 2024. These adjustments will include the reinstatement of funding for formerly suspended programs (Stellar Pathways and Main Street Revitalization Program) based on feedback from communities and various stakeholder organizations about how these programs could be adapted to meet the changing needs of the residents they serve.

Additional changes that will be implemented in 2024 Round 2 include:

1. OCRA has partnered with Stats Indiana, an Indiana University entity, a new measure of community resiliency. The Community Resilience Index is designed to be more forward-looking by focusing on a community's capacity for future economic growth. The resilience index gauges this capacity for future growth along the following dimensions:

    - Structure of local economy
    - Entrepreneurial activity
    - Human capital
    - Social capital
    - Broadband connectivity
    - Income inequality
    - Homeownership (an indicator of community attachment)

The Community Resilience Index is comprised of the following variables.

- Industry Diversity - This variable assesses the extent to which a county's economy encompasses a wide variety of industries or is focused on just a few. Source: Stats America Innovation Intelligence
- Entrepreneurship - This variable measures the percentage of workers who are self-employed. Source: Census ACS (S2408)
- Educational Attainment - This variable measures the percentage of adults with at least some college or higher. Source: Census ACS (S1501)
- Labor force participation - This variable measures the percentage of employment-to-population ratio for residents ages 16 or older Source: Census ACS (S2301)
- Social Capital - This composite index of three variables measures the percentage of social/civic organizations per capita, percentage of inactive voters, percentage of population w/ no religious affiliation. Source: FEMA Resilience Analysis and Planning Tool (RAPT)
- Broadband - This variable measures the percentage of % of households with a broadband internet connection. Source: Census ACS (B28003)

- Income Inequality - This data comes from the GINI index. Source: Census ACS (B19083)
- Homeownership - This variable measures the percentage of occupied housing units that are owner-occupied. Source: Census ACS (B25003)

2. Program Specific Points will be adjusted for the Wastewater Drinking Water (WDW) program.

- For WDW, OCRA will begin adjusting its dated User Rate Benchmarks to address legislative taskforce recommendations and to better align with other common funding sources. OCRA will explore additional adjustments to these benchmarks in future funding years.
- WDW - Combined utility rates for the ongoing operation and maintenance activities of the wastewater, drinking water, and/or stormwater systems.

    - 0 points – Less than $50 combined user rates
    - 10 points – $50-$90 combined user rates
    - 25 points – More than $90 combined user rates

3. Reinstatement of CDBG funding for Stellar Pathways and the Main Street Revitalization Program (MSRP)

4. Program Specific Points will be adjusted for MSRP in accordance with the 2020-2024 Con Plan including:

- 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)

IHCDA values strong performance of organizations that receive these monies. To ensure this occurs, the agency monitors applicants for compliance on an annual basis. These performance reviews are taken into consideration for future funding levels and opportunities. Moreover, IHCDA has mechanisms throughout the program year to track and review compliance for performance.

In addition to the regular compliance monitoring, the Close-out Monitoring process allows IHCDA to determine if all reporting of initial tenant qualifications, procurement, and draw-downs and claims are completed according to federal regulations and program policies. Applicants with few or no findings can qualify for additional points on future funding applications.

IHCDA policy changes made in response to recent performance and compliance issues include:

- Implementing a policy which allows HOME funds to be granted to CHDOs in three specific other participating jurisdictions, namely Anderson, East Chicago, and Terre Haute.
- Removing the application fee for Homebuyer applicants
- Clarifying definitions of “development gap subsidy” and “direct subsidy”
- Increasing buyer subsidy to $60,000 (below 50% AMI) and $50,000 (above 50% AMI)
- Adding scoring categories for Life Expectancy, for post-purchase counseling, and for inclusion of units with 4+ bedrooms
- IHCDA will also continue to assess public comments on their respective policies and continue to make changes, when appropriate to the policies.

To end long-term homelessness, ESG funded organizations are required to work in coordination with Balance of State Continuum of Care (CoC) funded organizations to reduce the length of time people experiencing homelessness stay in shelters. This strategy manifests itself through the uses of IHCDA’s Coordinated Entry and HMIS systems to ensure clients vulnerability is assessed and the correct program is applied to their needs. These programs are administered within the same IHCDA division, Community Services, that partners with the CoC Balance of State Board of Directors.

In 2023, IHCDA and the Indiana Balance of State Continuum of Care engaged a contractor to create a new Coordinated Entry System (CES) assessment process to produce more equitable outcomes and ensure households are served in a more trauma-informed manner, stably housed quickly, and matched with the appropriate housing placement. In addition, IHCDA has also identified an additional contractor to provide an annual evaluation of the CES, which is required by HUD.

The Indiana Balance of State Continuum of Care Strategic Plan 2023-2025 has established an objective to provide guidance, training, and technical assistance to support Regional Planning Councils in order to strengthen internal operations to ensure organizations and people are supported within the homeless response system. Action steps towards fulfilling this objective will require a monitoring schedule of ESG projects to ensure that necessary information is included to meet HUD and CoC requirements and developing consistent metrics to evaluate active participation by HUD-funded programs in Coordinated Entry and Housing First implementation. This allows for continuity across programs policies and procedures, ensuring individuals are tracked throughout their experience in homelessness.

PR-05 Lead & Responsible Agencies – 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	Christmas Hudgens	Office of Community and Rural Affairs
ESG, HOPWA Administrator	Kristin Svyantek Garvey	Indiana Housing and Community Development Authority
HOME, HTF Administrator	Peter Nelson	Indiana Housing and Community Development Authority

Table 1 – Responsible Agencies

Narrative

Above are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

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AP-10 Consultation – 91.110, 91.300(b); 91.315(l)

1. Introduction

This section describes the consultation efforts undertaken for the 2024 Action Plan.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

In PY2023, OCRA continued its commitment to expanding coordination between private and public social services providers. In December 2023, OCRA staff was invited to present at a meeting hosted by the Inclusion Institute of Indiana on the types of accessibility modifications and home repairs that are included in its OOR program and provided an agency update on OOR program relaunch plans. This engagement led to follow up conversations with other local subject matter experts on best practices to support the effective design of accessible housing modifications needed for the health and safety of rural homeowners in their respective communities.

CDBG and Community Liaison staff also met with representatives from the Indiana CRA Bankers Association (ICRABA). The ICRABA is comprised of members from around the state who are involved with the Community Reinvestment Act. Its purpose is the promotion of 1) key concepts of the Community Reinvestment Act, including lending, investments, services and community development; 2) community development opportunities for low- and moderate-income households and communities, small businesses, and small farms throughout the State of Indiana; and 3) education and networking opportunities for member institutions to help identify community development opportunities consistent with the CRA. OCRA staff shared details on current agency programs and initiatives (owner-occupied rehab program and any others) that are underway. The goal of this collaboration was to help members better understand what can be done in their communities to support these programs for the benefit of low- to moderate-income individuals and geographies throughout the state.

CDBG and Community Liaison staff met with representatives from Star Financial Bank to discuss complementary funding resources available for homeowners with eligible repairs in order to create cross promotion strategies that will allow communities to more holistically leverage all available opportunities.

OCRA has also engaged the Governor's Council for People with Disabilities (GCPD) to explore new opportunities for strengthening inclusively across OCRA programming. OCRA staff meet regularly with representatives from GPCD to discuss options and to explore new potential program resources for engaging communities on how to prioritize these efforts.

The Office of Community and Rural Affairs (OCRA) adopted a Strategic Plan for Rural Indiana (effective 2023-2024) to align the unique challenges of the state's rural areas with the agency's programs and place-making efforts. The Strategic Plan for 2023-2024 was developed from feedback gathered by OCRA in 2017 when staff completed a 13-stop listening tour to discuss community and economic development in non-metropolitan communities with regional partners, stakeholders, and constituents across rural Indiana. From these discussions, OCRA's Strategic Plan proposed the following programmatic and policy framework for 2023 and 2024: relaunching the Recovery Housing Program and working with FSSA to develop new partnerships/technical assistance resources for local providers and communities to promote positive program outcomes (based on lessons from 2021); conduct ongoing meetings to address long-term solutions to rural infrastructure planning and development by collaborating with USDA-RD; develop/present collaborative sessions among rural leaders; and improve resources available to OCRA-certified Grant Administrators to enhance community-based knowledge of CDBG procedures (among others). In 2023, CDBG staff received 105 hours of training on community/economic development; 18 hours of technical assistance training was provided to grant administrators on submitting program income reports; 16 new grant administrators were certified (for a total of 150); and communities received $2.9 million to develop recovery housing through the Recovery Housing Program.

Through a partnership with the Indiana Department of Health, the IHCDA Community Services staff—which oversees the ESG and HOPWA programs—has increased its capacity to make shelter safer for everyone, and to encourage shelters across the state to utilize best practices in disease and outbreak prevention. The project is designed to improve infectious disease emergency preparedness in congregate care settings, specifically shelters and encampments. For this project, IHCDA hired a 3-person team to work regionally with homeless service providers to provide education, training, supplies, and assistance in policy creation to prevent or address an infectious disease emergency should one occur in their area. This team will work closely in collaboration with the CoC to identify sites and regions to target for these supports and provide training that will benefit all CoC members. The team is working to make connections and build relationships between emergency shelters and local health departments and other key health stakeholders such as FQHCs. In addition, a Community Services staff member participates in the quarterly Indiana HIV/STI/Viral Hepatitis Advisory Council.

IHCDA has implemented a second iteration of the IndianaHousingDashboard.com, a website that has curated demographic, economic, educational, housing, and other publicly available statistics for us by local units of government, community development corporations and boards, for-profit and non-profit developers, and other interested parties. These statistics can be viewed on a 10-year time horizon and in comparison between any number of local geographies within the state. The latest version of the Dashboard also provides guidance for public outreach, cooperation with local government, zoning and permitting processes, and much more. The goal of the Dashboard is to empower housing providers and local planning boards to work together on setting goals with solid data behind their decisions.

Ongoing partnerships/involvement in state taskforces with several state and local agencies and key stakeholders include:

- The "Task Force on Rural Affairs" is led by the Lt. Governor with members representing a range of housing and economic interests related to rural communities. Members include state departments/agencies, units of local government, developers, elected officials, economic development professionals, and universities. The task force is responsible for studying the economic and demographic challenges experienced by rural counties in the state (and identifying how these challenges correlate with workforce development).

- The “Intellectual & Developmental Disabilities Task Force” including elected officials, state departments, non-profit organizations, disability rights advocates, consumers of services for people with intellectual or developmental disabilities, employees that provide services to people with disabilities, and family members of people with disabilities. The task force is authorized through 2025.
- The “Mental Health and Substance Abuse Task Force” includes representatives from several state departments/agencies, the Indiana University School of Medicine, Choices Coordinated Care Solutions, and other health and social service organizations. The task force was created to increase access to quality mental health and addiction services for children and families.
- The “Low Barrier Homeless Shelter Task Force” including elected officials, representatives from state and local government departments, and organizations focused on homeless intervention and prevention strategies. The task force was created to determine the building and operation costs of a lower barrier homeless shelter in a consolidated city; and to identify funding sources for shelters and other community based homeless programs.
- The “Housing as Medicine” taskforce that includes representatives from the state’s health department and Medicaid office.
- The “Social Determinants of Health” task force includes representatives from the state’s health department and Medicaid office. The group is currently reviewing and evaluating a spectrum of state programs and policies for alignment opportunities and to promote healthy outcomes.
- The “Recovery Housing” task force led by the Governor’s Office and the Family and Social Services Agency’s Division of Mental Health and Addiction and is reviewing best practices in recovery housing models to identify gaps and potential legislative proposals needed to better fund and operate recovery housing in the state.
- The “Land Use” task force includes elected officials and residents with experience in residential construction; agriculture; business; food and beverage; local economic development; local planning and zoning; and land development or real estate. The task force was created to study development and growth trends in rural, suburban, and urban communities; and other community growth issues.
- IHCDA also manages the CHDO Working Group – of which 8-10 Community Housing Development Organizations meet quarterly to discusses best practices in their implementation of HOME-funded affordable housing projects. IHCDA will be re-engaging the CHDO Working Group in 2024.
- IHCDA has partnered with the State’s Division of Mental Health and Addiction and the Family and Social Service Agency to provide capital HOME funding to support the construction of

housing specifically for persons at risk of homelessness who have a Substance Use Disorder or Mental Health Disorder. This relationship will continue while PY2023 funding is still available.

- In cooperation with FSSA Division of Aging, IHCDA is studying anticipated supply and demand of age-restricted housing and services across the state over the next ten years. The study will be available as the PY2024 begins.
- The IHCDA Community Services division entered into a partnership with the Indiana Department of Health on a Homeless Health Infectious Disease initiative, which allowed IHCDA to hire three staff members who will be charged with working with congregate shelters to mitigate infectious diseases and ensure ongoing protocols.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The IN-502 Continuum of Care (CoC) Board serves and acts as the oversight and planning body on preventing and ending homelessness for the CoC General Membership Body. The Board comprises a diverse set of geographically representative stakeholders with the knowledge and expertise to create policy priorities and make funding decisions related to homelessness. The CoC Board or the Executive Committee meets a minimum of 4 times per year. IN-502 covers every county in the state except Marion County (equivalent to the City of Indianapolis).

The CoC Board members represent populations in the homeless community, including subpopulations such as chronic homeless, seriously mentally ill, chronic substance abuse, families, domestic violence, youth and veterans as well as two representatives from the Regional Planning Councils on Homelessness. As the Collaborative Applicant and HMIS Lead for the BoS CoC board, IHCDA, through the Community Services (CS) Division, oversees COC, ESG, and HOPWA funding sources. This structure allows for open communication and collaboration between CoC and ESG sub-recipients, which contributes to effective and equitable coordination of efforts to address the needs of homeless persons as well as continuity across funding sources and performance measures. Being located in Indianapolis also allows IHCDA to meet and partner with the Indianapolis CoC for statewide communication and coordination.

The BoS CoC board has committees set up to help reach special populations experiencing homelessness as well as governance of the CoC and its funds and continues to work on its organizational effectiveness to address homelessness throughout the state. The BoS CoC has approved their 2023-2025 CoC Strategic Plan, which was informed by stakeholders who observed additional challenges due to the COVID-19 pandemic and are concerned about the reduction and expiration of resources provided through the CARES Act. As part of the Strategic Plan, the IN BoS CoC will work to advocate for more resources that support the homeless response system and to right-size and refine programs across the housing spectrum for people experiencing homelessness.

The State ESG program presents their program plans to the BoS CoC Board, in addition to entitlement cities at their meeting annually. In March 2024, the IN BoS CoC Board aligned its committee structure to be able to address the needs of its 2023-2025 CoC Strategic Plan better and allow for collaboration with key stakeholders and partners that will build a more efficient and performance-based system to respond to homelessness. As part of its Strategic Plan, the In BoS CoC is working to incorporate appropriate racial equity analysis to inform the CoC Network and contribute to the Coordinated Entry system's assessment tool, process and prioritization scheme that creates a more equitable and trauma-informed process. The IN BoS CoC conducted a soft launch of the new CE assessment in January and February 2024 to test the process and gain feedback from clients and assessors. The task force is reviewing the prioritization policy in order to align it with the new assessment. The target roll-out date for the new assessment process is June-July 2024.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

In determining the ESG Allocation, a request for proposals is distributed to all the Regional Planning Councils on the Homeless throughout the Balance of State, current subrecipients of the ESG program, and current permanent supportive housing rental assistance programs who have had experience with rental assistance. The application is also available publicly on the IHCDA website and any new partners interested in the funds are sent a reminder once it is public.

Each proposal is reviewed by at least one IHCDA Community Services staff person. The reviewer completes a built in scoring tool in the application, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Once applications have been scored they are presented to the IHCDA board for approval and the CoC Board as a courtesy.

The performance standards for ESG were developed in collaboration with the governing body for the Balance of State CoC Board through the Funding & Resource Committee and approved by the Balance of State CoC Board by using the national standards outlined in Section 427 of the McKinney-Vento Act, as amended by the HEARTH Act. These performance standards will be reviewed annually to reaffirm that performance standards continue to be in alignment. The 2023-2025 CoC Strategic Plan included an Action Item to develop metrics for participation in HUD-funded programs in Coordinated Entry and Housing First.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	**Agency/Group/Organization**	American Planning Association
	Agency/Group/Organization Type	Agency – Management of Public Land or Water Resources Agency – Emergency Management Planning Organization Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Community Development Economic Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on March 5, 2024.
2	**Agency/Group/Organization**	ARC of Indiana
	Agency/Group/Organization Type	Services – Persons With Disabilities Services – Families With Children Services – Education Community Organization Resources
	What section of the Plan was addressed by Consultation?	Housing Needs – Persons With Disabilities Housing Needs – Families With Children Community Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Three representatives from the organization participated in an in-depth stakeholder interview on March 20, 2024.

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3	**Agency/Group/Organization**	Brazil Housing Authority
	Agency/Group/Organization Type	Public Housing Authority Housing Services – Housing Services – Families With Children Services – Homeless Services – Elderly Persons Services – Persons With Disabilities
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Public Housing Needs Homeless Needs – Veterans Homeless Needs – Chronically Homeless Homeless Needs – Families With Children Homeless Needs – Unaccompanied Youth Homelessness Strategy Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the housing authority participated in an in-depth stakeholder interview on March 13, 2024.
4	**Agency/Group/Organization**	Brightpoint
	Agency/Group/Organization Type	Housing Services – Housing Services – Homeless Services – Employment Services – Health Services – Families With Children Services – Narrowing the Digital Divide

	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Homeless Needs – Families With Children Homeless Needs – Unaccompanied Youth Homeless Needs – Chronically Homeless Homeless Needs – Veterans Economic Development Community Development Anti-Poverty Strategy Lead Paint Strategy ESG Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on March 6, 2024. Brightpoint serves communities, families, and individuals in poverty and/or experiencing homelessness achieve self-sufficiency through a range of housing, employment, and other assistance programs.
5	**Agency/Group/Organization**	Coalition Against Domestic Violence
	Agency/Group/Organization Type	Housing Services – Victims of Domestic Violence Services – Victims Services – Housing Services – Employment Services – Fair Housing Violence
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Non-Homeless Special Needs Homelessness Strategy Anti-Poverty Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Two representatives from the organization participated in in-depth stakeholder interviews on March 5, 2024, and March 27, 2024. Representatives were also consulted to recruit survivors of domestic violence for focus groups.
6	**Agency/Group/Organization**	Coalition to End Sexual Assault and Human Trafficking
	Agency/Group/Organization Type	Services – Victims of Domestic Violence Services – Victims Planning/Community Development Organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Community Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Four representatives from the organization participated in an in-depth stakeholder interview on March 1, 2024. The coalition supports survivors, service providers, and advocates and assists capacity building efforts through evidence-based trainings. ICESAHT also addresses public policy while raising community awareness.
7	**Agency/Group/Organization**	East Chicago Housing Authority
	Agency/Group/Organization Type	Public Housing Authority Housing Services – Housing Services – Families With Children Services – Homeless Services – Elderly Persons Services – Persons With Disabilities

	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Public Housing Needs Homeless Needs – Veterans Homeless Needs – Chronically Homeless Homeless Needs – Families With Children Homeless Needs – Unaccompanied Youth Homelessness Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on February 29, 2024.
8	**Agency/Group/Organization**	Governor's Council for People with Disabilities
	Agency/Group/Organization Type	Services – Persons with Disabilities Other Government – State
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Homeless Needs – Persons With Disabilities Community Development Economic Development Homelessness Strategy Anti-Poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on February 28, 2024.

9	**Agency/Group/Organization**	Grace Horizon
	Agency/Group/Organization Type	Services – Housing Services – Victims of Domestic Violence Services – Victims Services – Health Services – Employment Services – Narrowing the Digital Divide Violence
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Non-Homeless Special Needs Homelessness Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on March 12, 2024. Representatives were also consulted to help recruit survivors of domestic violence for resident focus groups.
10	**Agency/Group/Organization**	HealthPlus Indiana
	Agency/Group/Organization Type	Services – Persons with HIV/AIDS Services – Health Services – Education
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs HOPWA Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on March 14, 2024.

11	**Agency/Group/Organization**	Hoosier Uplands
	Agency/Group/Organization Type	Services – Persons With Disabilities Services – Elderly Persons Services – Health Services – Low Income
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-Poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on February 28, 2024.
12	**Agency/Group/Organization**	Jeffersonville Housing Authority
	Agency/Group/Organization Type	Public Housing Authority Housing Services – Housing Services – Families With Children Services – Homeless Services – Elderly Persons Services – Persons With Disabilities
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Public Housing Needs Homeless Needs – Veterans Homeless Needs – Chronically Homeless Homeless Needs – Families With Children Homeless Needs – Unaccompanied Youth Homelessness Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on February 29, 2024.

13	**Agency/Group/Organization**	Prosperity Indiana
	Agency/Group/Organization Type	Other Government – State Planning Organization
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Community Development Economic Development Anti-Poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Two representatives from the organization participated in an in-depth stakeholder interview on March 5, 2024.
14	**Agency/Group/Organization**	Purdue Extension
	Agency/Group/Organization Type	Services – Education Services – Migrant Farmworkers Services – Narrowing the Digital Divide` Planning and Research Organization
	What section of the Plan was addressed by Consultation?	Community Development Economic Development
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on March 27, 2024.
15	**Agency/Group/Organization**	Statewide Independent Living Council
	Agency/Group/Organization Type	Other Government – State Services – Persons With Disabilities Services – Elderly Persons

	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Non-Homeless Special Needs Homeless – Persons With Disabilities Homelessness Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	A representative from the organization participated in an in-depth stakeholder interview on April 4, 2024.
16	**Agency/Group/Organization**	The League – Inclusion Institute
	Agency/Group/Organization Type	Services – Persons With Disabilities Services – Education Services – Fair Housing
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Community Development Anti-Poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Two representatives from the organization participated in in-depth stakeholder interviews on March 19, 2024, and March 20, 2024.

Identify any Agency Types not consulted and provide rationale for not consulting

None; all relevant organizations and agencies were invited to participate in the process. OCRA and IHCDA utilized email notifications that reach more than 4,000 stakeholders and residents to encourage participation in the survey and public hearings.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	IHCDA	ESG goals are developed in collaboration with CoC planning through the inclusion of one board member that represents an ESG entitlement city collaborate interest
2020 Next Level Agenda	State of Indiana Governor's Office	CDBG goals and priorities support many aspects of the plan including supporting recovery from substance abuse addiction and enhancing educational attainment and broadband access.
OCRA Strategic Plan	OCRA	CDBG goals and priorities relate to rural challenges identified in the plan including the addiction crisis, affordable housing shortages, and aging water infrastructure.

Table 3 - Other local / regional / federal planning efforts

Narrative

IHCDA offers training and webinars to partner organizations on topics ranging from program application requirements to funds management to weatherization courses. IHCDA maintains resources on its website with detailed manuals that instruct its partners on how to develop and administer programs.

IHCDA partnered with the State Department of Health (IDOH) on mitigating the danger of Lead-based Paint through the Healthy Homes Resource Program and coordinates referrals from IDOH caseworkers to assist families who have children with an elevated blood lead level. IHCDA will also be launching the Healthy Homes Weatherization Cooperation Demonstration Grant in 2024, coordinate with a community action agency to braid both healthy homes funding and weatherization funding to assist households who are experiencing issues with mold and moisture intrusion, leading to asthma. As part of this effort, IHCDA has entered into an MOA with IDOH to share data across agencies and to receive referrals.   Continuum of Care and ESG recipients are taking Lead Based Paint training to be able to better assist clients with identifying health concerns in units older than 1978. In 2023, IHCDA provided training on Lead-Based Paint to all COC, ESG, and HOPWA recipients to insure they understand and adhere to all related policies and procedures.

IHCDA also established a strong relationship with the Family and Social Services Administration (FSSA) to coordinate affordable assisted living rental housing production and housing for persons with intellectual or developmental disabilities, or persons who have a chemical addiction. Through a partnership with FSSA, the Community Services Team will be rolling out TANF funding in June 2024 to current state ESG RRH recipients and ESG Entitlement recipients that will target housing needs for families and pregnant individuals. Later this year, we will be conducting a competitive portion to identify new projects.

IHCDA maintains its leadership role among Indiana Public Housing Authorities to promote the development of Permanent Supportive Housing and increase utilization of the VASH program. IHCDA has utilized its housing choice voucher program to provide rental assistance in PSH developments around the state. In the VASH program, IHCDA has developed relationships with PHAs around the state to allow veterans to utilize the VASH program where they would like regardless of if the local PHA has a VASH program. In 2023, a total of 371 households were assisted by the VASH program.

The Continuum of Care continues its work with entitlement cities that receive ESG funds to provided consultation and review project performance. The 2023-2025 CoC Strategic plan modified the terms of service of all board members. Board members (including the ESG representative) serve a 2-year term that can be renewed for another two years. Terms can be renewed three times. This is a collaboration between the Cities, State and the HUD CPD office to begin the process of utilizing funding with efficiency and to meet the most pressing needs statewide. IHCDA will continue to sponsor a host of learning opportunities for ESG and HOPWA grantees on the topics of Fair Housing, Rapid Rehousing (RRH), Housing First and other case management trainings to support their work statewide.

Finally, IHCDA staff members participate on a number of housing and community related boards and councils where key staff meet on a regular basis to train, plan, and partner. In 2022, IHCDA entered into a formal partnership with the Indiana Department of Education to hire regional navigators who work with McKinney Vento Liaison Coordinators to create a bridge between community and school resources for youth and their families experiencing housing instability. IHCDA staff serve on the following housing and community related boards and groups.

- IHCDA Compliance Working Group
- IHCDA CHDO Working Group
- IHCDA HOME Homebuyer Roundtable

- Main Street Council
- Indianapolis Metropolitan Planning Organization Central Indiana Housing Steering Committee
- Hamilton County Housing Collaborative
- Indiana University Community Advisory Board
- Morgan County Long Term Housing
- Indiana Chapter of Women in Affordable Housing Network
- Urban Land Institute
- National Association of Housing and Redevelopment Officials (NAHRO) Board,
- Youth Justice Oversight Committee,
- Indiana Mental Health and Addiction (IMHA) Planning and Advisory Council,
- Indiana Housing Trust Fund Advisory Committee,
- Family and Social Services Administration (FSSA) Division of Aging workgroup for the Indiana Master Plan on Aging,
- Back Home in Indiana Alliance Steering Committee,
- National Association of Homebuilders Housing Credit Certified Professionals Technical Advisory Board,
- Recovery Supports Workgroup (DMHA/FSSA),
- Indiana Pregnancy Promise Steering Committee (FSSA),
- CoC network for the Balance of State and Marion County,
- Marion County Re-Entry Coalition, and
- Affordable Housing Association of Indiana Board.

Low and Moderate Income resident consultation: Consultation of LMI residents is conducted by interviewing service providers and organizations that work directly with these populations; findings from the Indiana resident housing survey; and resident focus groups. For the PY2024 Action Plan, stakeholders serving persons with disabilities, low income households, residents vulnerable to housing discrimination and homelessness, survivors of domestic violence, and local government and economic development officials participated in interviews to help identify priority needs.

Consultation for the Annual Action Plan included two in-person focus groups with residents in Fort Wayne; one focus group with survivors of domestic violence in March 2024; and a statewide resident housing survey available between January 2024 and February 2024. A total of 2,620 residents responded to the survey—over half (52%) of which have household incomes below $50,000 per year.

Public Housing Authority consultation: IHCDA acts as the statewide housing authority for areas not otherwise covered in Indiana. IHCDA administers the Section 8 housing voucher program for the balance of state. IHCDA was an active participant in drafting the 2024 Action Plan through review, edits, input, and public hearings. Interviews were held with local public housing authorities in February and March 2024 to discuss the Annual Action Plan, PHAs were invited to distribute the resident housing survey to public housing residents.

IHCDA's Director of Housing Choice Programs is on the NAHRO Board (the association of all PHAs in Indiana), so she is able to communicate updates and feedback between IHCDA and NAHRO.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

Resident participation for the 2024 Action Plan included an online survey, available in January 2024 and February 2024; two virtual focus groups with survivors of domestic violence in March 2024; and two in-person focus groups on June 6, 2023, in the City of Fort Wayne.

Stakeholder consultation for the 2024 Action Plan included 20 number of interviews. Stakeholders included: public housing authorities; economic and community development professionals; housing and service providers; fair housing and civil rights organizations; advocacy groups; organizations that assist persons experiencing homelessness; religious groups; organizations working with seniors and persons with disabilities; LGBTQ+ advocates; and organizations serving survivors of domestic violence.

OCRA marketed the survey and public hearings using the Community Liaison Team through their assigned districts. It was also posted on OCRA's website and social media pages and was discussed during relevant stakeholder meetings including meetings with the Indiana Association of Regional Councils (IARC), Accelerate Indiana Communities (AIM), American Council of Engineering Companies Indiana (ACEC), Indiana Main Streets, etc. OCRA's Partner Contact emails reach approximately 2,200 email addresses.

IHCDA marketed the survey and public hearings through the following listservs (with the approximate number of recipients in parentheses):

1. IHCDA Updates (13,000)
2. IHCDA Real Estate Department (RED) Updates (3,400)
3. IHCDA Continuum of Care List (2,600)
4. IHCDA Community Services Contacts (350)
5. Regional Planning Council Chairs (23)

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Online survey	Residents	2,620	The survey captured residents' perspectives on a variety of housing and community and economic development needs and priorities, their experiences with housing discrimination and State programs, and access to banking and credit, job opportunities, and quality schools.	All surveys were reviewed and accepted.	English: https://www.surveymonkey.com/r/IndianaResidentHousingSurvey2024 Español: https://www.surveymonkey.com/r/IndianaResidentHousingSurvey2024?lang=es

2	Stakeholder discussions	Housing providers, organizations that assist persons at-risk of and experiencing homelessness, advocacy organizations, fair housing and civil rights groups, domestic violence service providers, and community and economic development organizations and officials.	20 interviews with 16 organizations, including: • American Planning Association • ARC of Indiana • Brazil Housing Authority • Brightpoint • Coalition Against Domestic Violence • Coalition to End Sexual Assault and Human Trafficking • East Chicago Housing Authority • Governor's Council on Disabilities • Grace Horizon • HealthPlus Indiana • Hoosier Uplands • Jeffersonville Housing Authority • Prosperity Indiana • Purdue Extension • Statewide Independent Living Council • The League, Inclusion Institute	Stakeholders across the state shared their perspectives on a variety of housing and community and economic development needs and priorities, their experiences with State programs, and their suggestions for changes and improvements. Feedback was also gathered on the state's fair housing landscape and access to equitable opportunities.	All input was considered in funding allocation and priority setting.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public hearings	Broad community	Two public hearings on the draft Action Plan were held. The first public hearing was held on February 20, 2024, at 4pm EST via Zoom and at the Indiana Government Center. Three participants joined virtually via Zoom; no participants joined in-person. The second public hearing was held on April 15, 2024, a 4pm EST via Zoom and in Downtown Indianapolis, Brookville Public Library, Fusion 54 Coworking Space (City of Crawfordsville), Monticello Public Library, and Huntington Public Library.	Comments during the first public hearing largely focused on the need for more affordable rental units, need for more homeownership opportunities, programs to acquire affordable/accessible housing units, and disproportionate housing barriers experienced by families with children, Black/African Americans, persons with disabilities, and seniors.	All verbal and written comments were accepted and considered in finalizing the PY2024 Plan	

4	Virtual Resident Focus Group	Survivors of Domestic Violence	One resident focus group was held with survivors of domestic violence on March 5, 2024. A total of three residents participated in the focus group. Root worked closely with the Coalition Against Domestic Violence, Coalition to End Sexual Assault and Human Trafficking, and Grace Horizon to recruit survivors of domestic violence to participate in resident focus groups.	• Housing options for survivors of domestic violence are limited to shelters due to barriers in the private rental market. • Survivors emphasized the importance of financial empowerment and stability. • More funding for housing and social service counselors is needed to meet survivors where they are. • Survivors would benefit from more apartment complexes/units with integrated and on-site support services. Apartments should prioritize survivors of domestic violence to facilitate housing choice and increase housing options for these populations.	All input was considered in funding allocation and priority setting.	https://us02web.zoom.us/j/83084706909?pwd=TEhmaXo1YkVtVGkwcElzRGxmR2Vsdz09

5	In-person Resident Focus Groups	Residents With Special Needs	Two in-person focus groups were held on June 6, 2023, in the City of Fort Wayne. Focus group participants represented both protected class groups as well as residents with special needs.	• Residents with disabilities have limited housing choice due to the lack of affordable and accessible housing near public transit. • Residents need more fair housing resources to educate tenants and landlords on federal and state fair housing law and basic fair housing violations. • Affordable rental units for large families are severely limited in all areas of the state. • Disparities in home appraisals are most prevalent in Black or African American communities, as well as homes with accessibility improvements. • Participants identified the most vulnerable populations in need of assistance as people with substance use	All input was considered in funding allocation and priority setting.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
				challenges, mental illnesses, criminal records, single parents, and LGBTQ persons.		
6	Public Comment Period	Broad community	A 30-day public comment period is being held between April 8, 2024, and May 8, 2024. The draft plan was posted on both the OCRA and IHCDA websites beginning on April 8, 2024. Notices about the availability of the Draft Action Plan were emailed to partner stakeholders.	TBD: public comment letters and/or emails were received during the public comment period. Public comments in their entirety are included in the Citizen Participation Attachment.	All public comments were reviewed and considered in finalizing the Action Plan for submittal to HUD.	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

This section specifies the expected amount of resources for the PY2024 Action Plan, based upon 2023 amounts of funding.

At the time this document was prepared, HUD's budget for PY2014 had not been determined. As such, contingency plans were developed to adjust the allocation if PY2024 funding is different than estimated.

<u>CDBG Contingency Plan:</u>

If cuts are less than 25%:

- CDBG OOR and Stellar Pathways funding amounts will remain at current proposed percentages (of the total CDBG allocation).
- Admin and Technical Assistance will be adjusted to remain at allowable percentages.
- Remaining percentage reduction(s) needed will be spread throughout all other existing programs based on current need as determined by OCRA.

If cuts are greater than 25%:

- Stellar Pathways funding amount will remain at current proposed percentage (of the total CDBG allocation).
- Admin and Technical Assistance will be adjusted to remain at allowable percentages.
- Remaining percentage reduction(s) will be spread throughout all other existing programs based on current need as determined by OCRA.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	$30,789,752	0	0	$30,789,752	$30,789,752	$12.5 million for Wastewater Drinking Program, $2.5 million for Public Facilities, $1.5 million for Blight Clearance Programs, $3.5 million for Stormwater Improvements, $3 million for Owner Occupied Rehabilitation (OOR), $0 million for PreservINg Main Street, $2 million for Main Street Revitalization Program, $4 million for Stellar Pathways, $1.5 million for Planning Grants, $200,000 for Technical Assistance, and $589,752 for Admin Costs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	$16,000,000	$1,909,726	$25,659,761	$48,938,129	$16,429,054	$800,000 – CHDO Operating; $120,000 – CHDO Pre-development; $1,600,000 - Admin; $2,000,000 - HOME Homebuyer; $1,000,000 – HOME Innovation (Lease purchase demonstration); $10,480,000 - HOME Rental construction. Any CHDO Operating or Pre-development, Admin, or Homebuyer funding that is unused may be converted to HOME Rental Construction. Program income on hand will be used for non-CHDO construction projects (both rental and homeowner) and TBRA ($1,200,000).

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	$2,160,235	0	0	$2,160,235	$2,160,235	$871,565 in TBRA $435,782 for housing information activities $373,528 short-term rental, utilities and mortgage assistance $186,764 support facility operations and supportive services $80,931 Permanent Housing Placement $211,666 subrecipient and grantee administration

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	3,967,121	0	0	3,967,121	3,967,121	$2.2 million emergency shelters with operations, essential services, and outreach $1.5 million rental assistance for rapid re-housing $251,084 for administration

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	$5,391,554	0	0	$5,391,554	$5,391,554	IHCDA will allocate 90% of its HTF dollars to affordable rental housing, specifically for supportive housing for extremely low-income households, (<30% AMI) which may include persons transitioning from homelessness and persons with disabilities. The HTF will also provide gap financing for Rental Housing Tax Credit developments and for HOME-ARP developments. 10% of the funds will be designated for Administrative costs, including capacity building and training. Any unused Admin funding will be used for construction of rental housing, specifically supportive housing.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The primary anticipated matches for PY2024 include:

- CDBG—local government contributions for water and wastewater, stormwater, and public facilities
- HOME—supporting grants
- ESG—cash
- HOPWA—IDOH grants and Ryan White assistance.

OCRA match. Matching funds include local public or private sector in-kind services, cash or debt allocated to the CDBG project. The level of local matching funds for CDBG projects is 10 or 20 percent of the total estimated project costs. This percentage is computed by adding the proposed CDBG grant amount and the local matching funds amount and dividing the local matching funds amount by the total sum of the two amounts. The current definition of match includes a maximum of 5 percent pre-approved and validated in-kind contributions. The balance of the 10 percent must be in the form of either cash or debt. Any in-kind over and above the specified 5 percent may be designated as local effort.

ESG match. ESG subrecipients are required to match 100 percent of the ESG award, and can include cash, grants, and in-kind donations.

HOPWA Leveraging. The primary sources of funding are from the Ryan White Grants and public funding from the Indiana State Department of Health and HIV Care Coordination.

HOME match. The HOME program requires a 25 percent match, which is the Federal requirement. Applicants must demonstrate eligible matching funds equal to 25 percent of the amount of HOME funds requested. If the applicant is proposing to utilize banked match for the activity:

1) To use the applicant's own banked match, the match liability on the previous award during which the match was generated must already have been met and documented with IHCDA for the match to be eligible as of the application due date. Only HOME-eligible match generated on IHCDA awards made in 1999 or later are eligible to be banked.

2) To use another Recipient's match, the applicant must provide a letter from the other Recipient verifying that the other Recipient is willing to donate the match.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

N/A; the State does not have publicly owned land or properties that will be used to address housing and community development needs during the five-year planning period. If publicly owned and donated land is used for match, that will be listed in the CAPER Match section.

Prior year resources. Prior Year funds will be used for eligible HOME projects, including rental construction projects, homebuyer construction, and the HOME Innovation projects. Prior Year Admin funds can be used for additional admin (up to the allowable cap, and for training contracts).

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Improve Community Water, Wastewater and Stormwater	2020	2024	Non-Housing Community Development		Water, wastewater and storm water system	CDBG: $16 million	Other: 25 Other
2	Support Community Revitalization	2020	2024	Non-Housing Community Development		Support of comprehensive community development	CDBG: $10 million	Other: 3 Brownfield/Clearance projects, 5 Public Facility projects, 3 Main Street Revitalization Community projects, 2 Stellar Pathways Designees
4	Provide Planning Grants to Local Governments	2020	2024	Non-Housing Community Development		Support of comprehensive community development	CDBG: $1,500,000	Other: 30 Other
5	Owner preservation, aging in place, accessibility (and new affordable home purchases)	2020	2024	Affordable Housing Non-Homeless Special Needs		Housing for low and very low income persons Homeownership opportunities low income households	CDBG: $3,000,000 HOME: $2,000,000	Homeowner Housing Rehabilitated: 186 Household Housing Unit HOME Homebuyer units: 15

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Create and Preserve Affordable Rental Housing	2020	2024	Affordable Housing		Housing for low and very low income persons	HOME: $10,480,000 HTF: $5,391,554	Rental units constructed: 90 Household Housing Unit Rental units rehabilitated: 70 Household Housing Unit
7	Build Nonprofit Housing Developer Capacity	2020	2024	Affordable Housing		Support of comprehensive community development	HOME: $800,000	Other: 10 Other (capacity building)
8	Rapid Re-Housing and TBRA to Prevent Homelessness	2020	2024	Homeless Non-Homeless Special Needs		Tenant based rental and rapid re-housing	HOME: Program Income ESG: $1,500,000	Tenant-based rental assistance / Rapid Rehousing: 8000 Households Assisted
9	Provide Operating Support for Shelters	2020	2024	Homeless Non-Homeless Special Needs		Assistance to homeless shelters	ESG: $2,200,000	Other: 50000 Other
10	Assist HIV/AIDS Residents Remain in Housing- STRMU	2020	2024	Non-Homeless Special Needs HIV/AIDS		Housing for low and very low income persons Tenant based rental and rapid re-housing	HOPWA: $ 414,103	Housing for People with HIV/AIDS added: 1000 Household Housing Unit
11	Provide Housing Information and Placement Services	2020	2024	Non-Homeless Special Needs		Support of comprehensive community development	HOPWA: $ 572,841	Other: 250 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
12	Support Facilities Serving HIV/AIDS Residents	2020	2024	Non-Homeless Special Needs HIV/AIDS			HOPWA: $207,051	Other: 250 Other
13	Assist HIV/AIDS Residents Remain in Housing--TBRA	2020	2024	Non-Homeless Special Needs		Tenant based rental and rapid re-housing	HOPWA: $966,239	Tenant-based rental assistance / Rapid Rehousing: 700 Households Assisted

Table 6 – Goals Summary

Goal Descriptions

1	**Goal Name**	Improve Community Water, Wastewater and Stormwater
	Goal Description	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 amount based on present combined user rates (water, wastewater, and stormwater). 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. OCRA will allocate $3,500,000 million 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 $600,000. 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 this program.

2	**Goal Name**	Support Community Revitalization

	Goal Description	OCRA will allocate $1,500,000 of its FY 2024 CDBG funds for the Blight Clearance Program (BCP) 2.0. BCP 3.0 is currently under evaluation while OCRA determines the feasibility of expanding the program in the future to include residential properties. Applications will be accepted in rounds, and awards will be made on a competitive basis. OCRA will award grants to applications that meet the criteria outlined in Attachments C and D hereto. 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 this program. OCRA will allocate $2,500,000 of its FY 2024 CDBG funds for the Public Facilities Program (PFP) 2.0. 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 Attachments C and D hereto. The PFP 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 this program. OCRA will allocate $0 of its FY 2024 CDBG funds for PreservINg Main Street. 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 $2,000,000 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 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. OCRA will allocate $2,000,000 of its FY 2024 funds to the Main Street Revitalization Program (MSRP) OCRA will award MSRP grants to eligible applicants to assist Indiana communities with streetscape 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 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% of the total project cost are required for all program applicants. 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. 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. OCRA will allocate $4,000,000 of its FY 2024 funds to the Stellar Pathways Program 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 IHCDA with CDBG funds will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations. All projects funded by IHCDA with HOME, ESG and/or HOPWA funds will meet the specific requirements set forth by those programs.
4	**Goal Name**	Provide Planning Grants to Local Governments
	Goal Description	OCRA will allocate $1,500,000 of its FY 2024 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 Attachment 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 10% of the total project cost are required for this program. A list of eligible plans and their specific maximum grant amounts are available on OCRA's CDBG website. The Office reserves the right to prefer one type of plan over other types of plans when making awards.
5	**Goal Name**	Owner preservation, aging in place, accessibility (and new affordable home purchases)
	Goal Description	OCRA will allocate $3,000,000 of its FY 2024 funds for Owner Occupied Rehabilitation (OOR). 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 Attachments C and D hereto. The OOR program shall have a maximum grant amount of $350,000 for cities and towns and $500,000 for counties. Matching funds of at least 10% of the total project cost are required for all this program. The OOR program is funded by CDBG and administered by OCRA. HOME funds are used for homeownership construction and purchases administered by IHCDA.$1,750,000 of HOME will be allocated for homeownership projects including construction activities and purchases overseen by IHCDA.

6	**Goal Name**	Create and Preserve Affordable Rental Housing
	Goal Description	HOME and NHTF will be used to create and preserve affordable rental housing. HOME dollars will provide subsidies in the form of grants and loans to selected applicants for the acquisition, rehabilitation, and/or new construction of rental housing for low and very low-income households. $10,480,000 (HOME) and $5,391,554 (HTF) will be allocated to rental projects and new construction. $1 million will be allocated to the HOME Innovation Round (for a lease purchase demonstration). If these funds are not utilized, they will convert to HOME rental construction.
7	**Goal Name**	Build Nonprofit Housing Developer Capacity
	Goal Description	This goal builds nonprofit capacity through pre-development funds and operating funds for CHDOs. CHDO pre-development funds are also available to eligible CHDOs on a rolling basis until funds are exhausted. CHDO operating fund dollars are also available to eligible CHDOs if they are funded for a CHDO Reserve project.
8	**Goal Name**	Rapid Re-Housing and TBRA to Prevent Homelessness
	Goal Description	The $1.2 million of Program Income allocated to TBRA will be converted to rental construction by CHDOs if not used. TBRA may be used in other participating jurisdictions.
9	**Goal Name**	Provide Operating Support for Shelters
	Goal Description	There will be approximately 60 agencies that will apply for the emergency shelter component that includes operations, essentials, and financial assistance and approximately 5-6 agencies that may apply for an outreach component. No more than the maximum allowed 60 percent of ESG funds will be allocated to operations, essentials, and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, nonprofits) who have had experience with rental assistance and will be published on the IHCDA and Balance of State C of C website.

10	**Goal Name**	Assist HIV/AIDS Residents Remain in Housing- STRMU
	Goal Description	Funds will be made available in the following percentages of the total awards made to project sponsors: 1) At least 60 percent to direct housing assistance: long-term rental assistance, short-term rental assistance, and facility based operations; 2) No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration; 3) No more than 35 percent to housing information and permanent housing placement activities; and 4) No more than 35 percent to supportive services that positively affect recipients' housing stability.
11	**Goal Name**	Provide Housing Information and Placement Services
	Goal Description	Funds will be made available in the following percentages of the total awards made to project sponsors: 1) At least 60 percent to direct housing assistance: long-term rental assistance, short-term rental assistance, and facility based operations; 2) No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration; 3) No more than 35 percent to housing information and permanent housing placement activities; and 4) No more than 35 percent to supportive services that positively affect recipients' housing stability.
12	**Goal Name**	Support Facilities Serving HIV/AIDS Residents
	Goal Description	Care Coordination Sites for one-stop shopping for persons to access the level of care that is needed. Persons will be able to receive testing, diagnosis, medical information, supportive services, and housing as needed.

13	**Goal Name**	Assist HIV/AIDS Residents Remain in Housing--TBRA
	Goal Description	Funds will be made available in the following percentages of the total awards made to project sponsors: 1) At least 60 percent to direct housing assistance: long-term rental assistance, short-term rental assistance, and facility based operations; 2) No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration; 3) No more than 35 percent to housing information and permanent housing placement activities; and 4) No more than 35 percent to supportive services that positively affect recipients' housing stability.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

The State of Indiana does not prioritize the allocation of CDBG, HOME, or ESG geographically.

For CDBG awards, OCRA allocates funds to the areas of greatest need based on stakeholder and resident consultation and the needs assessment and market analysis. This information is used to guide the funding priorities for each program year.

In FY 2024, funding for previously suspended OCRA programs including Stellar, and the Main Street Revitalization Program (MSRP) that were temporarily paused for FY 2020, FY 2021, FY 2022 and FY 2023 has been reinstated.

Exact criteria vary by program, yet all programs prioritize assisting low-income households. Most of IHCDA's housing programs prioritize 50 percent AMI households; ESG and HOPWA generally reach to lower income levels due to the nature of the populations they serve.

Funding Allocation Priorities

	Improve Community Water, Wastewater and Stormwater (%)	**Support Community Revitalization (%)**	**Provide Planning Grants to Local Governments (%)**	**Owner preservation, aging in place, accessibility (%)**	**Create and Preserve Affordable Rental Housing (%)**	**Build Nonprofit Housing Developer Capacity (%)**	**Rapid Re-Housing and TBRA to Prevent Homelessness (%)**	**Provide Operating Support for Shelters**	**Assist HIV/AIDS Residents Remain in Housing- STRMU (%)**	**Provide Housing Information and Placement Services**	**Support Facilities Serving HIV/AIDS**	**Assist HIV/AIDS Residents Remain in**	**Total (%)**
CDBG	55	30	5	10	0	0	0	0	0	0	0	0	**100**
HOME	0	0	0	12	73	6	9	0	0	0	0	0	**100**
HOPWA	0	0	0	0	0	0	0	0	24	25	9	42	**100**
ESG	0	0	0	0	0	0	40	60	0	0	0	0	**100**
HTF	0	0	0	0	100	0	0	0	0	0	0	0	**100**

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

ESG allocates emergency shelter and rapid re-housing, homeless prevention and outreach activities statewide.

The HOPWA grant does rely on a geographic allocation, determined through the Continuum of Care regions. Because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Region 7, it was determined that IHCDA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region, IHCDA will work with the regional sponsor to tailor services to meet the needs of the population.

IHCDA will continue its competitive Rental Construction rounds, to be held 1-2 times a year (depending on the availability of funds). IHCDA will allow non-profit partners who are proposing HOME rental projects in PJs that receive less than $500,000 to apply for IHCDA HOME fund through the competitive stand-alone HOME round. IHCDA will also allow for the use of HOME funding as supplemental gap financing for tax-credit projects.

IHCDA will hold $2 million of HOME Funding for HOME Homebuyer Construction activities. The HOME Funds will help to cover gaps in development budgets and in homebuyer affordability.

In 2023, the Permanent Supportive Housing Institute addressed issues of homelessness with a focus on serving people with high needs who are on the Coordinated Entry System. The 2024 Institute will continue to help supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. Participation in the Institute is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process. This year's Institute developments will be eligible for HOME Investment Partnerships Program (HOME) funds for a total of up to $500,000 dollars per project. Consideration will only be given to responses proposing 100% permanent supportive housing developments.

The 2024 Institute provided targeted training, technical assistance, and the opportunity to apply for predevelopment financing for both new and experienced development teams. Training and technical assistance focused on designing supportive housing for those referred from the Coordinated Entry System. Teams received individualized technical assistance and resources to assist in completing their project. Industry experts, including staff from the IHCDA, provided insight on property management, financing, and building design.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

IHCDA's method of distribution continues to target the various housing and homelessness priorities identified in the Consolidated Plan. IHCDA targets low- and very low-income persons through its HOME

Rental Program and Tenant Based Rental Assistance (TBRA) Program. The TBRA Program helps income-eligible households with rent, security deposits, and utility deposits, with specific attention towards low-income households with at least one member who is formerly incarcerated or who is exiting the corrections system without secure, stable housing. IHCDA also has higher subsidy limitations on HOME rental projects for units which target households at or below 50% AMI. IHCDA also awards competitive points through this policy for projects which have 20% of the units targeting 30% or 40% AMI households.

IHCDA will continue to set aside funding for the HOME Homebuyer Program and will continue to provide technical assistance to those organizations interested in participating. IHCDA has continued to streamline the application process for those who wish to apply under this program. IHCDA will also continue to work with the State Habitat for Humanity Office to provide technical assistance on the program. IHCDA will be piloting a lease-purchase program in PY24 to continue to build the pipeline of homebuyer properties.

To meet the priority need of supporting comprehensive community development, IHCDA will maintain its training schedule and will work alongside OCRA on the relaunch of the Stellar Program. The Stellar Program has been re-evaluated and was relaunched in 2024 with applications due in May 2024, with projects to be funded with PY2025 allocations.

In FY 2024, CDBG funds will be prioritized for basic health and safety improvements—specifically water and sewer infrastructure investments, public facilities, and clearance of blighted commercial and industrial sites—in rural areas that do not have the financial capacity or resources to make such critical improvements. Nearly half of the distribution of CDBG is typically allocated for these priority needs that help to address gaps in public infrastructure and services that arise as the needs of residents' change. The balance will address priority needs related to aging housing stock, economic growth and revitalization of rural communities with the goals identified in the Consolidated Plan through programs such as:

Stellar Pathways - The Stellar Pathways Program will be relaunched in FY 2024. Combining OCRA and IHCDA's experience with Stellar Communities, Regional Stellar, and the Hoosier Enduring Legacy, Stellar Pathways will elevate how regional planning occurs while partnering with universities and agency leadership in their community & economic development efforts. Stellar Pathways will guide regions to think innovatively and to take a holistic approach aligning identified needs and existing assets across four pathways. Regions will select projects within the Pathways following robust community outreach and engagement and through facilitated, pathway-specific focus groups. All finalists will develop Strategic Investment Plans that responds to the Region's identified needs.

Main Street Revitalization Program - The goal of this grant is to encourage communities with eligible populations to focus on long-term community development efforts. This can take the form of business creation, increased tourism, historic preservation, and other economic revitalization efforts catalyzed by innovative streetscape improvements in downtown commercial Indiana Main Street Districts.

Owner Occupied Rehabilitation (OOR) - OCRA recognizes that the effective management and administration of the (OOR) program is a significant effort at both the state and local level. As the needs of our rural communities continue to grow, the advantages of housing made available through the rehabilitation of existing homes seem evident based on public comment received. OCRA is also aware that numerous challenges exist which can impede the successful administration of this activity in accordance with all applicable federal requirements. For example, locally, there can be a great deal of variation from project to project and from community to community. Existing homes across the state differ in condition, age, etc. which can make the rehabilitation process far less predictable. Smaller rural communities with limited administrative capacity must often rely on regional partnerships, and/or other non-profits that act as sub-recipients for the OOR program because of the expense and complexity of the monitoring and oversight requirements. Challenges related to these requirements have become increasingly prevalent since the COVID-19 public health crisis and the resultant economic recession. The Office of Community and Rural Affairs (OCRA) recognizes the role of the OOR program in meeting the state's affordable housing needs and prioritized funding in FY 2024 to encourage continued use of the OOR program in rural communities to benefit aging and disabled residents.

The distribution of housing funds addresses the critical and growing need for affordable rental housing. IHCDA, as part of its HOME and HTF application review, assesses market need, developer financial capacity, the experience of the developer, and the financial capacity of the project through the period of affordability. IHCDA also scores applications on the past performance of the applicant, if the location of the proposed project is near areas of opportunity through its "Opportunity Index" (e.g., in counties with low unemployment), if the location of the project promotes positive health outcomes through its "Health Needs Index" (e.g., proximity to pharmacies and health care providers) and if the project will provide a high level of broadband access.

Additionally, in FY 2023, the ROZI state team launched a self-guided course for rural communities interested in strategically identifying and securing investment opportunities for rural Opportunity Zones. Utilizing expertise acquired from past rounds, the course will assist communities in creating their own prospectus documents to spur such investment in qualified projects to drive growth.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

This section summarizes the Methods of Distribution (MOD) for CDBG, HOME, HTF, ESG, and HOPWA for PY2024. Full MODs are appended to this Action Plan.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	**State Program Name:**	Emergency Solutions Grant (ESG)
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	The ESG application and more information can be found at: https://www.in.gov/ihcda/program-partners/emergency-solutions-grant-esg/. ESG uses different applications for each activity type (street outreach, shelter, rapid re-housing). Funding through the Emergency Solutions Program assists persons and families who are homeless find shelter, avoid homelessness and transition into permanent housing.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	IHCDA plans to allocate funding to up to 15 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Components of the ESG program for line items: Housing Relocation & Services (financial and services), Rental assistance and administration. There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately one-two agencies that may apply for an outreach component. No more than the maximum allowed 60 percent of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance and will be published on the IHCDA and Balance of State CoC website. Each proposal will be reviewed by at least one IHCDA Community Services staff person. The reviewer will complete a built in scoring tool in the application, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the average of their proposal score and the amount of funding that will be available.
	If only summary criteria were described, how can potential applicants access application manuals or other **state publications describing the application criteria? (CDBG only)**	N/A

	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	IHCDA plans to allocate funding to approximately up to 15 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Components of the ESG program for line items: Housing Relocation & Services (financial and services), Rental assistance and administration. There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately one-two agencies that may apply for an outreach component. No more than the maximum allowed 60 percent of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance. Each proposal will be reviewed by at least one IHCDA Community Services staff person. . The reviewer will complete a built in scoring tool in the application, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the average of their proposal score and the amount of funding that will be available.
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A

	Describe how resources will be allocated among funding categories.	No more than the maximum allowed of 60 percent of ESG funds will be allocated to operations and TBRA.
	Describe threshold factors and grant size limits.	The amount of each award could be between $50,000 - $350,000
	What are the outcome measures expected as a result of the method of distribution?	The goal of ESG is to prevent homelessness and assist families and individuals experiencing homelessness to find housing as quickly as possible. Please see the ESG MOD for the performance standards expected of ESG subrecipients.
2	**State Program Name:**	HOME
	Funding Sources:	HOME

	Describe the state program addressed by the Method of Distribution.	The HOME applications and information can be found at: https://www.in.gov/ihcda/4084.htm Tenant based rental assistance programs funded with HOME have a separate application, found here: https://www.in.gov/ihcda/4102.htm HOME Partnerships Investment Program is used to fund affordable rental unit construction and rehabilitation, develop affordable owner-occupied housing (HOME Homebuyer), assist special needs and homeless residents with housing needs (including through TBRA) and support the work of CHDOs.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Scoring appears in the HOME MODs for rental and homeownership programs. Those pairing HOME funding with the Indiana Permanent Supportive Housing Institute or the Rental Housing Tax Credit Program must also meet the requirements of those applications to be eligible. HOME rental applications are evaluated based on a policy that has undergone public comment. The criteria include: Project characteristics, Development Features, Project Readiness and Developer Capacity, Leveraging Other Sources, Unique Features and Bonus. The scoring also incorporates points for accessibility and visitability features in housing developments. HOME homebuyer applications are accepted on a rolling basis. If there are not sufficient eligible homebuyer applications, these funds may revert to the rental program. The scoring incorporates points for accessibility and visitability features, as well as units with 4+ bedrooms in housing developments. CHDO Pre-Development Funds are also available to eligible CHDOs on a rolling basis until funds are exhausted. CHDO Operating Funds are also available to eligible CHDOs if they are funded for a CHDO Reserve project.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A
	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A

	Describe how resources will be allocated among funding categories.	For the 2024 program year, the $16,429,054 (2023 Allocation) expected HOME funding will be allocated among the following programs: $10,480,000 rental construction projects $2,000,000 homebuyer construction projects $920,000 CHDO Operating and CHDO Pre-Development loans $1,600,000 administrative uses - $600,000 organizational capacity, $1,000,000 admin $1 million for the HOME Innovation Program, Lease-Purchase Pilot. If these funds are not utilized, they may convert to HOME rental construction. $1,200,000 Tenant Based Rental Assistance (TBRA) will be paid from Program Income. The balance of Program Income will be made available for non-CHDO homebuyer and rental projects. The balance of funds remaining and current year program income will be used for eligible activities which may include rental and homeownership construction, and CHDO Operating funds. If IHCDA does not receive sufficient eligible homebuyer applications then these set-aside funds may revert to rental construction after two years.

	Describe threshold factors and grant size limits.	The maximum request amount per application is $1,000,000 for Rental (non-CHDO or CHDO in an eligible PJ); $1,500,000 (CHDO); and $500,000 for homebuyer projects. HOME funds used for acquisition, rehabilitation, new construction, soft costs, relocation, rent-up reserve, and developer fee combined cannot exceed the following amounts for units designated 50% AMI or higher on rental units : $104,000 for a studio, $121,000 for a 1-bedroom unit, $139,000 for a 2-bedroom unit, $170,000 for a 3-bedroom unit; and $185,000 for a 4-bedroom+ unit; or the following for units designated 40% or lower: $130,000 for a studio, $152,000 for a 1-bedroom unit, $174,000 for a 2-bedroom unit, $210,000 for a 3-bedroom unit and $232,000 for a 4-bedroom+ unit The minimum amount of HOME funds to be used for rehabilitation or new construction is $1,000 per unit. The Homebuyer subsidy cannot exceed the HOME maximum value limits. HOME funds cannot be used for reserve accounts for replacement or operating costs but may be used as a Rent-Up Reserve. Lead hazard and homebuyer counseling are limited to $1,000 per homeowner or homebuyer. Tenant Based Rental Assistance will be made available to Partners through a Request for Qualifications. TBRA may pay for rent, security deposits and utility deposits. Eligible participants under this program are households in which at least one household member was formerly incarcerated and is experiencing housing instability. TBRA is available statewide. Information on the TBRA Administration Plan and the RFQ may be accessed here: https://www.in.gov/ihcda/4102.htm

	What are the outcome measures expected as a result of the method of distribution?	Actual outcomes will depend on the types of applications received. All programs have the same goal of improving the quality of existing housing stock in Indiana. Metrics are typically expressed in number of households assisted or units created. Other metrics include: 1) Number of CHDOS; 2) Geographic diversity; 3) Green building techniques; 4) AMI targets; and 5) Populations served.
3	**State Program Name:**	Housing Opportunities for Persons with HIV/AIDS
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	The HOPWA award manual and request for qualifications for applicants can be found at: https://www.in.gov/ihcda/program-partners/housing-opportunities-for-persons-with-aids-hopwa/ Housing Opportunities for Persons with HIV/AIDS assists persons with HIV and/or AIDS and who also have an income below 80% of AMI with housing placement and rental subsidies.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	IHCDA will facilitate a request for qualifications (RFQ), advertised through the CoC network and posted online, for HIV/AIDS service providers. The RFQ will gather information on the number of persons/households they plan to serve, housing plans, housing services, organizational capacity, performance goals, supportive services, and their proposed budget. The RFQ applicants need to meet the following thresholds: • Required to be a non-profit organization. • Required to be or have a relationship with a current Indiana Department of State Health Care Coordination Site. • Previous experience providing HOPWA assistance. • Coordinated care. Actively attending the local Regional Planning Council/Committees/Leadership roles within their Region

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A
	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A

	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	IHCDA will facilitate a request for qualifications (RFQ), advertised through the CoC network and posted online, for HIV/AIDS service providers. The RFQ will gather information on the number of persons/households they plan to serve, housing plans, housing services, organizational capacity, performance goals, supportive services, and their proposed budget. The RFQ applicants need to meet the following thresholds: • Required to be a non-profit organization • Required to be or have a relationship with a current Indiana Department of State Health Care Coordination Site. • Previous experience providing HOPWA assistance. Actively attending the local Regional Planning Council/Committees/Leadership roles within their Region. By having all subrecipients to be or have a relationship with a current Indiana State Department of Health - Care Coordination Site, we are providing a one stop shop for persons to access level of care that is needed. Persons will be able to receive testing, diagnosis, medical information, supportive services and housing if needed.
	Describe how resources will be allocated among funding categories.	Funds will be made available in the following percentages of the total awards made to project sponsors: • At least 60 percent to direct housing assistance: long-term rental assistance, short term rental assistance, and facility based operations; • No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration; • No more than 35 percent to housing information and permanent housing placement activities; • No more than 35 percent to supportive services that positively affect recipients' housing stability. Once the Federal budget is determined, IHCDA will make adjustments proportionally to increase or decrease the above HOPWA allocation MOD.

	Describe threshold factors and grant size limits.	Because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Region 7 and parts of Region 11, it was determined that IHCDA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region, IHCDA will work with the regional subrecipient to tailor services to meet the needs of the population.
	What are the outcome measures expected as a result of the method of distribution?	For HOPWA, IHCDA will use the following indicators to measure subrecipient's ability to achieve the desired outcomes: • Rental Assistance households/units • Short-term rent, mortgage and utility assistance households/units • Facility based housing operations support units • Housing information services households • Permanent housing placement services households Supportive services households
4	**State Program Name:**	National Housing Trust Fund
	Funding Sources:	HTF
	Describe the state program addressed by the Method of Distribution.	National Housing Trust Fund will be allocated in conjunction with HOME, HOME-ARP, and/or LIHTC funding to teams who complete the Indiana Supportive Housing Institute.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Applicants will be evaluated with the following criteria: 1) Eligible activities, 2) Needs of community, 3) Target populations to be served by the activities (<30% AMI and experiencing homelessness), 4) Support geographic diversity and link to comprehensive revitalization of existing neighborhoods, 5) Organizational capacity, 6) Energy efficiency of project, and 7) Use of M/WBE contractors.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	N/A
	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A
	Describe how resources will be allocated among funding categories.	All funds will be allocated to support the rehabilitation or new construction of supportive housing in conjunction with RHTC or HOME developments undertaken by teams that have completed the Indiana Supportive Housing Institute.

	Describe threshold factors and grant size limits.	The maximum request amount per application is $1,000,000 for eligible rental projects. At IHCDA's discretion, IHCDA may allow recipients to apply for additional HTF funding or award additional HTF funding if the project demonstrates additional needs and meets all subsidy layering and underwriting guidelines. HTF funds used for acquisition, rehabilitation, and new construction combined cannot exceed the following per bedroom limits: Studio - $139,750 1-bedroom - $163,400 2-bedroom - $187,050 3-bedroom - $225,750 4-bedroom+ - $249,400 Minimum amount of HTF funds to be used for rehabilitation or new construction is $1,000 per unit.
	What are the outcome measures expected as a result of the method of distribution?	Number of units constructed, acquired, and/or rehabilitated for <30% AMI households and persons experiencing homelessness.
5	**State Program Name:**	State Allocation of CDBG
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The CDBG MOD discusses the allocation of funds to subrecipients within the State programs of: • Stellar Pathways Program, • Blight Clearance Program 2.0 , • Main Street Revitalization Program, • Public Facilities Program , • Wastewater Drinking Program, • Stormwater Improvements Program, • PreservINg Main Street, • Owner Occupied Rehabilitation, • Needs Responsive Fund, • Urgent Need Fund, • Pilot Programs, • Planning Grants, • Technical Assistance, and • Administration

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Program criteria vary. In general, applications are accepted, and awards are made on a competitive basis throughout the program year. Criteria to select applications are located in attachments to the CDBG MOD.
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	Please see the MOD attached to this Action Plan.
	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A

	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A
	Describe how resources will be allocated among funding categories.	For the 2024 program year, the $30,789,752 million is expected. CDBG funding will be allocated among the following programs: • $12.5 million for Wastewater Drinking Program, • $2.5 million for Public Facilities, • $1.5 million for Blight Clearance Programs, • $3.5 million for Stormwater Improvements, • $3 million for Owner Occupied Rehabilitation (OOR) • $2 million for Main Street Revitalization Program, • $4 million for Stellar Pathways • $1.5 million for Planning Grants, • $200,000 for Technical Assistance, and • $589,752 for Admin Costs.
	Describe threshold factors and grant size limits.	Please see the program specific grant limits and factors located in the CDBG MOD.
	What are the outcome measures expected as a result of the method of distribution?	The expected outcomes vary by program; full details are contained in the CDBG MOD.

AP-35 Projects – (Optional)

Introduction:

For the 2024 program year, the State proposes to allocate funding to the following activities:

CDBG funds:

- $12.5 million for Wastewater Drinking Program,
- $2.5 million for Public Facilities,
- $1.5 million for Blight Clearance Programs,
- $3.5 million for Stormwater Improvements,
- $3 million for Owner Occupied Rehabilitation (OOR)
- $2 million for Main Street Revitalization Program,
- $4 million for Stellar Pathways
- $1.5 million for Planning Grants,
- $200,000 for Technical Assistance, and
- $589,752 for Admin Costs

HOME funds:

- $10,480,000 rental projects/construction
- $2,000,000 homeownership projects/construction
- $920,000 for CHDO operating and pre-development
- $1.60 million administrative uses
- $1 million for the HOME Lease-Purchase Pilot.
- Program Income:
    - $1.2 million Tenant Based Rental Assistance (TBRA) TBRA may be used in other Participating Jurisdictions
    - Non-CHDO homebuyer and rental projects
- The balance of funds, and any Program Income collected during PY2023, may be made available

for rental, homebuyer or CHDO operating funds (up to the allowable cap).

- Any Program Income collected in PY 2023 can be utilized in PY 2024.

ESG funds:

- $2.2 million emergency shelters with operations, essential services, and outreach
- $1.5 million rental assistance for rapid re-housing
- $251,084 for administration

HOPWA funds:

- $966,239 in TBRA
- $ 572,841for housing information and placement activities
- $ 414,103 for short-term rental, utilities and mortgage assistance
- $207,051 support facility operations and supportive services
- $211,666 subrecipient and grantee administration

HTF: $5,391,554 for acquisition, rehabilitation, and new construction of supportive housing to serve <30% AMI households and persons experiencing homelessness. 10% of the allocation will be set aside for Administrative costs. Any Admin funds remaining will be made available for acquisition, rehab, and construction of supportive housing.

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

PY2024 allocations prioritize housing needs of the most under-resourced residents, including persons with disabilities, experiencing or at-risk of homelessness, with substance abuse disorders, and/or with mental illness challenges. These Indiana residents have been most impacted by the pandemic and rising housing costs. For CDBG, investments prioritize infrastructure improvements and economic revitalization to assist non-entitlement areas in their continued recovery from the pandemic and jump start private investment.

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

N/A

Acceptance process of applications

N/A

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State's Process and Criteria for approving local government revitalization strategies

N/A.

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

The State of Indiana does not prioritize the allocation of CDBG, HOME or ESG geographically. Instead, OCRA and IHCDA allocate funds to the areas of greatest need, based on stakeholder and resident consultation and the needs assessment and market analysis. This information is used to guide the funding priorities for each program year.

Exact criteria vary by program, yet all programs prioritize assisting low-income households. Most of IHCDA's housing programs prioritize 50% AMI households; ESG and HOPWA generally reach lower income levels due to the nature of the populations they serve.

For IHCDA's HOME program, applications for rental and homeownership projects located within non-participating jurisdictions and those Participating Jurisdictions which receive less than $500,000 of HOME funding directly from HUD will be considered for funding.

Several IHCDA programs are available for projects statewide. This includes IHCDA's HOME Tenant Based Rental Assistance Program, and projects selected through its Supportive Housing Institute, which utilize HOME and HTF. Evaluation of the HTF program applications includes a geographic diversity components and leverage of comprehensive community revitalization.

The HOPWA grant does rely on a geographic allocation, determined through the Continuum of Care regions because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Washington, Harrison, Floyd, and Clark counties. These four counties are served by Louisville/Jeffersonville, KY-IN MSA. In addition, Dearborn, Franklin, Ohio, and Union Counties are served by the Cincinnati, OH-KY-IN MSA. It was determined that IHCDA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region (for example, homeless men in Lake County), IHCDA will work with the regional subrecipient to tailor services to meet the needs of the population. IHCDA will be evaluating the HOPWA program in 2024 and soliciting feedback from service providers to ensure the allocation of funds meet the needs of eligible populations and modernization of the program.

Rationale for the priorities for allocating investments geographically

The State agencies that receive funds determine geographic allocation based on grants that are awarded each year. Both OCRA and IHCDA monitor geographic distribution of funds to ensure that application criteria do not have the effect of disproportionately allocating funds into specific geographic areas.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

This section lists the one year goals for numbers of households supported through HOME funding. These numbers are based on prior year accomplishments (reported in the CAPER) and projected project costs.

One Year Goals for the Number of Households to be Supported	
Homeless	20
Non-Homeless	255
Special-Needs	20
Total	295

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	75
The Production of New Units	200
Rehab of Existing Units	20
Acquisition of Existing Units	0
Total	295

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion:

The precise number of households to be supported through production of new units, rehab of existing units and acquisition of existing units is not yet known. It will be based upon the number of applications received. In addition to the number of units produced or preserved, the quality of the housing developments and supportive programming is a strong focus of the HOME funding program.

OMB Control No: 2506-0117 (exp. 09/30/2021)

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

This section describes IHCDA's efforts as a public housing authority to improve the needs of renters receiving public housing subsidies.

Actions planned during the next year to address the needs to public housing

Since January of 2019, IHCDA has approved eight Rental Assistance Demonstration projects, preserving 1,081 units across the State of Indiana.

In the 2025 QAP, ten percent (10%) of available annual Rental Housing Tax Credits will be set aside for Developments involving the substantial rehabilitation of existing federally assisted affordable housing and/or the demolition and decentralization of federally assisted affordable housing units utilizing the same site (over 50% of the units must be replaced in the Development/Application).

This includes:

1. Developments that propose the preservation of HUD or USDA affordable housing; or RHTC Developments with Compliance Periods that have expired or are expiring in the current year and the extended use agreement is still in place; or
2. Federally assisted developments which entail demolition and decentralization of units with replacement of units on the same site as described above.

To be eligible for the set-aside, a Development must meet the following requirements:

- If a Development contains multiple building and construction types, at least 50% of the units must qualify as preservation units; and

- Rehabilitation hard costs must be in excess of $30,000 per unit excluding the costs of furniture, construction of community buildings and common area amenities. However, USDA Rural Development Section 515 properties may include the cost of construction for community buildings and common area amenities in the minimum per unit amount. Note: for Developments competing in all other set-asides, rehabilitation hard costs must be in excess of $20,000 per unit.

In addition, IHCDA also offers points to Rental Housing Tax Credit Applications who propose the preservation of HUD or USDA affordable housing (including, but not limited to Project Based Section 8, Public Housing or RD 515 Properties).

Actions to encourage public housing residents to become more involved in management and participate in homeownership

N/A; the State does not own or operate public housing developments.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

IHCDA is a High Performing Section 8-only PHA.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

For the 2024 Action Plan, the State considered feedback from housing and social service providers as well as economic development professionals about the growing challenges of assisting residents experiencing homelessness. Stakeholders expressed concern about the shortage of housing and services available for persons with mental illnesses and substance use challenges as well as renters with histories of eviction and/or felonies. Discussions with stakeholders also revealed a significant need for more funding for local shelters and programs serving residents experiencing homelessness (including households at risk of homelessness).

An adequate supply of affordable housing with integrated services and community supports is critical for residents with special needs including persons with disabilities, survivors of domestic violence, and seniors. Stakeholders would like to see more robust housing and services, as well as funding for organizations to conduct prevention outreach and strategies (in addition to intervention strategies).

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The State relies on its partners to conduct outreach to persons who are homeless, assess their needs and communicate these needs to the State. To that end, the State will:

- Require all HUD McKinney Vento Funded programs to utilize HMIS for all shelter or transitional housing or permanent supportive housing programs serving homeless individuals and families.
- Require all HUD McKinney Vento Funded programs to participate in the annual, statewide homeless Point-in-Time Count in late January and timely submission of this data to IHCDA.
- Require all HUD McKinney Vento Funded programs subrecipients actively participate in their Regional Planning Council on the Homeless meetings regularly.
- Require all HUD McKinney Vento Funded programs to participate in the Coordinated Entry in their Region.

In October 2023, IHCDA released a report and evaluation of the state's Balance of State CoC Coordinated Entry System (CES) processes. The report was completed in collaboration with C4 Innovations to gather accurate information that evaluates the effectiveness of the client flow through the CES; and to identify racial disparities within the CoC's CES.

Several recommendations were developed from stakeholder interviews, surveys, and HMIS data analysis. Over the next year, IHCDA will work with its partners to assess the feasibility of implementing the following action items to increase homeless outreach and improve homeless needs assessments:

- Expand the United Way Grant to cover transportation costs in rural areas and for individuals with disabilities.
- Develop targeted outreach strategies for youth, young adults, families, immigrants, and seniors that address their unique needs.
- Enhance communication and advertising throughout the CES system, especially in rural areas and regions to increase residents' awareness of available resources.
- Maximize the PIT count to engage with individuals experiencing homelessness and connect them with CES resources.

Addressing the emergency shelter and transitional housing needs of homeless persons

In addition to the allocation of ESG to meet the needs of persons who are homeless (see AP-25), emergency shelter and transitional housing needs are addressed through the ESG's participation in their local Regional Planning Council on Homeless in their Region but also through each Committee under the CoC Board. The Committees have been updated by the new CoC Board. They are: Executive Committee, Resources and Funding Committee, Strategic Planning Committee, Performance and Outcomes Committee and Ad Hoc Committees as needed. The State ESG program is part of the work of each committee in some way or another.

The 2023-2025 CoC Strategic Plan was informed by experience from the Board of Directors, stakeholders, and a planning session between the Board of Directors and IHCDA. Important goals laid out were to increase affordable housing opportunities for people experiencing homelessness, advocate for resources to support the homeless response system, create a more equitable homeless response system to support and elevate minoritized people, strengthen internal operations to ensure organizations and people are supported within the homeless response system, and right size and refine programs across the housing spectrum for people experiencing homelessness. These goals in coordination address the holistic needs for both the individual level and state level by incorporating personalized information into the homeless response system and advocating for increased affordable housing opportunities.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Rapid re-housing activities include housing relocation and stabilization services and financial assistance with rent, utilities, arrears, and deposits. The function of these funds is to provide short-term assistance to individuals and families. The State offers shelters a version of RRH that did not include rental assistance, and instead covers one time assistance to support a direct connection from shelter to permanent housing including housing relocation and stabilization services, utilities, arrears, and deposits.

Sub-recipients that receive RRH funds are required to create a Memorandum of Understanding (MOU) with shelters in their region to further strengthen the connection from emergency housing to permanent options including rentals with short/medium term subsidy.

IHCDA requires annual evaluation reports of CES performance to ensure that both qualitative and quantitative information is collected and used to identify opportunities for continuous system improvement. IHCDA's policy requires CES leads and their partners to complete a comprehensive evaluation of participant outcomes with the opportunity to change coordinated entry processes that are not working. Results from the evaluation are shared with funders and policy makers—to build capacity and strengthen the continuum of care for persons experiencing homelessness.

A persistent barrier to the transition to permanent housing is lack of employment and accessible transportation, especially in rural areas. Employment and transportation barriers preventing the transition to permanent housing disproportionately impact youth, young adults, and persons with disabilities. Emergency shelters also reported that clients face challenges in moving from shelters into permanent or transitional housing within the 40-day timeframe, which was the objective. Lack of affordable housing availability continues to be a key factor in extended lengths of stay in shelter while the housing search is in process.

Given the above barriers, IHCDA has committed to considering new initiatives and working partnerships across the state to increase access to housing vouchers and priority measures for voucher waitlists based on vulnerability, homeless status, domestic violence experience, elderly status, and families with children.

In developing the 2023 CES Evaluation Report, IHCDA heard from CES stakeholders that many applicants accept any housing option offered to them due to the lack of affordable housing options available—and although applicants have a choice in their housing, many feel they have to accept any opportunity they are given. To this end, IHCDA and partners will consider providing educational materials for clients about the CES process to manage housing expectations. Materials may not control the flow of the CES but can increase understanding and improve system communications—IHCDA has proposed including materials on websites (e.g., IndianaHousingNow.org), distributing materials to providers, and hanging materials out to CES applicants.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The Indiana Supportive Housing Institute is an important element of the Indiana Permanent Supportive Housing Initiative (IPSHI), which was launched by IHCDA and the Corporation for Supportive Housing (CSH) in 2008 to further the strategy to end long-term and recurring homelessness. The focus is on funding lasting solutions instead of stop-gap programs. In 2022, the Permanent Supportive Housing Institute addressed issues of homelessness with a focus on serving people with high needs who are on the Coordinated Entry System. The 2024 Institute will address issues of homelessness with a focus on serving people with high needs who are referred from the CE system by helping supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. Participation in the Institute is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process.

The 2024 Institute developments will be eligible for only 100% permanent supportive housing developments. Developments are eligible for Low Income Housing Tax Credits (LIHTC) through the Housing First Set-Aside of IHCDA's Qualified Allocation Plan (QAP). Development teams are eligible to request additional capital funds in the form of low interest loans from IHCDA through the Indiana Affordable Housing and Community Development Fund program. Teams will also have access to project-based rental assistance from IHCDA in the form of project-based vouchers if local project-based vouchers are not available.

The Institute and its partners will provide targeted training, technical assistance, capacity-building resources, and the opportunity to apply for predevelopment financing for both new and experienced development teams. Teams will receive over 80 hours of training including individualized technical assistance and resources to assist in completing their project. In addition, industry experts, including staff from IHCDA, will provide insight on property management, financing, and building design. As stated in the Institute's 2024 RFP, upon completion, partners will have: individualized supportive housing plans with supportive service and delivery strategies; skills to operate existing supportive housing and develop new projects; strong property management and service teams; and access to capital funding and rental assistance from IHCDA. Institute deliverables include: approved project concept including site selection and minimum development design characteristics; Memorandum of Understanding; a shared mission statement; Community Support Plan; Detailed Supportive Services Plan; Tenant Selection Plan; Tenant Involvement Plan; Property Management Plan; Eviction Prevention Plan; operating policies and protocols; and preliminary project proposals and budgets.

The State of Indiana allocated significant funding for a range of housing, community development, and economic development programs and activities targeting low income households and special needs populations in FY2023. Programs and activities included: homeless prevention grants to support programs that prevent homelessness among foster youth, expectant mothers, and other special needs groups; Regional Economic Acceleration and Development Fund; Housing First Program; Attainable Homeownership Tax Credit Program; and funding for a Low Barrier Homeless Shelter Grant Program in Indianapolis.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	225
Tenant-based rental assistance	125
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	25
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	375

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

Barriers to addressing affordable housing needs that have been identified in the housing analysis from the Consolidated Plan and 2024 Analysis of Impediments to Fair Housing Choice (AI) include:

- Poor condition of affordable housing stock according to residents and stakeholders. Inability of residents to make needed improvements due to low incomes. Difficulty obtaining private sector loans to complete needed improvements due to low incomes of those living in units in poor condition.
- Disproportionately high levels of cost burden and lower homeownership rates for minority populations due to historically low incomes, high mortgage denial rates, and lack of affordable/ publicly subsidized housing to meet their needs. Cost burden gaps are greatest for minority residents earning between 30 and 50 percent AMI—those just over the poverty level. Homeownership rates are lowest for Black or African American residents.
- High mortgage loan denial rates for non-White residents, even when adjusting for income level.
- Minority residents, residents with disabilities, single parents, and low income households are most likely to express challenges with home buying associated with saving enough for down payments and meeting mortgage loan qualifications.
- Higher use of publicly-supported housing by African American residents, suggesting challenges obtaining private market housing.
- Housing choice for residents with disabilities restricted by the lack of available, affordable, accessible housing. Around one in five (21%) of residents live in a home or apartment that does not meet their family's disability needs. The most needed accessibility improvements are grab bars in bathrooms, ramps, and wider doorways.
- High rates of eviction due to non-payment of rent for Black/African Americans, households with children, single parents, and large households. Rent increases among persons with a disability, extremely low to moderate income households, and minority residents.
- Landlords not accepting service animals and charging higher rents or deposits for persons with disabilities requesting reasonable accommodations.
- Landlords not renting to families with children and charging higher rents or deposits for families with children.
- Limited housing opportunities for survivors of domestic violence/human trafficking according to residents and service providers. Housing choice is restricted for this population due to rental application requirements (e.g., credit scores, background checks), lack of affordable rental

housing, and discriminatory housing practices.

Economic Opportunity Issues

- Gaps in educational attainment for Hispanic residents.
- Residents with disabilities face challenges finding employment and those who are employed earn less than those without a disability. Almost all residents with a disability in the state have incomes below the federal poverty line.
- Economic differences contributing to segregation, mostly in urban areas. In some areas, systemic steering, lack of opportunity and lack of available housing perpetuate racially homogenous neighborhoods.
- Limitations (property tax caps) on State and local tax revenue generation.
- Severe lack of services and trained staff to deliver mental health and supportive services.
- Limited economic mobility for racial/ethnic minorities and special needs households (e.g., saving a certain amount of money each month for emergencies and goals such as education, homeownership, gifts, or vacations).

The factors contributing to these issues are:

- Economic weaknesses in some non-entitlement areas preventing residents from making needed repairs.
- Lack of affordable and accessible housing stock.
- Historically lower incomes of non-White and Hispanic residents and, for Hispanic residents, lower rates of educational attainment.
- Residents with disabilities facing lower employment opportunities and discrimination in housing markets.
- Families with children and non-White and Hispanic residents experiencing discrimination in rental market transactions.
- Landlords not complying with and/or not understanding fair housing laws, particularly reasonable accommodations and the Violence Against Women Act (VAWA).
- Insufficient resources to fund ADA improvements to public buildings and infrastructure, particularly in rural areas.

The IndianaHousingDashboard.com is up and running, providing a wide range of data for community organizations and housing planners around the state. IHCDA is working to develop the second iteration of the dashboard which will provide additional sets of data with the granularity of census tracts, all with additional tools for market needs analysis and additional resources for funding and planning.

Also, in its 2023-2024 QAP, IHCDA will require all developments in the housing tax credit program to create an Affirmative Fair Housing Marketing Plan (AFHMP) using HUD Form 935.2A. This requirement will affect nearly all rental developments assisted with HOME Funds and HTF.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Since the 2016 AI was developed, OCRA and IHCDA have worked closely with the Fair Housing Center of Central Indiana (FHCCI) and the Indiana Civil Rights Division (ICRC) to address the identified barriers. In 2022, IHCDA coordinated with FHCCI to provide a workshop for owners, developers, and property staff to better understand Fair Housing laws and compliance. These partnerships will continue during the 2024 Program Year and will focus on: Fair housing testing; Fair housing training and education and outreach; and inspecting and testing IHCDA funded properties for fair housing compliance.

Land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations and policies affecting the return on residential development and largely determined at the local level and are outside of the State’s purview.

AP-85 Other Actions – 91.320(j)

Introduction:

This section describes a variety of other efforts the state will continue during the program year to help address housing and community development needs.

Actions planned to address obstacles to meeting underserved needs

The state will continue to provide training for the application process associated with the HUD grants to ensure equal access to applying for funds, and continually review and update its proposed allocation with current housing and community development needs, gathered through the citizen participation plan and demographic, housing market and community development research.

As an example, the IHCDA HOME Rental and Homebuyer Policies contains an Opportunity Index scoring section. The purpose of this category is to incentivize developments in areas of opportunity. The Opportunity Index awards points for locating projects in areas close to public transportation and fresh produce as well as in areas with low unemployment rates, high job growth, and high median household incomes. Together, these categories enable IHCDA to ensure projects are being funded in areas of opportunity and in addition to areas where there is a high need for assistance.

The state will continue the Neighborhood Assistance Program which provides tax credits for nonprofit organizations to leverage contributions for neighborhood programs and projects that benefit economically disadvantaged areas and persons. Projects eligible for tax credits under the program include: affordable housing; counseling services; child care; education assistance; emergency assistance; job training; medical care; recreational facilities; downtown rehabilitation activities; and neighborhood revitalization activities. Tax credits are awarded in the amount of $40,000 per organization.

In early 2024, IHCDA hosted a technical assistance webinar to answer general questions about HOME Rental Construction application forms for developers. The webinar also aims to educate applicants about IHCDA's goal of funding housing for low-income people that are accessible, energy-efficient, and include MBE, WBE, Federal Disadvantaged Business Enterprise (DBE), VOSB, and/ or SDVOSB contractors and team members. IHCDA will also allow for CHDOs to apply for HOME funding if their project is located within a PJ who receives less than $500,000 of HOME if the PJ also commits HOME funding to the project; this policy can assist with financing HOME projects which otherwise may have significant financial gaps in markets in which a larger LIHTC project may not be feasible, or in which there is not a market.

IHCDA has also worked on providing and supporting capacity building of non-profits and CHDOs, offering a myriad of trainings including, but not limited to: Grow American (formerly known as National Development Council) Rental Housing Development Certification, CHDO and Non-Profit Executive Course, HOME Fundamentals Training, Project Development Training, Green Building Certification, Lead and RRP Training and Certification, Aging in Place Certification, Universal Design Certification, Fair Housing Training, and training on Environmental Reviews and Section 106. IHCDA will continue these trainings in PY 2024. Through this training, IHCDA hopes to continue to provide quality training on how to use its federal funding and to ensure the highest quality of affordable housing.

In early 2023, IHCDA's compliance team offered a free webinar training for owner and management agents that need to complete the 2022 Annual Owner Certification of Compliance. The training focused on how payments can be completed in the IHCDA online payment portal, adding units and utility allowances, recertification, and other related topics. In 2023, IHCDA, in partnership with TDA consulting and HUD's CHDO Technical Assistance Provider, provided a 17-week training series on Community Housing Development Organization (CHDO) regulations and non-profit management best practices. The training includes presentations and assignments for participants aimed to improve project management.

IHCDA maintains its commitment to funding Tenant Based Rental Assistance. IHCDA designed its TBRA program to improve the range of housing options for income qualified formerly incarcerated individuals. Under IHCDA's TBRA Program, IHCDA may provide security deposits, utility deposit assistance, or rental assistance.

A separate and distinct program offered by IHCDA is the RampUp Program. RampUp provides grants to nonprofits to install exterior ramps to homes (up to $5,000 per home) to improve accessibility for those Hoosiers with mobility and movement challenges. This program can assist any household with a member who is under six years of age, who is over 62 years of age, or who has a disability. Other limited repairs and modifications can be done to improve access, including the widening of doorways and the minimization of thresholds.

In 2023, IHCDA and the Indiana Balance of State Continuum of Care engaged a contractor to create a new Coordinated Entry System (CES) assessment process to produce more equitable outcomes and ensure households are served in a more trauma-informed manner, stably housed quickly, and matched with the appropriate housing placement. In addition, IHCDA has also identified an additional contractor to provide an annual evaluation of the CES, which is required by HUD.

In 2023, IHCDA completed a study for the Indiana General Assembly on the feasibility of continued development of affordable assisted living facilities. The study provided information about demographic characteristics including percentage of the population in older age brackets, the percentage of people living with a disability, and the percentage living in areas with great housing needs. In part, the study highlighted the challenges of developing affordable assisted living in small towns and in counties where density is extremely low.

In 2023, IHCDA and the Family and Social Services Administration – Division of Aging commissioned a study on the current and future state of age-restricted housing across all regions of the state. This study, which is due to be delivered in May 2024, will illuminate the anticipated need for additional funding for owner-occupied repairs and additional development of age-restricted housing units.

Included in the study are considerations for services being offered to seniors and other individuals living with a disability to be covered by Medicaid waivers.

Actions planned to foster and maintain affordable housing

The primary activities to foster and maintain affordable housing are the state's CDBG, HOME and HTF funded activities that include the production of new units, homeownership opportunities, home rehabilitation and capacity support for affordable housing developers. IHCDA uses each of its programs to target a variety of needs and populations including, though not limited to: seniors, persons who are homeless, persons with physical or developmental disabilities, persons with mental impairments, persons with chemical addictions, single parents, victims of domestic violence, abused children families with children six and under veterans, and the re-entry population. IHCDA has supported numerous trainings on different facets on developing and maintaining affordable housing, and supporting fair housing and access to safe, quality housing across the state.

IHCDA's HOME program is focused on the following goals:

1. Meeting the housing needs of a specific community;
2. Reaching households with low and very low-income levels of income;
3. Linking projects to the revitalization of existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan);
4. Advancing projects that promote aging-in-place strategies for seniors, persons with disabilities, and families with seniors or persons with disabilities;
5. Completing projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure.

Applicants of IHCDA's programs and funds are encouraged to engage in an array of activities necessary to attain the solutions desired by a community, such as:

- Pre-development and seed financing – limited to eligible nonprofits
- Permanent Supportive Housing – Applicants must participate in the Indiana Supportive Housing Institute to be considered for an IHCDA investment.
- Rental assistance
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of rental housing
- Homeownership counseling and down payment assistance (not available using HOME funding)
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of homebuyer housing

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

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

IHCDA has also updated its housing counseling requirements for HOME Homebuyer applicants.

The HOME regulations at 92.254(a)(3) require all homebuyers who receive HOME assistance or purchase units developed with HOME funds must receive housing counseling. In a final rule published by HUD's Office of Housing Counseling, HUD established housing counseling certification requirements provided in connection with a HUD program. All adult household members who will hold title and be a party to the senior loan are required to complete homebuyer counseling.

Under the rule, all homebuyers assisted under the HOME program must receiving housing counseling that is performed by a certified housing counselor who has passed the HUD certification examination **and** is employed by a HUD-approved housing counseling agency.

The Housing Counseling must be independent, expert advice customized to the need of the consumer to address the consumer's housing barriers and to help achieve their housing goals and must, at a minimum include the following process:

- Intake
- Financial and housing affordability analysis
- An Action Plan
- Reasonable effort to have follow up communication with the client when possible.

The content and process of housing counseling must meet the standards outlined in 24 CFR part 214. The counseling **must be individualized** to the specific potential homebuyer. The counseling must address all homeownership topics relevant to the client, including:

- The decision to purchase a home;
- The selection and purchase of a home;
- Issues arising during and affecting the period of ownership of a home (including refinancing, default, and foreclosure and other financial decisions);
- The sale or other disposition of a home.

In addition, the counselor must communicate on the importance of obtaining an independent home inspection using the materials available. All homebuyers must be given the two HUD brochures referenced below about the importance of home inspections. The recipient must ensure that each homebuyer signs a receipt acknowledging they were given these items. Both items may be accessed here: https://www.hudexchange.info/resource/4747/for-your-protection-get-a-home-inspection/

Eligible housing counseling is more than just providing basic housing information, placement or referral services.

IHCDA offers pre-purchase and post-purchase counseling as eligible under this policy. The delivery method may be flexible (in-person, by phone or via the internet), but the counseling must be specific to the homebuyer. Counselors at a minimum must provide eight hours of training; at least six hours must be pre-purchase. Certificates are valid for one year after completion of the training. The applicant, prior to entering into the sales contract, must submit documentation of the training to IHCDA for approval. If the pre-purchase training was not conducted or approved by IHCDA at time of the signed sales contract, the grantee will be required to repay HOME funds to IHCDA.

The recipient may not charge servicing, origination, processing, inspection, or other fees for the costs of providing homeownership program assistance.

Actions planned to reduce lead-based paint hazards

Utilize the Healthy Homes Resource Program

IHCDA received awards of $2 million from the Healthy Homes Production Program,$4.7 million from the Lead Hazard Reduction Program and $1 million from the Healthy Homes Weatherization Cooperation Demonstration Grant Program . Using these three awards, IHCDA established the “Healthy Homes Resource Program” (HHRP) to provide services and programs directly related to health hazards and lead paint in the home. The program is offered by IHCDA statewide and provides repairs to both owner-occupied and rental housing for critical repairs to health hazards, including Lead Paint Hazard control, Radon Mitigation, Moisture Intrusion, Mold, Structural Issues and Accessibly Barriers. The program also includes cooperative efforts with the Indiana Community Action Agencies.

Healthy Homes Production Grant funding is exclusively for direct costs associated with the identification and remediation of housing related health and safety hazards). Those costs allowable with the Healthy Homes Supplemental funding include costs for the assessment of housing units, for housing-related health and safety hazards, development of scopes of work for remediation of identified housing-related health hazards, conducting such remediation, re-evaluation of the completed work, reporting, notification to occupants and owners, if different, of the nature and results of the remediation.

The Healthy Homes inspection process is a risk-based assessment and will consider the effects on occupants’ health. This assessment will be incorporated into the initial lead hazard risk assessment to minimize disruption to the occupants. The top six weatherization deferments include mold, structural issues, roof leaking, standing water, access issues, and electrical.

From the list of 29 hazards in the Healthy Homes rating chart, IHCDA has determined the following hazards, in order of priority, to be addressed based on funding:

- Radon
- Moisture Intrusion
- Electrical Hazards
- Access issues
- Structural issues
- Lead Based Paint

IHCDA's Lead Hazard Reduction Grant is also available to owner-occupied and rental households statewide. The program can be used to address lead paint hazards, targeting households with children under the age of six, with priority for those families in which a child has an elevated blood lead level. Lead-based paint hazards will also be addressed through HOME funded rehabilitation activities. IHCDA developed new lead program application forms and has provided multiple trainings on how to address lead-based paint through both of these programs in partnership with HUD.

The Healthy Homes Weatherization Cooperation Demonstration Program (HHWCD) will target households who have been deferred from the Weatherization Program due to needed repairs to address health hazards. Through this new pilot, IHCDA will be able to braid three funding sources together (HHP, HHWCD and Weatherization Funds) to holistically address needed repairs. IHCDA will be piloting this program in Marion County.

IHCDA will continue to offer workshops on the Lead Safe Housing Rule and the HUD Lead regulations to administrators and contractors. IHCDA will also be addressing the dearth of eligible risk assessors, inspectors and licensed contractors by working with the Indiana Builders Association to advertise trainings. IHCDA has also developed a program to allow for reimbursement for contractors to receive their appropriate lead licenses.

IHCDA keeps a database of lead-free housing for rental units which undergo lead hazard control through HHP.

As part of the Healthy Homes Resource Program, and in cooperation with the Department of Health, IHCDA keeps a website of all state-lead programming, a Lead Paint Safety guide, applications in both English and Spanish for interested families on this website:
https://www.in.gov/ihcda/homeowners-and-renters/lead-protection-program/.

Actions planned to reduce the number of poverty-level families

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

The Governor's 2020 Next Level plan focuses on expanding educational and skill development opportunities in rural areas; attracting Defense Department-related jobs and investing in broadband statewide.

In 2023, the State of Indiana established several education and workforce development programs including the career scholarship account program and fund; career scholarship account administration and donation fund; connecting students with careers fund; teacher higher education and industry collaboration grant program and fund; career coaching grant fund; and the intermediary capacity building fund. As part of this effort, the Commission for Higher Education will develop and implement a comprehensive career navigation and coaching system for Indiana and award grants to eligible entities to establish navigation and coaching systems. Schools will be required to provide instruction to students on career awareness including skill competencies, career fairs, and opportunities to meet with employers or labor organizations.

The state also created the Northeast Indiana Strategic Development Fund and the Strategic Development Commission in 2023 to develop and implement plans and policies that will increase the per capita personal income relative to the national average; increase the population in development areas; increase postsecondary education and credential attainment; increase number of business startups and programs to support entrepreneurs; incentivize collaboration between K-12 school systems, higher education institutions, and industries; expand access to and the availability of infrastructure needed to facilitate development and population density; and perform strategic planning involving regional efforts for economic development.

In recent years, IHCDA has made several program adjustments to more directly target funds to benefit poverty-level families. IHCDA has added an Opportunity Index to incentivize the construction of HOME projects in areas with public transit, low unemployment, high job growth, proximity to employers, low poverty rate, and higher household income at the county and census tract level. IHCDA also added a new scoring category on Health and Quality of Life Factors to incentive HOME developments near primary care physicians, fresh produce, and proximity to positive land uses.

The State also utilizes the Section 3 requirement (a provision of the Housing and Urban Development Act of 1968). Section 3 applies to employment opportunities generated (jobs created) as a result of projects receiving CDBG or HOME funding through OCRA or IHCDA, whether those opportunities are generated by the award recipient, a subrecipient, and/or a contractor. The requirements of Section 3 apply to all projects or activities associated with CDBG or HOME funding, regardless of whether the Section 3 project is fully or partially funded with CDBG/HOME. A detailed description of Section 3 requirements is included in OCRA/IHCDA's award manual. A notice of Section 3 requirements is included in bid solicitations and is covered during the award trainings.

Actions planned to develop institutional structure

OCRA and IHCDA will continue to build capacity, leadership, and institutional structure in rural areas through:

- Regional Capacity Building workshops;
- Webinars and regional meetings to discuss funding opportunities and answer questions from grantees;
- Participation in state conferences to market programs;
- The Indiana Permanent Supportive Housing Institute;
- CHDO working group – a group of eight to ten CHDO across the State of Indiana to discuss successes and challenges with the HOME Program, and to provide peer-to-peer support on non-profit capacity building.
- Trainings on Fair Housing and Reasonable Accommodations, Lead Based Paint, Certified Green Professional Certification, Certified Aging in Place Training and Universal Design; and
- Affordable housing development training.

IHCDA continues to offer trainings at no cost to partners and in an online format for those from around the state who wish to participate without the burden of additional expenses related to travel.

Actions planned to enhance coordination between public and private housing and social service agencies

The State has an active network of community development corporations, many of which have become increasingly focused on housing and community development issues. These organizations are engaged in a variety of projects to meet their communities' needs, from small-scale rehabilitation programs to main street revitalization. Public housing authorities exist in the major metropolitan areas and in small to medium-sized communities throughout the State.

The State also has several organizations that advocate for State policies and organize housing and community development activities at the State level. Prosperity Indiana provides policy coordination, as well as training and technical assistance, to support nonprofit housing and community development activities. The Back Home in Indiana Alliance is composed of Indiana leaders in several affordable-housing and disability-related organizations and help people with disabilities become homeowners in several Indiana communities.

Through provision of training and technical assistance (discussed above), OCRA and IHCDA support coordination and help to build partnerships with and among these organizations. Examples from prior program years, which will be continued in PY2023, include:

IHCDA's and OCRA's executive leadership and staff speak at public and private housing and community development events. IHCDA staff have spoken at a variety of conferences for Accelerate Indiana Municipalities (AIM); the Indiana Association of Regional Councils (IARC); Indiana Housing Conference; and the Indiana Township Trustees Association. OCRA regularly presents and attends conferences hosted by AIM, Association of Indiana Counties (AIC), the American Council of Engineering Companies and IARC as well.

OCRA holds regular "listening sessions" in non-entitlement areas throughout the state to gather information on economic development and housing challenges. Those sessions provide an opportunity for various housing, service, and community development interests to explore solutions to their needs and foster working relationships.

OCRA's community liaisons (OCRA's can be found at https://www.in.gov/ocra/2330.htm) partner with local units of government, the private sector, and nonprofits to locate and proactively work to locate funding and other resources for community and economic development projects, as well as facilitate the meeting of local officials, state, and federal agencies. They also provide technical assistance on all OCRA programs.

IHCDA’s two Real Estate Allocation Analysts each cover a region of the state (North and South) and provide frequent outreach and technical assistance. Outreach is provided by email, over the phone, via virtual meetings, and in-person when requested. Production Analysts also traditionally attend ribbon cutting ceremonies, groundbreakings, and other promotional events.

IHCDA Analysts conduct one-on-one outreach meetings throughout the year. Partners can request meetings to get specific information or technical assistance on IHCDA programs. The information provided at these meetings is tailored to address the specific needs of the partner organization. Analysts and other IHCDA staff utilize their existing contacts to initiate meeting offers to current and potential partners. Outreach meetings provide an opportunity for partners to meet their analysts as well as to ask questions and to provide input and feedback on IHCDA policy.

IHCDA also sponsors, in partnership with the Indiana Affordable Housing Council, the Indiana Housing Conference. The Indiana Housing Conference is an annual conference for affordable housing professionals in which industry news and best practices are discussed. The conference also provides an opportunity for networking between affordable housing professionals from across the state and country.

In 2023, the Permanent Supportive Housing Institute addressed issues of homelessness with a focus on serving people with high needs who are on the Coordinated Entry System. The 2024 Institute will continue to help supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. Participation in the Institute is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process. This year’s Institute developments will be eligible for HOME Investment

Partnerships Program (HOME) funds for a total of up to $500,000 dollars per project. Consideration will only be given to responses proposing 100% permanent supportive housing developments.

The 2024 Institute provides targeted training, technical assistance, and the opportunity to apply for predevelopment financing for both new and experienced development teams. Trainings and technical assistance focus on designing supportive housing for those referred from the Coordinated Entry System. Teams receive individualized technical assistance and resources to assist in completing their project. Industry experts, including staff from the IHCDA, provide insight on property management, financing, and building design.

IHCDA continues to partner with the Indiana Department of Heath on its Healthy Homes Resource Program. IHCDA has started the Indiana Healthy Homes Roundtable which meets monthly to discuss lead-based paint issues throughout the state. The group consists of IHCDA and ISDH. IHCDA has established a strong relationship with the Family and Social Services Administration (FSSA) to assess affordable assisted living supply, along with production of housing for persons with intellectual or developmental disabilities, or persons who have a chemical addiction.

IHCDA will continue to foster partnerships with organizations providing eviction and legal services to residents across the state. As an example, IHCDA continues to partner with the Indiana Community Action Association and the Indiana Bar Foundation to improve eviction and legal services. From the findings and recommendations included in the Eviction Task Force's final report, IHCDA appropriated funding to both organizations for improved and expanded housing navigation, eviction prevention, and mediation services. Funding was also provided for the installation of kiosks in libraries, courthouses, and other public spaces.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

This section outlines the program specific requirements for all funding sources.

Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	**0**

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	80.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

   N/A

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

   The recipient must implement recapture restrictions for any homebuyer property purchased, in whole or in part, by a homebuyer that received a direct buyer subsidy from the recipient in an amount greater than or equal to One Thousand and 01/100 Dollars ($1,000.01) from HOME funds. A homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing).

   There are two different consequences that may be associated with a recapture provision: (1) the recapture provision can be triggered (as described just below) or (2) an event of non-compliance can occur (as described further below). The recapture provisions are triggered if any of the following occur during the Affordability Period:

   1. The homebuyer transfers or conveys the property by deed, land contract, or otherwise;

   2. Foreclosure proceedings are commenced against the property;

   3. The property is transferred by an instrument in lieu of foreclosure; or,

   4. The title to the property is transferred from the homebuyer through any other involuntary means.

   The amount of the homebuyer subsidy shall be reduced by multiplying the homebuyer subsidy by the Forgiven Ratio (defined below) in order to determine the amount that will be forgiven. The amount to be recaptured and shall be limited to the Net Proceeds of the sale. Net Proceeds is defined as the sales price minus superior loan repayment (other than HOME funds) and closing costs. If there are no Net Proceeds, the amount to be recaptured will be zero and the HOME loan is considered satisfied. In the event there is significant market appreciation, once the HOME obligation is recaptured, the homebuyer can retain any appreciation. The amount recaptured cannot exceed the Net Proceeds, if any. Forgiven Ratio means a ratio that calculates the amount of the Direct Subsidy that is forgiven. This ratio shall be calculated by dividing the number of full months that owner occupies the property as its principal residence by the total of number of months in the Affordability Period.

   The recipient will be required to ensure that a lien and restrictive covenant agreement , drafted by IHCDA has been executed and recorded on any HOME-assisted property.

   In accordance with CPD Notice 12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME assisted unit (i.e., period or affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Recapture Agreement.

If there is both a development subsidy and a direct homebuyer subsidy or just a direct homebuyer subsidy, a recapture provision must be implemented. In cases where a direct homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property. Under recapture guidelines the Affordability Period is based upon the total amount of the direct homebuyer subsidy that the homebuyer received in HOME funds. A direct homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing).

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

   Please see the Grantee Unique Appendices for the guidelines (HOME Homebuyer policy on pages 31-32). IHCDA does use the home affordable homeownership limits published by HUD.

   Recipients will be required to provide an "after rehab" or "construction value" appraisal, whichever is appropriate, from a licensed appraiser for all property assisted with the award with the first draw that includes hard costs. If the applicant is acquiring property, an "as-is" appraisal is required with the first draw request for acquisition reimbursement.

   According to 24 CFR 92.254(a)(2) in the case of acquisition of newly constructed housing or standard housing, the property must have a purchase price that does not exceed the Homeownership Values as determined by HUD. For newly constructed housing, the value limits are 95% of the median purchase price for the area based on the Federal Housing Administration (FHA) single family mortgage program data for newly constructed housing. HUD has established a minimum limit, or floor, based on the 95% of the U.S. median purchase price for new construction.

   For existing housing, the value limits are 95% of the median purchase price for the area based on Federal FHA single family mortgage program data for existing housing and other appropriate data that is available. HUD has established a minimum limit, or floor based on 95% of the state-wide nonmetropolitan area median purchase price for existing housing.

   The limits can be accessed from HUD here: https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/

   It is important to note that while these are the maximum limits, the amount may not be affordable to a potential HOME-buyer. IHCDA, through its underwriting as defined in the earlier section, may deny the final sales contract if the purchase price (the mortgaged amount), even reduced, is determined to be higher than the homebuyer may safely afford. The HOME-assisted housing unit must be occupied as the homebuyer's principal residence throughout the affordability period.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

   N/A

Emergency Solutions Grant (ESG)
Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

   Please see the Grantee Unique Appendices for the guidelines.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

   The Coordinated Assessment Committee of the Balance of State Continuum of Care Board is working with the State ESG program to develop and coordinate regional centralized intake and triage centers to ensure access to assistance is driven by the needs of persons experiencing homelessness. IHCDA is the collaborative applicant within the CoC and IHCDA was awarded the Coordinated Access Grant. With the assistance of the CoC Board, IHCDA has developed and continues to improve upon the coordinated access system.

   Access: The Coordinated Assessment will be in the HMIS system and utilized by the Coordinated Access agency within the Region within the Balance of State CoC whether they are an ESG subrecipient or other programs funded by McKinney Vento. Each Region will determine if their Coordinated Access will be a centralized or decentralized system.

   Assessment: Each homeless person will be assessed and triaged based on their needs in order to prioritize the most vulnerable and those with the highest barriers for first assistance. This priority would include the chronic homeless population.

   Assign: Once assessed the person/family then will be assigned to the right type of housing that best suits their needs whether it is permanent supportive housing, rapid rehousing or VASH voucher and whether it is available in that area or Region.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

   IHCDA plans to allocate funding to up to 15 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Activities of the ESG program for line items such as: housing relocation and services (financial and services), rental assistance and administration.

There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately two - six agencies that may apply for the Annual Action Plan street outreach activity. No more than 60% of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the Balance of State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance. Each proposal will be reviewed by at least one IHCDA Community Services staff person and by a member of a Committee under the CoC Board. Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the average of their proposal score and the amount of funding that will be available. The amount of each award could be between $60,000 and $250,000 each.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The State ESG recipient- IHCDA - has a member the Balance of State CoC Board who has been formerly homeless and currently lives in a permanent home after recently leaving permanent supportive housing. As a member of the committee Board of Directors, this representative considers all committee provides guidance to our CoC Programs and their policies and procedures and is currently participating in the CoC's Strategic Planning Process. The State of Indiana recognizes the invaluable perspective of individuals who are currently homeless and formerly homeless in developing an effective person-centered program and system. The State program strongly encourages subrecipients of the ESG program to incorporate this participation, to the maximum extent practicable, in a policy-making function of both the organization and the respective regional Planning Council on the Homeless. The State ESG program application requires subrecipients to demonstrate how participation and input of people experiencing homelessness is utilized at both an organizational level and within their regional Planning Councils on Homelessness. This will be a threshold item and will require the subrecipient to provide documentation around their policies for verification. This issue is also reviewed during program monitoring visits.

5. Describe performance standards for evaluating ESG.

The performance standards were developed in collaboration with the governing body for the Balance of State CoC Board and the Resource & Funding Committee and approved by the Balance of

State CoC Board by using the national standards outlined in Section 427 of the McKinney-Vento Act, as amended by the HEARTH Act.

Baseline performance measurements will be reports generated by the HMIS system and mainly from the ESG CAPER reports for the current grant prior year. Two of the standards are specific to the subrecipients program performance and the remaining two are specific to system outcomes.

ESG subrecipients will be able to set their own goals for the next years on areas such as: discharging persons to permanent housing, increasing employment income and increasing overall income by persons who exit the emergency housing.

Below are goals that IHCDA would like to reach on an annual basis:

ESG RR -rental assistance program subrecipients: At discharge from program, 82 percent of persons assisted will still be permanently housed, and 65 percent will increase their income.

ESG program subrecipients that are Emergency shelters that have activities such as operations, essential services and financial assistance: 50 percent of persons will discharge to permanent housing, and 25 percent will increase their income.

ESG program subrecipients that have outreach component: 50 percent of identified caseload will be permanently housed.

ESG program subrecipients that have outreach component: 50 percent identified caseload will increase their income.

The average length of stay of participants in ESG funded and other CoC programs should decrease by at least 10 percent.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:
Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

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3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Eligible applicants include CHDOs, non- and for-profit affordable housing developers, and joint venture partnerships. Awards will be allocated based on the following criteria:

1. Whether the development demonstrates a need for HTF in order to make a greater number of units affordable to extremely low and very low households;
2. Whether the development meets State and Federal requirements of all programs for which the applicant is applying, including the threshold requirements;
3. Successful completion of the Permanent Supportive Housing Institute;
4. If the development ranking is sufficient for it to be awarded RHTC pursuant to the RHTC process as outlined in the current QAP; and,
5. The availability of HTF funds.

b. Describe the grantee’s application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Application requirements are described in detail in Part I of the 2021 HTF Draft Policy which is part of Appendix A (Methods of Distribution) in the Grantee Unique Appendices. Appendix A MOD also includes HOME Rental Application Policy, HOME Homebuyer Policy, and HOME Innovation Round RFP, and Institute RFP.

Eligibility will be determined based on:

1. Whether the development demonstrates a need for HTF in order to make a greater number of units affordable to extremely low and very low households;
2. Whether the development meets State and Federal requirements of all programs for which the applicant is applying, including the threshold requirements;
3. Successful completion of the Permanent Supportive Housing Institute;
4. If the development ranking is sufficient for it to be awarded RHTC pursuant to the RHTC process as outlined in the current QAP; and,
5. The availability of HTF funds.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Selection criteria are described in detail in Part I of the HTF Draft Policy which is part of Appendix A (Methods of Distribution) in the Grantee Unique Appendices. Applicants will be evaluated with the following criteria: 1) Eligible activities, 2) Needs of community, 3) Target populations to be served by the activities (<30% AMI and experiencing homelessness), 4) Support geographic diversity and link to comprehensive revitalization of existing neighborhoods, 5) Organizational capacity, 6) Energy efficiency of project, 7) Use of M/WBE contractors.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Eligible developments can be located in any city, town or county located in Indiana. There is no geographic preference for the use of the HTF.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Timely Undertaking- moderate priority: As stated under the Threshold Items Section 6.3 (d) of the HTF Policy, the applicant is required to demonstrate their ability to undertake the activities set forth in its application upon receipt of the HTF award, to begin construction within 12 months of receipt of the award, and to complete the development within a 24 month period.

6.3(d): The applicant must demonstrate experience and capacity to conduct an eligible HTF activity as evidenced by its ability to:

Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or

Design, construct, or rehabilitate, and market affordable housing for homeownership.

Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Project-Based Rental Assistance- high priority: As stated under Threshold Items Section 6.3(c) and 6.3 (e), in order to be eligible for the permanent supportive housing set-aside of the QAP and for HTF funding, the applicant must demonstrate how units will be made affordable to the targeted population of persons experiencing homelessness. All developments are required to identify a source of project-based rental assistance for the supportive housing units, generally through Project-Based Section 8 vouchers or CoC funding. Developments that have not identified an operating subsidy source do not meet threshold and will not be considered for funding. As stated under Section 7.1 Rents Charged, Applicants may be eligible for 16 points for rent targeting.

6.3(c): The Applicant must identify all subsidy sources. Funding commitments must be provided with the RHTC application. If the funding has not yet been committed, application must provide proof of application, a narrative describing the selection process, and a narrative plan on how the development will move forward if the application is denied. HTF cannot be committed until all other sources have been committed.

6.3 (e): The Development must serve populations that are extremely low income and experiencing homelessness. The target population served by the development must be the target population that was identified based on community need and relevant data through the Supportive Housing Institute process and align with the goals of the Consolidated Plan.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Affordability Period- low priority: As stated under the Threshold Criteria Section 6.3 (a), applicants must meet the minimum 30-year period of affordability to be eligible for funding.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Priority Housing Needs of Indiana- high priority: Through the 2020-2024 Consolidated Plan, the State of Indiana includes extremely low-income households and permanent supportive housing/integrated supporting housing as housing priority needs.

To be eligible for the supportive housing set-aside in the QAP and for HTF, the applicant must further the creation of community-based housing that targets the extremely low income (less than 30% AMI) with intensive service programs that have a direct impact on reducing homelessness through the Housing First model, to meet the State's priority housing needs of serving extremely low income households. Applicants who have not successfully completed the Supportive Housing Institute and/or who do not meet the set-aside criteria as identified in both the QAP and in Sections 2.1 and 6.3 (e) of this Allocation Plan will not be eligible for funding.

In addition, IHCDA may award additional scoring of 93 points under Sections 7.1 Rents Charged; 7.2 Development Characteristics; and 7.3 Sustainable Development to prioritize projects which best serve.

i. Describe the grantee’s required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Extent of Non-Federal Funding- moderate priority: As stated under the Threshold Items Section 6.3 (c), the applicant must demonstrate all subsidy sources. IHCDA may also award up to 11 points for projects that meet the criteria as outlined in Sections 7.2 (l) Tax Credit Per Unit; 7.2 (m) Tax Credit per Bedroom; 7.4 (a) Leveraging Capital Resources; and 7.4 (c) Previous Funding in a Local Government.

4. Does the grantee’s application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

Yes

5. Does the grantee’s application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

Yes

6. **Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee’s goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. **Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.** Enter or attach the grantee’s maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME’s maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

See Part 4.1 Subsidy and Budget Limitations of the HTF Policy (pp. 16-17) for the per unit subsidy limits. A description of how the limits were determined by be found in the same section.

8. **Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

All HTF funded projects must meet the property standards outlined in 93.301. The rehabilitation standards are set in a separate appendix.

- Developments must use Uniform Physical Condition Standards (UPCS). A listing of those standards can be found in the Multi-Family Checklist. Beyond the UPCS standards, projects must also comply with IHCDA Rehabilitation Standards (see Exhibit A); and the stricter of the local rehabilitation standards or the Indiana State Building Code.
- The development must meet the accessibility requirements at 24 CFR Part I, which implements Section 504 of the Rehabilitation Act of 1973.
- Covered multi-family units, as defined at 24 CFR 100.201, must meet the design and construction requirements at 24 CFR 100.205, which implements the Federal Fair Housing Act Amendments of 1988.
- Any units utilizing gas appliances must provide carbon monoxide detectors in addition to standard smoke detectors.
- Newly constructed units must meet additional energy efficiency standards for new construction pursuant to section 109 of the Cranston-Gonzalez National Affordable Housing Act.
- Where relevant, the housing must be constructed to mitigate the impacts of potential disaster, in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

9. **Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. **HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

11. **Grantee Limited Beneficiaries or Preferences.** Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter "N/A."

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

The purpose of this Housing Trust Fund (HTF) application is to provide subsidies in the form of grants to selected applicants for the acquisition, rehabilitation and/or new construction of supportive housing for persons with extremely low income (at or below 30% of area median income) and experiencing homelessness. For this funding cycle, HTF funds will be offered exclusively to Rental Housing Tax Credit developments that (1) apply for funding under the Qualified Allocation Plan (QAP) for the Rental Housing Tax Credit Program (RHTC) and (2) successfully completed the Indiana Supportive Housing Institute and/or HOME Rental Applications.

Eligible applicants for tax credits and HTF funds must have successfully fulfilled all requirements and demonstrated meaningful and successful participation in the Indiana Supportive Housing Institute for the specific development for which they are applying. The Indiana Supportive Housing Institute provides training and support to organizations that plan to create supportive housing. Tenant outreach, selection, property management and service plans must be approved as part of the Institute process and prior to submission of a RHTC application. Participation in the Institute is based on a competitive RFP selection process.

12. **Refinancing of Existing Debt.** Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

N/A; refinancing of existing permanent debt is not eligible under IHCDA's HTF program.

Discussion:

For HOPWA: IHCDA will facilitate a request for qualifications (RFQ), advertised through the CoC network, posted online, and provided to current HIV/AIDS service providers. The RFQ is available to all agencies who meet the threshold requirements. Many of the programs that apply through the RFQ started off as grassroots agencies years go by starting a non-profit program based upon the growing HIV/AIDS epidemic and the need in their community. There was a growing need of resources that were not readily available for this population. The non-profits utilized their partners in the community to build their board membership and collaborated with local hospitals, clinics, and housing agencies to assist in providing education, testing, supportive services, financial assistance, and housing. Nonprofit community organizations that apply are usually mental health centers, HIV/AIDS programs specifically, or local hospital.

The RFQ will gather information on the number of persons/households they plan to serve, housing plans, housing services, organizational capacity, performance goals, supportive services, and their proposed budget. The RFQ applicants need to meet the following thresholds:

- Required to be a non-profit organization
- Required to be or have a relationship with a current Indiana Department of State Health Care Coordination Site.
- Previous experience providing HOPWA assistance.
- Actively attending the local Regional Planning Council/Committees/Leadership roles within their Region.
- No current outstanding findings with HUD or IHCDA.

By having the threshold that all applicants must be or have a relationship with a current Indiana State Department of Health Care Coordination Site, we are providing a one stop shop for people to access level of care that is needed. People will be able to receive testing, diagnosis, medical information, supportive services and housing if needed. Care Coordination is a specialized form of HIV case management. Its mission is to assist those living with HIV disease with the coordination of a wide variety of health and social services. Case Management services are available statewide. It provides an individualized plan of care that includes medical, psychosocial, financial, and other supportive services as needed. It is offered free of charge to the person. The primary goals of the program are to ensure the continuity of care, to promote self-sufficiency, and to enhance the quality of life for individuals living with HIV. The trained professionals provide assistance such as: access to health insurance, housing programs, emergency funds, medications, utility assistance, mental health and substance abuse programs, and HIV testing and prevention programs.

The RFQ will be evaluated through a tool that will verify that each applicant meets the threshold requirements and have financial capacity by meeting accounting and financial standards. It will be verified that each subrecipient are certified to be a care coordination site by requiring they attach the certificate or agreement showing they meet the standard.

APPENDIX A.

METHODS OF DISTRIBUTION AND FUNDING APPLICATIONS

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 2024 is $$30,789,752.00.**

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	**$30,789,752.00**
CDBG Program Income	$0
Total:	**$30,789,752.00**

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.	Technical Assistance	$ 200,000
13.	Administration	$ 589,752
	Total:	**$30,789,752**

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 should 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 IHCDA 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 IHCDA.

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.

Transfer of Program Income Generated by Other HUD Funded Awards

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 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.

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.

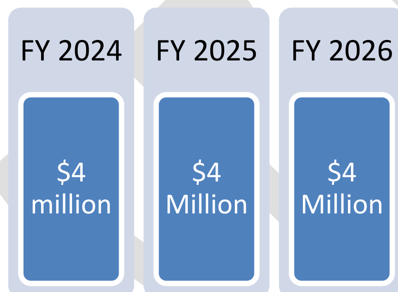
All projects/activities funded by the OCRA will be made on a basis which addresses one (1) of the three (3) national objectives of the Small Cities CDBG Program as prescribed under Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of implementing regulations promulgated by HUD. CDBG funds will 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 amount of $250,000. Matching funds of at least 10% of the total project cost are required for all 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.

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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 IHCDA with CDBG funds will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations. All projects funded by IHCDA with HOME, ESG and/or HOPWA funds will meet the specific requirements set forth by those programs.

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 $2,000,000of 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 $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.

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 $70)	**User Rates ($40 to $70)**	**User Rates (Under $40)**
Projects over $1 million in total project cost	$700,000	$600,000	$550,000
Projects under $1 million in total project cost	$600,000	$550,000	$500,000

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 $600,000. 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 2023 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 FY 2023 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 10% 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 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 2019 Action Plan is $200,000, which constitutes less than one-percent (1%) of the State's FY 2020 CDBG allocation of $30,500,000. 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: $589,752

The State (Office of Community and Rural Affairs) will set aside up to $589,752of 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 ($589,752) constitutes less than two-percent (2%) of the State's CDBG allocation ($**30,789,752**). The amount of $489,752is 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 should first contact their regional Community Liaison to discuss their interest in a planning or OOR grant. Then, an initial application can be submitted for scoring.

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 the 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

ATTACHMENT A

DEFINITIONS

Low- and Moderate-Income - is defined as 80% of the median family income (adjusted by size) for each county. For a county applicant, this is defined as 80% of the median income for the state. The income limits shall be as defined by the U. S. Department of Housing and Urban Development Section 8 Income Guidelines for "low-income families." Certain persons are considered to be "presumptively" low and moderate-income persons as set forth under 24 CFR 570.208(a)(2); inquiries as to such presumptive categories should be directed to the CDBG Program Director.

Matching funds - local public or private sector in-kind services, cash or debt allocated to the CDBG project. The level of local matching funds required for CDBG projects based on each program. This percentage is computed by adding the proposed grant amount and the local matching amount, and dividing the local matching funds amount by the total sum of the two amounts. The definition of match includes a maximum of 5% pre-approved and validated in-kind contributions. The balance of the match requirement must be in the form of either cash or debt. Any in-kind over and above the specified 5% may be designated as local effort. Other funds provided to applicants by OCRA are not eligible for use as matching funds.

Proposal - A document submitted by a community which briefly outlines the proposed project, the principal parties, and the project budget and how the proposed project will meet a goal of the Federal Act. OCRA encourages communities to submit a proposal that is basically a draft of the application.

Reversions - Funds placed under contract with a community but not expended for the granted purpose because expenses were less than anticipated and/or the project was amended or canceled and such funds were returned to 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 state or local law (Title 36-7-1-3 of Indiana Code); and (2) meets the requirements for "area basis" slum or blighted conditions pursuant to 24 CFR 570.208(b)(1) and 24 CFR 570.483(c)(1), or "spot basis" blighted conditions pursuant to 24 CFR 570.208(b)(2) and 24 CFR 570.483(c)(2). 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, morals, 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).

ATTACHMENT B

DISPLACEMENT PLAN

1. The State shall fund only those applications, which present projects and activities, which will result in the displacement of as few persons or businesses as necessary to meet the goals and objectives of the state and local CDBG-assisted program.

2. The State will use this criterion as one of the guidelines for project selection and funding.

3. The State will require all funded communities to certify that the funded project is minimizing displacement.

4. The State will require all funded communities to maintain a local plan for minimizing displacement of persons or businesses as a result of CDBG funded activities, pursuant to the federal Uniform Relocation and Acquisitions Policies Act of 1970, as amended.

5. The State will require that all CDBG funded communities provide assistance to all persons displaced as a result of CDBG funded activities.

6. The State will require each funded community to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the CDBG funded program.

ATTACHMENT C

GENERAL SELECTION CRITERIA

The Office of Community and Rural Affairs (OCRA) will consider the following general criteria when evaluating a project proposal. Although projects will be reviewed for this information at the proposal stage, no project will be eliminated from consideration if the criteria are not met. Instead, the community will be alerted to the problem(s) identified. Communities must have corrected any identified deficiencies by the time of application submission for that project to be considered for funding.

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

1. The applicant must be a legally constituted general purpose unit of local government and eligible to apply for the state program.

2. The applicant must possess the legal capacity to carry out the proposed program.

3. If the applicant has previously received funds under CDBG, they must have successfully carried out the program. An applicant must not have any overdue closeout reports, State Board of Accounts audit findings or unresolved OCRA/IHCDA monitoring findings (where the community is responsible for resolution.) Any determination of "overdue" is solely at the discretion of the Indiana Office of Community and Rural Affairs.

4. An applicant must not have any overdue CDBG semi-annual Grantee Performance Reports, subrecipient reports or other reporting requirements of the OCRA/IHCDA. Any determination of "overdue" is solely at the discretion of the Indiana Office of Community and Rural Affairs.

5. The applicant must clearly show the manner in which the proposed project will meet one of the three national CDBG objectives and meet the criteria set forth under 24 CFR 570.483.

6. The applicant must show that the proposed project is an eligible activity under the Act.

7. The applicant must first encumber/expend all CDBG program income receipts before applying for additional grant funds from the Office of Community and Rural Affairs.

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 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.

[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.

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.

ATTACHMENT D

GRANT EVALUATION CRITERIA
700 POINTS TOTAL

Applications must achieve a minimum score of 450 points to be eligible for award.

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

2. 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.

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).

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 packet, scoring guide and other resources to address all questions present.** Applicants are encouraged 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)

- **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)

- **Community Input and Collaboration** – A maximum of 25 points are awarded for communities that document public input and collaboration efforts beyond letters of support and the two required Public Hearings.
- **Connection to Previous Planning Effort** – A maximum of 15 points are awarded for documentation that the plan that is being applied for connects to a pervious planning effort done by the community.
- **Implementation of Previous Plan or First-time Plans** – A maximum of 10 points are awarded for communities that document the successful implementation of a previous planning grant plan or for communities that have never receive an planning grant before.

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)

- **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 encourage and support regional coordination amongst rural communities. As such, a grant application that is included in a regional plan will be awarded 25 bonus points. To receive these bonus points requires verification of the regional plan from the CDBG Program Manager approximately two weeks before application submission (deadline will be announced each round).

Regional Planning – 25 points

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, *except OOR*, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction. This applies to all project types, although it is particularly relevant to utility projects.

0 – 5 years since previous funding – -50 points

Example: Community submits and receives a Wastewater Drinking Water (WDW) grant in 2015. When applying for a WDW grant in 2020, they would be subject to a point reduction of 50 pts. In 2021 they would have no point reduction.

***For OCRA funded OOR projects, eligible communities may reapply to receive additional OOR funding after all prior OOR grants awarded to them by OCRA have achieved closeout.**

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 IHCDA 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 IHCDA 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 IHCDA websites and circulated through e-notifications to housing and community development partners. In addition, OCRA and IHCDA 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 IHCDA websites and circulated through e-notifications to housing and community development partners. In addition, OCRA and IHCDA 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 IHCDA 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.

HOME.

HOMEBUYER PROGRAM POLICY

Summary of Changes to HOME Homebuyer Application Policy

Effective Program Year 2023

- Removed Application Fee for Homebuyer applicants.
- *2.2: Eligible CHDO Applications Proposing Projects in selected Participating Jurisdictions*: Updated to only include Anderson, East Chicago and Terre Haute per the criteria outlined under the State of Indiana Consolidated Plan.
- *3.3: HOME Program Requirements*:
    - Added that Income Verification must be submitted to IHCDA for approval prior to selling the unit to the Homebuyer. Additional requirements regarding this standard may also be found under the HOME Homebuyer Closing Manual.
    - Updated the Construction Standards to require three inspections per HOME-assisted unit, to comply with 24 CFR 92.251 Property Standards.
    - Added Re-Inspection Fee policy
    - Clarified eligible sources of match specific to Homebuyer to comply with 24 CFR 92.221(d).
- *4.1: Homebuyer Subsidies*:
    - Defined development gap subsidy and direct subsidy.
    - Increased buyer subsidy maximum to $60,000 for households at or below 50% AMI and $50,000 for households above 50% AMI
- *5.4: CHDO Proceeds*: Added requirement of CHDO Reuse Plan for CHDO Proceeds.
- *6.3: Eligible Activity Costs*:
    - Added requirement of construction contingency for Development Uses.
- *7.2: Homebuyer New Construction Provisions*: Added additional visibility requirements for new construction.
- *7.5: Underwriting Standards – Closing:* Added proposed utility costs to the closing and back-end ratio calculations.
- *7.7: Homebuyer Counseling*:
    - Identified allowable Housing Counseling Agencies and resources for assessing those agencies to ensure compliance with CFR 24 92.254(a)(3).
    - Removed requirement of post-purchase housing counseling.
- *Section 8: Lease Purchase Requirements*: Added new requirements for those applicants proposing to undertake a Lease-Purchase activity.
- *9.2 Threshold Requirements*:
    - Removed requirement for applicant to submit Debarment documentation.
    - Added requirement of submitting either an "as-is" appraisal or valuation by the local tax assessor.
- *10.1 Development Characteristics*:
    - Added new scoring category of Life Expectancy
    - Added new scoring of category for Post-Purchase Counseling
- *10.2 Development Features*:
    - Added additional points for units with 4+ bedrooms.
    - Adding scoring category for HERS rating
- *10.4 Capacity*:

    - Updated the list of eligible certifications.
    - Updated and simplified the requirements for Overall IHCDA Award Performance of the Applicant.
- *10.5 Leveraging of Other Sources:*
    - Added additional point for use of CHDO Proceeds on Homebuyer awards.

HOME.

RENTAL CONSTRUCTION POLICY

2023 HOME Rental Construction Policy – Summary of Changes

- Clarification of Section 504 Requirements for Accessibility – 5% of units, at least 1 unit, to be accessible for persons with mobility disabilities. 2%, at least 1 unit, to be accessible for persons with hearing or visual disabilities.
- Inclusion of a Relocation Plan – Applications for rehabilitation of existing housing must identify the expected displacement of any tenants and provide a relocation plan and budget.
- Plans not eligible under Comprehensive Community Plans:
    - Short-term work plans, including Stellar Communities Strategic Investment Plans
    - Consolidated plans, municipal zoning plans, or land use plans
    - Plans that do not reflect the current neighborhood conditions
    - Planned Unit Developments (PUDs)

NHTF.

APPLICATION POLICY

National Housing Trust Fund Application Policy Program Year 2023

SUMMARY

This policy describes the manner in which IHCDA will allocate its Fiscal Year 2023 funds under the Housing Trust Fund ("HTF") program.
The Housing Trust Fund is designed to create new housing opportunities for extremely low-income households (at or below 30% of area median income). By regulation, the focus of the HTF program is rental housing.

IHCDA will allocate all of its FY23 HTF funds for affordable rental housing, specifically for supportive housing for persons experiencing homelessness. HTF awards will be made as gap financing in conjunction with applications for Rental Housing Tax Credits ("RHTC") under the Qualified Allocation Plan ("QAP") or in conjunction with applications for HOME awards. Requests for HTF awards must be made as a supplemental request along with an RHTC or HOME application. Additional information about eligible activities can be found within this policy manual. In addition to meeting the requirements of this policy, all proposed developments must also meet the threshold requirements within the QAP or HOME Rental Application Policy in order to be eligible for funding.

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HTF Program Webpage

Last Updated: 07/18/2023

Part 1: Application Process

1.1 Overview and Funding Priorities:

The purpose of this Housing Trust Fund (HTF) application is to provide subsidies in the form of grants to selected applicants for the acquisition, rehabilitation and/or new construction of supportive housing for extremely low-income households (at or below 30% of area median income).

This program is designed to allocate HTF funds as gap financing in conjunction with Rental Housing Tax Credits (RHTC) or HOME Investment Partnership Program (HOME) funds to be used for the rehabilitation and/or new construction of supportive housing for persons experiencing homelessness.

The applicant must demonstrate the following in its application:

1. The activities proposed are eligible, and provide a certification that the HTF-assisted housing units will comply with all HTF requirements;
2. The activity meets the needs of their specific community;
3. Serve populations that are extremely low-income and experiencing homelessness. The target population served by the development must be the target population that was identified based on community need and relevant data through the Supportive Housing Institute process;
4. Support geographical diversity as to the location of the HTF-funded projects;
5. It will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities by making assurances;
6. The applicant's ability and financial capacity to undertake, comply, and manage the eligible activity;
7. The applicant's familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
8. The applicant's experience and capacity to conduct an eligible HTF activity as evidenced by its ability to:
    (i) Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or
    (ii) Design, construct, or rehabilitate, and market affordable housing for homeownership.
    (iii) That the applicant has the capacity to undertake the activities set forth in its application upon receipt of the HTF award and begin construction within 12 months of receipt of the award and complete the development within a 24-month period.
9. Proceed with the activity upon receipt of the award and begin construction within 12 months of receipt of the award;
10. Link the project to the revitalization of existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan);
11. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure; and,
12. Propose the use of state certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE) Participation, Veteran-Owned Small Business (VOSB), and/or Service Disabled Veteran Owned Small Business (SDVOSB) contractors, employees, and products when applicants are planning and undertaking their housing activities.

1.2 HTF Application Forms and HTF Policy Discrepancies

In the event of a conflict or inconsistency between the HTF Rental Policy and the HTF Application Form and/or Appendices, or additional documents the procedures described in the HTF Application Policy will prevail.

1.3 Permanent Supportive Housing

For this funding cycle, HTF funds will be offered exclusively to Rental Housing Tax Credit developments or HOME developments that (1) apply for funding under the Qualified Allocation Plan (QAP) for the Rental Housing Tax Credit Program (RHTC) or the HOME Rental Application Policy and (2) successfully completed the Indiana Supportive Housing Institute. To be eligible to submit an HTF supplemental application, a proposed project must meet all threshold requirements of the QAP or HOME Rental Application Policy, including the specific threshold requirements applicable to supportive housing developments. For FY23 HTF funds, IHCDA will not entertain stand-alone HTF applications.

Supportive housing developments must further the creation of community-based housing that targets the extremely low-income persons experiencing homelessness (less than 30% AMI) with intensive service programs that have a direct impact on reducing homelessness through the Housing First model. Housing First is an evidence-based approach to engage and rapidly house individuals who are homeless into supportive housing and to provide intensive and flexible services to stabilize and support housing tenure.

Eligible applicants must have successfully fulfilled all requirements and demonstrated meaningful and successful participation in the Indiana Supportive Housing Institute for the specific development for which they are applying. The Indiana Supportive Housing Institute provides training and support to organizations that plan to create supportive housing. Tenant outreach, selection, property management and service plans must be approved as part of the Institute process and prior to submission of a RHTC application. Participation in the Institute is based on a competitive RFP selection process.

IHCDA in its sole discretion reserves the right to, and may from time to time, amend this Allocation Plan for any reason, including to assure compliance with applicable federal, State or local laws and regulations thereunder which may be amended and/or enacted and promulgated, to reflect changes in market conditions from time to time, and/or to terminate the program.

1.4 Application Fee

HTF awarded with other sources of funding will be required to submit an application fee as defined by that source's application policy. Applicants should refer to the QAP, HOME Rental Application, or the HOME-ARP Rental Policy for guidance on application and all other applicable fees.

All fees must be paid through IHCDA's Online Payment Portal, located here. Checks will no longer be accepted for application fees.

1.5 Application Review

Each application must address only one development. Reviews of applications follows the steps as outlined in the corresponding program Application Policy.

Funded applications will be announced at the published IHCDA Board Meeting date. Confirmation letters and score sheets will be uploaded to the OneDrive site by the close of business on the day of the Board Meeting. Applications that are not funded will be notified by IHCDA via denial letters and final score sheets being uploaded to the OneDrive site by the close of business on the day of the Board Meeting. Applications not funded will not be rolled over into the next funding round.

1.6 IHCDA CDBG & HOME Program Manual

The IHCDA *CDBG, HOME, and HTF Program Manual* outlines the requirements for administering IHCDA's CDBG and HOME awards.

A complete copy of the *CDBG, HOME, and HTF Program Manual*, including exhibits, is available on IHCDA's website here.

1.7 Environmental Review Record and Section 106 Historic Review User's Guide

The Environmental Review Record (ERR) and Section 106 Historic Review User's Guide and the ERR Workbook provides additional background information about the federally required processes including why the review is necessary, how to perform the review, and other resource information to help you complete the ERR Workbook. These documents can be found on IHCDA's website here.

Part 2: Eligible Applicants

2.1 HTF Program Eligibility

Eligibility will be determined based on:

1. Whether the development demonstrates a need for HTF in order to make a greater number of units affordable to extremely-low and very low households;
2. Whether the development meets State and Federal requirements of all programs for which the applicant is applying, including the threshold requirements;
3. Successful completion of the Permanent Supportive Housing Institute;
4. If the development ranking is sufficient for it to be awarded RHTC pursuant to the RHTC process as outlined in the QAP or awarded HOME funds pursuant to the the HOME Rental Application Policy; and,
5. The availability of HTF funds.

2.2 Eligible Applicants

National Housing Trust Fund (HTF)	**Community Housing Development Organizations (CHDO)**	**501(c)3 and 501(c)4 Not-For-Profit Organizations and PHAs***	**Joint Venture Partnerships**	**For Profit Entities Organized Under the State of Indiana****
Rental Housing Rehabilitation/ Adaptive Reuse	✓	✓	✓	✓
Acquisition and Rental Housing Rehabilitation	✓	✓	✓	✓
Rental Housing New Construction	✓	✓	✓	✓

*PHAs are eligible to apply under the conditions set forth in 24 CFR 93.203.

**Applicant may be a non-profit or for-profit developer. The HTF award will be structured as a grant from IHCDA to the entity with the expectation that the entity will then loans the HTF funds to the Limited Partnership to allow the funds to remain in tax credit eligible basis (in accordance with Section 42 rules regarding the exclusion of federal grants from eligible basis).

Eligible developments can be located in any city, town or county located in Indiana. There is no geographic preference to the use of the HTF.

2.3 Ineligible Applicants

IHCDA reserves the right to disqualify from funding any application that has an applicant, sub-recipient, administrator, preparer, or related party of any of the aforementioned, with a history of disregarding the policies, procedures, or staff directives associated with administering any IHCDA program or program administered by any other State, Federal, or affordable housing entity. This includes, but is not limited to, the Indiana Office of Community and Rural Affairs, the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development, and the Federal Home Loan Bank.

Additionally, any entity currently on IHCDA's suspension or debarment list is ineligible to apply. IHCDA's Suspension and Debarment Policy can be found in the Program Manual Chapter 17.

2.4 Religious and Faith-Based Organizations

- *Equal treatment of program participants and program beneficiaries.* (1) *Program participants.* Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the HTF program. Neither the Federal Government nor a State or local government receiving funds under the HTF program shall discriminate against an organization on the basis of the organization's religious character or affiliation. Recipients and subrecipients of program funds shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief.
- *Beneficiaries.* In providing services supported in whole or in part with federal financial assistance, and in their outreach activities related to such services, program participants shall not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.
- *Separation of explicitly religious activities.* Recipients and subrecipients of HTF program funds that engage in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, must perform such activities and offer such services outside of programs that are supported with federal financial assistance separately, in time or location, from the programs or services funded under this part, and participation in any such explicitly religious activities must be voluntary for the program beneficiaries of the HUD-funded programs or services.
- *Religious identity.* A faith-based organization that is a recipient or subrecipient of HTF program funds is eligible to use such funds as provided under the regulations of this part without impairing its independence, autonomy, expression of religious beliefs, or religious character. Such organization will retain its independence from Federal, State, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Among other things, faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, a HTF program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

- *Alternative provider.* If a program participant or prospective program participant of the HTF program supported by HUD objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objection. Except for services provided by telephone, the Internet, or similar means, the referral must be to an alternate provider in reasonable geographic proximity to the organization making the referral. In making the referral, the organization shall comply with applicable privacy laws and regulations. Recipients and subrecipients shall document any objections from program participants and prospective program participants and any efforts to refer such participants to alternative providers in accordance with the requirements of §92.508(a)(2)(xiii). Recipients shall ensure that all subrecipient agreements make organizations receiving program funds aware of these requirements.
- *Structures.* Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for explicitly religious activities. Program funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. When a structure is used for both eligible and explicitly religious activities, program funds may not exceed the cost of those portions of the acquisition, new construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to the HTF program. Sanctuaries, chapels, or other rooms that a HTF program-funded religious congregation uses as its principal place of worship, however, are ineligible for HTF program-funded improvements. Disposition of real property after the term of the grant, or any change in the use of the property during the term of the grant, is subject to government wide regulations governing real property disposition (see 24 CFR parts 84 and 85).
- *Supplemental funds.* If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

Part 3: Eligible Activities & HTF Program Requirements

3.1 Eligible Activities

This program is intended to have a long-term impact on the availability and quality of the affordable housing stock in Indiana. The program is intended for the rehabilitation and/or new construction of supportive housing in conjunction with RHTC or HOME developments that have completed the Indiana Supportive Housing Institute. RHTC developments must be eligible under the Housing First set-aside or the integrated supportive housing scoring category of the QAP. Acquisition only is not an eligible activity; however, acquisition in conjunction with another activity is permitted.

- Rehabilitation, new construction, and acquisition/rehabilitation or acquisition/new construction of rental housing in the form of traditional apartments, single room occupancy units (SROs), or single family housing.
    - SRO housing consists of single room dwelling units that are the primary residence of the occupant(s). Neither kitchen nor bathroom facilities are required to be in each unit. However, if individual units do not contain bathroom facilities, the building must contain bathroom facilities that are shared by tenants. SRO housing does not include facilities for students.
- If HTF funds are used for acquisition of vacant land or demolition in conjunction with another activity, then construction must commence within 9 months of the demolition or acquisition.

3.2 Ineligible Activities

The following are ineligible activities:

- Preservation of existing affordable housing, including supportive housing. HTF must be used to create new affordable housing units;
- Refinancing of existing permanent debt;
- Development of housing for homebuyer programs;
- Performing owner-occupied rehabilitation;
- Group homes;
- Transitional housing;
- Acquisition, rehabilitation, or construction emergency shelters that are designed to provide temporary daytime and/or overnight accommodations for persons experiencing homelessness;
- Creation of secondary housing attached to a primary unit;
- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories;
- Rehabilitation of mobile homes;
- Acquisition, rehabilitation, refinancing, or new construction if any part of a development or its land is located within the boundaries of a 100-year floodplain. A flood determination must be provided for each parcel associated with the project;
- Any housing activity funded under Title VI of NAHA, prepayment of mortgages insured under the National Housing Act, public housing developments, or acquisition, rehabilitation, or construction of any developments funded under HUD's former Rental Rehabilitation Program;
- Costs for supportive services, homeless prevention activities, or operating expenses;
- The use of commercial facilities for transient housing;
- Payment of HTF loan servicing fees or loan origination costs;

- Tenant-based rental assistance;
- Payment of back taxes.

In addition, IHCDA **does not** fund:

- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, arts, or international projects;
- Scholarships requested by individuals;
- Institutions that discriminate on the basis of race, color, national origin, sex, religion, familial status, disability, sexual orientation, gender identity, or against victims of domestic violence, dating violence, sexual assault, or stalking in policy or in practice;
- Projects in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities;
- Medical research or medical profit-making enterprises.

3.3 HTF Program Requirements

The proposed HTF project must follow these minimum requirements, and all other requirements laid forth in the Program Manual, to be eligible for funding. For further details on each requirement, please see IHCDA's Program Manual here.

- Recipients must comply with all regulatory requirements listed in 24 CFR Parts 91 and 93.

Applicants should familiarize themselves with IHCDA's *CDBG, HOME, and HTF Program Manual*. Requirements include, but are not limited to the following:

- **Lead Based Paint**:
  - Each recipient of a HTF award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed.
  - Anyone who conducts lead-based paint activities in the State of Indiana must be licensed. Licenses are issued only after an applicant has successfully completed course certification by an accredited training facility and has passed the licensing examination administered by the ISDH. A separate license is required for each of the authorized lead disciplines. All licenses must be renewed every three years by successfully completing refresher training approved by the ISDH. Activities requiring licensing include:
    - Inspection for lead-based paint
    - Risk assessment for lead hazards
    - Clearance examination following lead abatement
    - Abatement of lead-based paint
    - Project design, supervision, and work in abatement projects
  - Anyone who is paid to perform work that disturbs paint in housing and child-occupied facilities built before 1978 must be EPA certified. This includes all firms, even sole proprietorships. Firms can't advertise or perform renovation activities covered by the regulation in homes or child occupied facilities built before 1978 without firm certification. Examples of the types of firms covered:
    - Residential rental property owners/managers
    - General contractors

- Special trade contractors, including
  - Painters
  - Plumbers
  - Carpenters
  - Electricians
- Federal law requires that a "certified renovator" be assigned to each job, and that all involved individuals be trained in the use of lead-safe work practices.
  - To become a certified renovator, a person must complete a renovator training course accredited by EPA or an EPA authorized program which will teach them how to work lead safe.
  - All remaining individuals must also be trained. They can either be certified renovators (meaning they successfully completed the accredited training) or they can have been trained on the job by a certified renovator (such training must be documented and the documents must be retained).

- **Section 504**:
  - Housing must meet the accessibility requirements of 24 CFR Part 8 which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covers multifamily dwellings, as defined in 24 CFR Part 100.201. It must also meet the design and construction requirements of 24 CFR 100.205 and implement the Federal Fair Housing Act Amendments of 1988 (42 U.S.C. 3601-3619).
- **Uniform Relocation Act:**
  - Each recipient of a HTF award is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). See IHCDA's Program Manual Chapter 4 for guidance on the regulatory requirements of the URA, as amended, the Federal regulations at 49 CFR Part 24, and the requirements of Section 104(d) of Title I of the Housing and Community Development Act of 1974, as amended.
- **Affirmative Marketing Procedures:**
  - Rental housing with five or more HTF-assisted units must adopt IHCDA's Affirmative Marketing Procedures. See the IHCDA Program Manual Chapter 5 for guidance on Affirmative Marketing Procedures.
- **Section 3**:
  - Any recipient receiving an aggregate amount of $200,000 or more from one (1) or more of the HUD CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects.
- **Income Verification:**
  - An income verification is valid for a period of six months. If more than six months pass between income verification and contract execution/lease execution/purchase agreement, then a new income verification must be completed.
- **Procurement Procedures:**
  - Each recipient of a HTF award will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the affordability period of the award.

- **Environmental Review:**
  - To help facilitate timely expenditure of HOME and HTF funds, all applicants are required to complete and submit the Environmental Review Record (ERR) and Section 106 Historic Review at the time of application.
  - To complete the forms and the Release of Funds process, refer to the ERR Guidebook found here.
  - As part of the Section 106 Historic Review process, IHCDA is required to submit all new construction projects to the Indiana Department of Natural Resources' State Historic Preservation Office (SHPO) for archaeology review. SHPO is statutorily required to complete this review within 30 days. Please plan your project timeline accordingly.
  - The applicant will receive their fully executed HTF award documents and will be allowed to draw funds only after the applicant has been allowed to publish a public notice and when the Release of Funds process is complete.
  - Applicants may not purchase any property to be assisted with HOME or HTF funds, sign contracts, or begin rehab/construction until the ERR/Release of Funds process has been completed and approved.
  - IHCDA will not fund projects that are in a floodway or that have any portion of the project site in a 100-year flood plain. If the project site has any area that is designated as any variation of Zone A or as a floodway, then the project is ineligible for IHCDA funding. Re-platting and/or re-parceling a site out of any variation of Zone A will not be allowed. Instead, the applicant must consult with and follow FEMA procedures to change the flood designation; this process should be completed prior to submitting a funding application to IHCDA.
  - For sites within the shaded Zone X or sites outside of Zone A but without a Base Flood Elevation (BFE; this information will be indicated on the FEMA map), then the potential adverse impacts of being directly adjacent to a flood prone area must be minimized. Therefore, the applicant must demonstrate to IHCDA that the following design modifications are included in the project scope. The information must be submitted with the ERR Workbook upon funding application to IHCDA. These requirements can also be found in the ERR Workbook:
    - Flood minimization techniques like permeable surfaces, storm water capture and reuse, and/or green roofs.
    - New construction and substantial improvement projects must be elevated at or above the 100-year floodplain.
    - The inclusion of early warning systems and emergency evacuation plans.
  - If your project involves new construction and has either mapped wetlands or potential wetlands, the project is not eligible for IHCDA funding. If your project involves site excavation, installation of wells or septic systems, grading, placement of fill, draining, dredging, channelizing, filling, diking, impounding, and any related activities, and has either mapped wetlands or potential wetlands, you must consider project alternatives, including a new site.
  - **For HTF projects that are NOT utilizing another funding source that would trigger a full part 50/58 (e.g. HOME), additional ERR regulations may apply. These include:**
    - NHTF cannot be used to fund any project within 2,5000 feet from the end of a runway at a civil airport or 15,000 feet from the end of a runway at a military airport.

    - Projects funded with NHTF must use a potable water system using only lead-free pipes, solder and flux.
    - NHTF projects must not result in the conversion of unique, prime, statewide or locally significant agricultural property to urban uses. No mitigation efforts are allowed under the NTHF.
    - If the exterior noise level is between 65dB and less than 75dB, mitigation measures must be implemented to meet the interior noise level standard of no more than 45dB. If there are exterior noise levels of 75dB or greater, mitigation measures must be implemented to meet the interior noise levels standards of no more than 45dB, and there must be no outside noise sensitive uses involved in the project.
    - Projects that ONLY have NHTF funding are not required to have a Section 106 Review. The project activities (including demolition) must not be performed on properties that are listed in or determined to be eligible for listing in the National Register of Historic Places, unless the project activities meet the Secretary of Interior's Standards for Rehabilitation, either as certified through the Federal and/or State historic rehabilitation tax credit programs or as verified by someone that meets the relevant Secretary of the Interior's Professional qualification Standards.

- **Construction Standards and Physical Inspections:**
  - All IHCDA-assisted units must be inspected twice during the award period. The first inspection will occur when 50% of the funds drawn for single site projects, or when half the units are complete for scattered site projects. The second inspection will be conducted upon completion of the construction for the award. Site visits during construction may be conducted to monitor progress of all projects. The IHCDA Inspector will conduct the physical inspections.
- **Registering Vacancies:**
  - Applicants that are proposing to develop rental housing must register vacancies for HTF-assisted housing in the IndianaHousingNow.org affordable housing database.
- **Capital Needs Assessment:**
  - Projects performing the rehabilitation activity with a total of 26 or more units (the total of HTF-assisted and non-HTF assisted units) must complete and provide a Capital Needs Assessment (CNA).
- **Federal Programs Ongoing Rental Compliance:**
  - Recipient must ensure that each owner of a HTF-assisted rental project enters tenant events into IHCDA's Indiana Housing Online Management System at https://ihcdaonline.com/ within 30 days of the tenant's event date. Tenant events include move-ins, move-outs, recertification, unit transfers, and rent and income changes. In addition, Annual Owner Certification Rental Reports must be submitted electronically using the Indiana Housing Online Management System throughout the affordability period in the Annual Rental Report. See IHCDA's Program Manual for further guidance.
  - Recipient must ensure that there is a written lease between any tenant and the owner of rental housing assisted with HTF funds. The term of the lease may not be less than one year, unless a shorter period is specified upon mutual agreement between the tenant and the owner. The lease may not contain any of the prohibited provisions set forth in 24 CFR 93.303

  - Recipient shall ensure that written tenant selection policies and criteria for the project are adopted and followed that comply with 24 CFR 93.303 and the additional requirements as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual, as amended from time to time by IHCDA.
  - In accordance with 93.404(d), the recipient must provide IHCDA with the financial documentation and/or reports needed by IHCDA to conduct its examination of the financial condition of the project, if project has ten (10) or more assisted units.
  - Rental housing developments must assist households at or below 30% of the Area Median Income for the county, as published by HUD and distributed by IHCDA. Units must be both income and rent restricted at the 30% AMI level. Households must meet the definition of "extremely low-income families" families at 24 CFR 93.2.).
- **LEP**:
  - Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds for LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices; acquiring interpreters for face to face interviews with LEP persons; placing advertisements and notices in newspapers that serve LEP persons; partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the project; hiring bilingual employees or volunteers for outreach and intake activities; contracting with a telephone line interpreter service; etc.
- **Nondiscrimination Requirements:**
  - Recipient must follow the non-discrimination requirements of the Fair Housing Act, the Violence Against Women Reauthorization Act of 2013, and the Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity rule.
- **SAM and DUNS:**
  - Applicants must register for System Award Management (SAM) and have a valid DUNS in order to apply for HTF.
- **HMIS**:
  - Applicants proposing permanent supportive housing will be required to participate in the Homeless Management Information System (HMIS).
- **Broadband Infrastructure:**
  - As described in the HUD Final Rule 81 FR 92626, any new construction or substantial rehabilitation of more than four rental units must provide for installation of broadband infrastructure, as defined in 24 CFR 5.100, except when IHCDA determines and documents that one or more of the exceptions listed in HUD Final Rule 81 FR 92626 apply. Each unit should have cables, fiber optics, wiring, or other permanent (integral to the structure) infrastructure, including wireless infrastructure, which is capable of providing access to Internet connections in individuals housing units.
- **Tenant Selection Plan**

- All HTF-funded properties must create a written tenant selection plan that meets all requirements outlined in Part 4.2E of IHCDA's Federal Programs Ongoing Rental Compliance Manual, as amended from time to time. This includes compliance with the nondiscrimination requirements of the Fair Housing Act, Violence Against Women Reauthorization Act, Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Rule, and the 2016 HUD Office of General Counsel Guidance on Criminal Records.

3.4 Property Standards

All HTF funded projects must meet the property standards outlined in 93.301.

- Developments must use Uniform Physical Condition Standards (UPCS). A listing of those standards can be found in Appendix A – HTF UPCS. Property Standards documentation can be found in the "Resources" section of the IHCDA Housing Trust Fund website. Beyond the UPCS standards, projects must also comply with:
    - IHCDA HTF Rehab Standards (found on the IHCDA Housing Trust Fund website); and,
    - The stricter of the local rehabilitation standards or the Indiana State Building Code.
- The development must meet the accessibility requirements at 24 CFR Part I, which implements Section 504 of the Rehabilitation Act of 1973.
- Covered multi-family units, as defined at 24 CFR 100.201, must meet the design and construction requirements at 24 CFR 100.205, which implements the Federal Fair Housing Act Amendments of 1988.
- Any units utilizing gas appliances must provide carbon monoxide detectors in addition to standard smoke detectors.
- Newly constructed units must meet additional energy efficiency standards for new construction pursuant to section 109 of the Cranston-Gonzalez National Affordable Housing Act.
- Where relevant, the housing must be constructed to mitigate the impacts of potential disaster, in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

3.5 Affordability Requirements

The affordability period for all HTF developments is 30 years.

HTF subsidized activities must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCDA. The recipient shall comply with the following requirements of the HTF Program throughout the affordability period: (1) ensuring that the property meets the Property Standards set forth in 24 CFR 93.301; (2) ensuring that the tenants meet the affordability requirements set forth in 24 CFR 93.205 by documenting and verifying the income of tenants as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual, as amended from time to time by IHCDA; (3) submitting annual tenant events and annual owner certifications to IHCDA through its online reporting system as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual; (4) participating in periodic monitoring and inspections of the Property by IHCDA and/or the U. S. Department of Housing and Urban Development ("HUD"); (5) complying with the Federal income and rent limits issued by HUD and published annually on IHCDA's website; (6) providing IHCDA with information regarding unit substitution and filling vacancies, if the Project has floating units; and (7) ensuring that each tenant enters into a lease that does not contain HUD prohibited lease language as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual. The affordability period begins after the project has been completed and the completion forms have been submitted to and approved by IHCDA. During the affordability period all HTF program rental requirements apply to the property. See IHCDA's *Federal Programs Ongoing Rental Compliance Manual* for a full discussion of affordability period compliance.

3.6 Lien and Restrictive Covenant Agreement

Each recipient of a HTF award must ensure that a lien and restrictive covenant is executed and recorded against every property constructed, rehabilitated, or acquired, in whole or in part, with HTF funds. Upon the occurrence of any of the following events during the Affordability Period, the entire sum secured by the lien shall be due and payable by developer and/or owner upon demand. Repayment may be demanded upon: (1) Transfer or conveyance of the real estate by deed, land contract, lease, or otherwise, during the Affordability Period; (2) Commencement of foreclosure proceedings by any mortgagee (or deed in lieu of foreclosure), within the Affordability Period; (3) The real estate no longer meets the property standards set forth in 24 CFR 93.301.; (4) HTF-assisted units are not being used by qualifying tenants as their principal residence; (5) annual tenant events and annual owner certifications are no longer being submitted to IHCDA through its online reporting system as set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual; (6) non-compliance with the federal income and rent limits issued by HUD; and (7) units are not leased in accordance with the requirements set forth in IHCDA's Federal Programs Ongoing Rental Compliance Manual.

The recipient of the HTF award will be responsible for repaying IHCDA any HTF funds utilized for any housing constructed, rehabilitated, or acquired that does not remain affordable and in compliance in accordance with 24 CFR 93.302 for the entire Affordability Period. Recapture is not prorated; failure to meet the entire affordability period will result in full repayment of the HTF award.

3.7 Geographic Diversity

IHCDA will make every effort to distribute HTF funds in a geographically equitable manner. The ability to do so may be limited by the location of eligible applications and projects which receive adequate scoring to be funded.

Applicants for HTF funds must have completed the Indiana Supportive Housing Institute. Teams are selected and admitted into the Institute based on the criteria laid out in an annual Request for Proposals (RFP). During review of the RFP responses, IHCDA staff considers geographic diversity as part of its evaluation to ensure that we are creating supportive housing developments throughout the state. In addition, the applicant must demonstrate need for supportive housing as supported by local data sources, including, but not limited to, data from the Point In Time Count and other data sources collected by the Continuum of Care.

3.8 Award Term

The HTF award must be fully expended within a 24-month period. The award generally expires on the last day of the month, 24 months following execution of the award agreement by the recipient and IHCDA.

Part 4: Subsidy Limitations & Eligible Activity Costs

4.1 Subsidy & Budget Limitations

The maximum request amount per application is $1,500,000 for eligible rental projects. At IHCDA's discretion and depending on availability of funds, the maximum request per application may be reduced. IHCDA may award additional HTF funding if the project demonstrates additional need and meets all subsidy layering and underwriting requirements.

Subsidy Limitations

The maximum per-unit subsidy limits for HTF will be set at IHCDA's applicable HOME maximum per-unit subsidy limits. They will be applied statewide and are adjusted by the number of bedrooms per unit. These limits can be found in the table below. IHCDA has updated the limits based on the increase in the Consumer Price Index.

The decision to use the HOME subsidy limits and apply them statewide is based on an analysis of the actual total development costs of affordable multifamily rental housing applications in Indiana from 2016-2020. Two separate analyses were conducted. The first compared projects in large cities (population of 75,000 or greater), small cities (population of 15,000-74,999) and rural localities (population under 14,999); the second compared the two evaluation regions as set by IHCDA (North and South). While there is some difference in individual project costs, there is relatively little variation in the 2016-2020 averages through both scenarios. The per/unit subsidy for each of the geographical subsets did not greatly differ from either each other or from the state average. The highest total development cost per unit can be found in the large city category; however, only one project since 2016 qualified for this category so the data is not necessarily indicative of any larger trend. The next highest total development cost per unit can be found in the rural category. In this category, the difference between the statewide total development cost average was only 4.87% and the difference between the total development cost per unit was only 3.38%. Small towns had the lowest cost per unit. Analysis of this data suggests that current HOME subsidy limits remain appropriate.

Setting the HTF maximum per-unit subsidy limits at the existing HOME limits is allowed by HUD and cost data indicate the use of the HOME limits is appropriate as the initial baseline cap for the amount of HTF investment that may be put into any HTF-assisted unit. However, it is important to note that the cap is not the only mechanism. IHCDA will use to allocate no more HTF funds than allowable and necessary for project quality and affordability. Each application for HTF funding will be reviewed and analyzed in accordance with IHCDA's underwriting process, which includes a subsidy layering review. IHCDA staff has extensive experience in this area, including through its administration of HOME. The review includes an examination of sources and uses (including any operating or project-based rental assistance) and a determination that all costs are reasonable. Through its underwriting process, IHCDA will ensure that the level of HTF subsidy provided: 1) does not exceed the actual HTF eligible development cost of the unit, 2) that the costs are reasonable and in line with similar projects across the state, 3) the developer is not receiving excessive profit, and 4) HTF funding does not exceed the amount necessary for the project to be successful for the required 30-year affordability period.

Due to the unique costs associated with Permanent Supportive Housing projects that are often not present in non-PSH HOME rental projects and, in light of public comments received, IHCDA has elected to increase the HTF subsidy limits by approximately 7.5% over current HOME subsidy limits. IHCDA will revisit these limits on an annual basis to determine whether they remain appropriate. IHCDA will allow HTF applicants applying in conjunction with HOME Investment Partnerships Program-American Rescue Plan ("HOME-ARP") to use the maximum HOME subsidy limits as published by HUD.

HTF funds used for acquisition, rehabilitation, and new construction combined cannot exceed:

Bedroom Size	Per Unit Subsidy Limit
0	$139,750
1	$163,400
2	$187,050
3	$225,750
4+	$249,400

HTF funds used for acquisition, rehabilitation, and new construction in conjunction with HOME-ARP funding combined cannot exceed:

Bedroom Size	Per Unit Subsidy Limit
0	$159,753
1	$183,132
2	$222,693
3	$288,093
4+	$316,236

Minimum amount of HTF funds to be used for rehabilitation or new construction is $1,001 per unit.

Budget Limitations

- HTF funds cannot be used for reserve accounts for replacement or operating costs but may be used as a Rent-Up Reserve.
- All subsidies must be secured throughout the affordability period by a written, legally binding, recorded restrictive covenant.

IHCDA may approve, at their sole discretion, requests for higher per unit subsidy limits dependent upon verification of the need for increased costs.

4.2 Form of Assistance

HTF funds will be awarded to the recipient in the form of a grant. Award documents must be executed in order to access funds and will include, but are not limited to: award agreement, resolution, and a lien and restrictive covenant agreement.

The applicant may then provide the HTF award as a forgivable, amortized, or deferred loan to as many other entities as it chooses, known as subgrantees. However, subgrantees must be identified in the application and approved by IHCDA.

A title company is required to be used for all loans that occur between the IHCDA recipient and the subgrantee of the program. The IHCDA recipient must execute a promissory note, mortgage, lien and restrictive covenant agreement, and other documents as directed by IHCDA in order to secure IHCDA's investment in the assisted property. The recipient is required to deliver these documents to the county recorder's office for recording. These documents will be reviewed during monitoring visits.

4.3 Eligible Activity Costs

The bolded items listed below are included in the application budget. If you have a question about which line item an expense goes under, contact your IHCDA Real Estate Production Analyst.

ACQUISITION – Limited to the purchase price and related costs associated with the acquisition of real property. Recipients must use a title company when purchasing or selling assisted properties.

DEMOLITION – Costs associated with the demolition and clearance of existing structures.

NEW CONSTRUCTION

Eligible costs include:

- Hard costs associated with new construction activities;
- Utility connections including off-site connections from the property line to the adjacent street;
- Site work related to driveways, sidewalks, landscaping, etc.
- Related infrastructure costs - improvements to the development site that are in keeping with improvements of surrounding, standard developments. Site improvements may include on-site roads and water and sewer lines necessary to the development
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- General Requirements, Contractor Contingency and CMC

REHABILITATION

Eligible costs include:

- Hard costs associated with rehabilitation activities
- Lead-based paint interim controls and abatement costs.
- Mold remediation
- Site work related to driveways, sidewalks, landscaping, etc.
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety. Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served
- General Requirements, Contractor Contingency and CMC

RETAINAGE POLICY - IHCDA will hold the final $10,000 of an award until, closeout documentation, and completion reports are received and approved. Closeout documentation will not be approved until the final monitoring and inspection is completed and all associated findings and/or concerns are resolved.

4.4 Ineligible Activity Costs

- Annual contributions for operation of public housing
- Commercial development costs **-** All costs associated with the construction or rehabilitation of space within a development that will be used for non-residential purposes such as offices or other commercial uses. This does not include the common area used by tenants of rental property or the leasing office of the apartment manager. HOME awards cannot be used to underwrite any portion of commercial development costs. The expenses incurred and income to be generated from commercial space must be reported in a separate "Annual Expense Information" sheet and 15-year proforma.
- Costs associated with any financial audit of the recipient.
- Costs associated with preparing an application for funding through IHCDA
- Cost of supportive services
- General operating expenses or operating subsidies
- Loan guarantees
- Mortgage default/delinquency correction or avoidance
- Providing tenant based rental assistance
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers.
- Purchase or installation of luxury items, such as swimming pools or hot tubs
- Any additional prohibited activities and fees as listed in 93.204.

4.5 Allocating Costs in Mixed-Income Developments

HTF may only pay actual costs related to HTF-assisted units. If the units in a development are comparable (in terms of size, features and number of bedrooms), then the actual costs can be determined by pro-rating total development costs. HTF funds could pay the pro-rated share of the HTF-assisted units. When units are not comparable, the applicant must allocate the HTF costs on a unit-by-unit basis, charging only actual costs to the HTF program. Because units in rental developments with-the "floating" HTF designation must be comparable, an applicant should always pro-rate costs in these developments. When units are generally comparable but vary slightly in size or amenities, a combination of the two approaches may be used.

Unit Size - Comparability in size is defined by the bedroom count and square footage of individual units. Not all units with the same number of bedrooms are comparable in size. If there is a substantial difference in the square footage of two units with the same number of bedrooms, the units are not considered comparable.

Amenities - Comparability in amenities means similar fixtures, appliances, and other features. In many mixed-income developments, to receive varying rents, the quality and types of amenities may vary among units. For instance, a development might charge a higher rent for a unit with wall-to-wall carpeting, garbage disposal, dishwasher, and finer fixtures than for a unit without these amenities. This type of development does not typically have comparability of units unless there is an equal distribution of assisted and non-assisted units that have these amenities.

Common Costs - Common costs are costs incurred for acquisition of improved or unimproved real property that benefits all residents of units in a development, rehabilitation or construction of shared systems (heating, plumbing, roofing) or shared facilities (community rooms, laundry facilities located in residential buildings); and on-site improvements. Costs associated with a development's on-site management office or the apartment of a resident manager may be counted as common costs. The way the costs for common elements of a development may be charged is dictated by the method chosen for allocating costs.

Part 5: Rental Housing Requirements

5.1 Eligible Projects
HTF projects can propose rental activities with this policy and corresponding application forms.

5.2 Eligible Rental Activities
Eligible activities include new construction, rehabilitation only, acquisition/rehabilitation, or acquisition/new construction. Acquisition is allowed only in conjunction with the rehabilitation activity and is ineligible as a stand-alone activity. Permanent rental housing units may not be used for temporary or emergency housing at any time. Eligible rental activities also include the rehabilitation or acquisition/rehabilitation of assisted-living facilities as long as they meet IHCDA's definition. IHCDA defines an assisted living facility as living arrangements in which some optional services are available to residents (meals, laundry, medication reminders), but residents still live independently within the assisted-living complex. Residents of such facilities pay a regular monthly rent, and then pay additional fees for the services that they desire.

All households occupying HTF-assisted rental units must be income-qualified based at or below 30% of area median income and all units must be rent restricted at the 30% rent limit. See the *Federal Programs Ongoing Rental Compliance Manual* for more information on household qualification.

5.3 Income Restrictions
HTF-assisted rental units will income-restricted for occupancy by extremely low-income households, defined as households that are certified as having incomes at or below the 30% area median income HTF income limit, as published by HUD.
IHCDA posts income limits – these can be found through IHCDA's RED Notices. IHCDA will release a new RED notice when new limits are available through HUD.

All households that occupy HTF-assisted rental housing units must be income certified at the time of move-in and then recertified on an annual basis. The 24 CFR Part 5 (Section 8) definition of household income applies.

5.4 Rent Restrictions
HTF-assisted rental units will be rent-restricted at the 30% rent restriction throughout the affordability period to ensure that the units are affordable to extremely low-income households. Please refer to the most recent HTF rent limits. Rent limits for Indiana can be found on HUD's website here.

The following restrictions apply:
- Published rent limits include the cost of any tenant-paid utilities. For all utilities that the tenant will be responsible for you must subtract any IHCDA or HUD approved utility allowance from the published rent limit. For example, if the rent limit in a given county is $300 with a utility allowance for gas heat of $28, $20 for other electric, and $13 for water, the maximum allowable rent would be $239 for a unit where the tenant pays all the above utilities ($300 - $28 - $20 - $13 = $239).
- All units must be leased for initial occupancy within 18 months.

- If a SRO-unit has both food preparation and sanitary facilities, then use the zero bedroom (efficiency) unit rent or 30% of the household's adjusted income, whichever is most restrictive.
- If a SRO-unit has neither food preparation nor sanitary facilities, or only one of either, then the rent may not exceed 75% of the fair market rent (FMR) for a zero bedroom unit. For example, if the FMR for a zero bedroom unit in a given county is $300, then the 30% rent limit in that county for a SRO unit that only has a bathroom and not a kitchen would be $225 ($300 x .75 = $225).
- Gross rent must be at or below the published rent limit. Gross rent = tenant-paid rent + tenant-based rental assistance + utility allowance + non-optional charges.
- If the applicant proposes to receive all or a portion of the rent payment via a tenant-based voucher (rental subsidy), the gross rent (including the rental assistance amount) cannot exceed the published rent limits for the applicable income level. For example, a tenant residing in a unit set-aside for households at or below 30% of the area median income has a voucher that pays $100 of his/her rent, and the published utility allowance for tenant paid utilities for the unit is $50. If the published 30% rent limit is $300, the tenant paid portion of rent cannot exceed $150 ($300 rent limit - $100 Section 8 Voucher - $50 utility allowance = $150 maximum tenant paid portion).
- If the development receives a federal or state project-based rent subsidy and the unit is designated as 30% or below and the household is at or below 30% AMI and the household pays no more than 30% of his/her adjusted income for rent, then the maximum rent may be the rent allowable under the project-based rental subsidy program as set forth in 24 CFR 93.302(b)(2).
- If the development charges non-optional fees for food or the costs of supportive services, then these costs must be included in the gross rent calculation

5.5 Affordability Periods

All rental projects are subject to a 30-year affordability period as defined in Part 3.4 of this document.

The recipient is subject to recapture provisions through a recorded lien and restrictive covenant agreement as described in Parts 3.5 of this document.

5.6 Underwriting Guidelines for Rental Projects

The following underwriting guidelines must be followed for any rental development as per 24 CFR 93.300 (b). The numbers submitted should accurately reflect the true nature and cost of the proposed activity. IHCDA will consider underwriting outside of these guidelines, if supporting documentation is provided.

TOTAL OPERATING EXPENSES – All developments must be able to underwrite with a minimum operating expense of $4,500 per unit per year (net of taxes and reserves).

For developments with Project Based Vouchers, cash flow (minus any acceptable reserve amounts) cannot exceed 10% of the total operating expenses. Cash flow is determined after ensuring all debt can be satisfied and is defined as total income to the project minus total expenses.

MANAGEMENT FEE – The maximum management fee allowed is described in the table below, based on the number units within the project. The percentage is based on the "effective gross income" (i.e. gross income for all units, less vacancy rate).

Number of Units	Maximum Management Fee Percentage
1 – 50	7%
51 - 100	6%
101 or more	5%

VACANCY RATE – All developments must be able to underwrite with a vacancy rate between 6% and 8%. Applicants must substantiate the vacancy rate. Exception: Applications with Section 8 Project Based Rental Assistance (PBRA), Project Based Vouchers (PBV), or Section 811 Project Rental Assistance (811 PRA) on 20% or more of the total units must use a vacancy rate of 4-7%.

RENTAL INCOME GROWTH – 2% per year

OPERATING RESERVES – The greater of (1) at least four months of projected expenses including operating expenses plus debt service payments and replacement reserve payments; OR (2) $1,500 per unit.

RENT-UP RESERVE – HTF funds may be used to fund a rent-up reserve for new construction and rehabilitation rental housing developments. This reserve can be used to meet shortfalls in development income during the rent-up period and may only be drawn down after all construction is completed at the development. The following terms apply:

- The term of the rent-up reserve account may not exceed six months after all construction is completed, after which time any unused reserves left in the account will be de-obligated by IHCDA.
- These funds can be used only for development operating expenses, scheduled payments to replacement reserves, and/or debt service payments.
- The recipient must receive IHCDA's approval prior to accessing its rent-up reserve funding.
- The amount of HTF funds that can be utilized for a rent-up reserve is limited to three months development operating expenses plus three months of development debt service.

REPLACEMENT RESERVES – All developments are required to have replacement reserves. Replacement reserves must be included in the operating budget but are not included as part of the operating reserves. Contributions must be made to the reserve account starting at or before the conversion date of the construction loan to permanent loan and must be funded for the term of the Extended Use Period/Affordability Period.

For multiple construction types, each unit must meet the minimum contributions stated above based on the construction type of that unit. For example, if a development contains 30 age-restricted new construction units and 20 rehabilitation units, the calculation would be 30 units at $250 per unit per year and 20 units at $350 per unit per year.

Replacement reserve funds must only be used for capital improvements (substantial improvements to the real estate such as re-roofing, structural repairs, or major projects to replace or upgrade existing furnishings, but not including replacement of individual appliances or minor repairs) and must **not** be used for general maintenance expenses. Less restrictive provisions required by lenders must be approved by IHCDA.

Replacement reserves must escalate at a rate of 3% per year.

IHCDA will, at its discretion, adjust the replacement reserve to reflect reasonable and customary capital and replacement expenditures. The following minimum contributions must be used.

Development Type	Minimum Contribution per unit per year
Rehabilitation/ Adaptive Reuse*	$350
New Construction (if age restricted)	$250
New Construction (if non age-restricted)	$300
Single Family Units	$420
Historic Rehabilitation	$420

* For rehabilitation developments, the Capital Needs Assessment will be reviewed to determine whether sufficient reserves have been established.

CAPITALIZED SERVICE RESERVES- All developments receiving an allocation of HTF funds must establish a capitalized service reserve to help ensure that supportive services can be provided to the tenants throughout the affordability period. The service reserve cannot, however, be funded from HTF funds. The developer must account for the source of the service reserves and take this into effect when considering uses for tax credit equity and other sources. The amount of the service reserve must be based on development size and service budget. The application must include a narrative describing the methodology used to determine the size of the service reserve.

IHCDA will, at its discretion, issue additional guidance via a RED Notice to set a more standardized requirement on the allowable size (minimum and maximum) of the capitalized service reserve requirement to reflect reasonable and customary expenditures.

OPERATING EXPENSE GROWTH – All developments must be able to underwrite with operating expense growth between 1% and 3% per year.

IHCDA requires operating expense growth to be at least 1% higher than rental income growth.

STABILIZED DEBT COVERAGE RATIO – All developments must be able to underwrite with a stabilized debt coverage ratio (DCR) within the following standards (stabilization generally occurs in year 2):

Development Location	Minimum Acceptable Debt Coverage Ratio
Large or Small City	1.15 – 1.45
Rural	1.15 – 1.50
Development with Project Based Vouchers	1.10-1.45

- Stabilization usually occurs in year two; however, the debt coverage ratio for a development must not go below 1.10 during the affordability period to be considered financially feasible.
- IHCDA does recognize that rural deals may have higher debt coverage ratios at the beginning of the affordability period in order to remain feasible. Documentation to support these higher debt coverage ratios must be provided.
- For developments with Project Based Vouchers, the debt coverage ratio must be in the range stated in the table above as required under HUD's Subsidy Layering requirements.
- Developments without hard debt are permissible, but will be subject to additional scrutiny from IHCDA. Developments with no debt will not have a debt coverage ratio, but will be required to have cash flow without an undue profit. This will be determined by a ratio of Effective Gross Income to Total Annual Expenses (including Replacement Reserves). A ratio of 1.10 shall be the minimum required to be considered feasible by IHCDA, throughout the affordability period.

The following documentation is required for Stabilized Debt Coverage Ratio:

- Documentation of estimated property taxes and insurance for the proposed development (i.e. a statement of how the applicant determined the estimated taxes and insurance for the development); AND

- If the underwriting is outside these guidelines, the applicant must provide a written detailed explanation with third party documentation supporting the explanation (approval of underwriting from other financing institutions/funding sources will not constitute acceptable supporting documentation).

5.7 Market Assessment Guidelines

The following market assessment guidelines must be followed for any rental development. The numbers submitted should accurately reflect the market feasibility of the proposed activity.

MARKET AREA – Describe the market area from which the majority of the development's tenants are likely to come and provide a map with a scale. Describe how the market area was determined to be appropriate for the development.

SOCIOECONOMIC PROFILE AND TRENDS – Describe the trends in population and households by age and income and estimate the number of eligible tenants for the development.

HOUSING STOCK – Describe the existing housing stock within the market area including the number of housing units, type (single family or multifamily), percent vacant, percent owner-occupied and renter-occupied, etc. In addition, provide a list of all other rent restricted properties in the market area and indicate whether they are age restricted.

CAPTURE RATE AND ABSORPTION PERIOD – Provide an estimate of the capture rate for the development (project's units divided by the number of eligible tenants from the market area), and estimate the absorption period to ensure lease-up within 18 months of project completion.

NEEDS ASSESSMENT – Describe how the development addresses the community's housing needs, given the market area's socioeconomic profile, trends, and housing stock.

DEVELOPMENT SITE DESCRIPTION – Explain how the site is adequate in size, exposure, and contour to accommodate the number and type of units proposed. In addition, describe whether there are adequate utilities (water, sewer, gas, and electricity) to accommodate the development.

5.8 Site and Neighborhood Standards

IHCDA administers the HTF program in a manner that promotes housing opportunities and provides housing that is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, E.O. 11063, and HUD regulations issued pursuant thereto. For new construction of HTF -assisted rental units, the applicant must demonstrate that the proposed development meets the site and neighborhood standards as given at 24 CFR 983.6(b) and 93.150 by completing the appropriate form in the HTF Section.

- The site must not be located in an area of minority concentration, except as permitted below, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- A project may be located in an area of minority concentration only if:
    - Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or
    - The project is necessary to meet overriding housing needs that cannot be met in that housing market area
    - "Sufficient" does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality's population.
    - Units may be considered "comparable opportunities," if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are in the same housing market; and are in standard condition.
    - Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must

consider the extent to which the following factors are present, along with other factors relevant to housing choice:

- A significant number of assisted housing units are available outside areas of minority concentration.
- There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.
- There are racially integrated neighborhoods in the locality.
- Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.
- Minority families have benefited from local activities (e.g., acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.
- A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.
- Comparable housing opportunities have been made available outside areas of minority concentration through other programs.

o Application of the "overriding housing needs" criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a "revitalizing area"). An "overriding housing need," however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

5.9 Project Based Voucher Requirements

If the applicant is applying for Project Based Voucher subsidies through IHCDA, the project must meet the additional underwriting criteria listed in the table below to pass the HUD subsidy-layering review process.

In addition, the applicant must submit an appraisal report, establishing the value of the property before construction or rehabilitation, regardless if HOME or HTF dollars are being used for acquisitions.

Development Costs	HUD Limits
General Conditions	6%
Overhead	2%
Builder's Profit	6%
Total	14%
Developer's Fee	12%
Debt Coverage Ratio	**HUD Limits**
Minimum required	1.10
Maximum allowed	1.45
Trending	**HUD Guideline**
Operating Expenses, Year 1- 3	1-3%
Operating Expenses, Year 4-15	3%
Rent Increases, Year 1-3	1-3%
Rent Increases, Year 4-15	3%
Total Operating Expenses	**HUD Limits**
Years 1-15	Cannot exceed 10% of the total operating expenses.

Part 6: Completeness & Threshold Requirements

Each proposed project must satisfy the Federal requirements of the HTF program listed in 24 CFR Part 93 and any additional requirements established by IHCDA. To be considered for funding, an applicant must meet all of the completeness and threshold requirements listed below.

6.1 Completeness Requirements

a. Timeliness – All documentation must be turned in by the application due date.
    - On or before the application deadline, the applicant must provide all documentation as instructed in this application policy as well as required documentation listed in any other applicable policy.
    - If IHCDA requests additional information from the applicant, all requests are due on or before the date provided by IHCDA staff.
    - Any forms that are late will not be reviewed.

b. Responsiveness – All questions must be answered and all supporting documentation must be provided.
    - The applicant must provide all documentation as instructed in this application policy as well as required documentation listed in the HTF Application Forms.
    - The applicant must provide all documentation as requested (e.g., electronic or hard copies, labeled correctly, etc.)
    - Required signatures must be originally signed.

6.2 HTF Criteria

In accordance with 24 CFR 91.320(5)(i), IHCDA will address and weigh the required priority funding factors in the following manner:

a. *Priority Housing Needs of Indiana – high priority*: Through the 2020-2024 Consolidated Plan, the State of Indiana includes extremely low-income households and permanent supportive housing/integrated supporting housing as "housing priority needs" (see AP-25 Allocation Priorities).

   To be eligible for HTF, the applicant must further the creation of community-based housing that targets the extremely low income (less than 30% AMI) with intensive service programs that have a direct impact on reducing homelessness through the Housing First model, to meet the state's priority housing needs of serving extremely low-income households. Applicants who have not successfully completed the Supportive Housing Institute and/or who do not meet the set-aside criteria as identified in both the QAP (if applying for RHTC) and in Sections 2.1 and 6.3 (e) of this Allocation Plan will not be eligible for funding.

   In addition, IHCDA may award additional scoring of 93 points under Sections 7.1 Rents Charged; 7.2 Development Characteristics; and 7.3 Sustainable Development to prioritize projects which best serve their residents.

b. *Project-Based Rental Assistance – high priority:* As stated under Threshold Items Section 6.3 (c) and 6.3 (e), in order to be eligible for HTF funding, the applicant must demonstrate how units will be made affordable to the targeted population of persons experiencing homelessness. All developments are required to identify a source of project-based rental assistance for the supportive housing units, generally through Project-Based Section 8 vouchers or CoC funding. Developments that have not identified an operating subsidy source do not meet threshold and will not be considered for funding. As stated under Section 7.1 Rents Charged, Applicants may be eligible for 28 points for rent targeting.

c. *Timely Undertaking – moderate priority*: As stated under the Threshold Items Section 6.3 (d), the applicant is required to demonstrate their ability to undertake the activities set forth in its application upon receipt of the HTF award, to begin construction within 12 months of receipt of the award, and to complete the development within a 24-month period.

d. *Extent of Non-Federal Funding – moderate priority*: As stated under the Threshold Items Section 6.3 (c), the applicant must demonstrate all subsidy sources. IHCDA may also award up to 14 points for projects that meet the criteria as outlined in Sections 7.2 (o) Tax Credit Per Unit; 7.2 (p) Tax Credit per Bedroom; 7.4 (a) Firm Commitment; and 7.4 (b) Previous Funding in a Local Government.

e. *Affordability Period – low priority*: As stated under the Threshold Criteria Section 6.3 (a), applicants must meet the minimum 30-year period of affordability to be eligible for funding.

f. *Geographic Diversity – moderate priority*: As identified in Section 3.7, IHCDA will make no preference to geographic diversity in projects during the HTF application scoring process. IHCDA will, however, make every effort to distribute HTF funds geographically. The ability to do so may be limited by the location of eligible applications and projects which receive adequate scoring to be funded. The primary consideration for geographic diversity will be handled through the selection of teams that are admitted into the Indiana Supportive Housing Institute. Completion of the Institute is a threshold requirement for HTF eligibility.

IHCDA will, however, consider geographic factors in scoring related to "desirable sites" as defined within the QAP and HOME Rental Application Policy. An application can score up to 11 points for proximity to positive land uses, transportation, etc. See Chapters 7 and 8 of this manual for a summary of the QAP and HOME Rental Application Policy scoring criteria.

- Undesirable Sites: An application can receive a negative point if the proposed development is located within a ½ mile radius of undesirable facilities and locations that produce objectionable noise, smells, excessive traffic, hazardous activity, etc.

Additionally, IHCDA considers where it has previously allocated funds. The QAP contains two scoring categories worth up to 6 points that attempt to incentivize developments in areas that have not obtained recent IHCDA funding.

- Previous Funding within a Local Government: An application can receive up to 3 points for falling in the boundaries of a unit of local government that has not received an allocation of 9% low-income housing tax credits in the past 3 years. If there has been a 9% tax credit allocation within the last three years, the application will receive points based on the total number of tax credit units funded in the last three years.
- Census Tract without Active Tax Credit Developments: An application can receive 3 points if the proposed development is in a census tract that does not have any active tax credit developments of the same occupancy type (elderly or family). An "active" tax credit project is

one that has received a reservation of credits, is in its compliance period, or is in its extended use period. An application will receive 1.5 points if the proposed development is in a census tract that contains exactly one other active tax credit project of the same occupancy type.

6.3 Threshold Items

Each Development applying for an allocation of Rental Housing Financing and HTF must satisfy the requirements of both Section 42 and 24 CFR 93. In the event that an application is competitive for RHTC but either the application fails the HTF threshold review, or HTF funds are not available to award, IHCDA will allow the application to submit additional information to identify other ways to fill the development's financing gap.

Applicants must meet the threshold requirements are outlined in the QAP or HOME Rental Application Policyas well as the following threshold items for those projects requesting HTF:

a. The HTF-assisted units must meet affordability requirements for not less than 30 years, beginning at development completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. The affordability requirements must be imposed by deed restrictions or covenants running with the land. Please note that the HTF affordability period may differ from that of the RHTC program.

b. IHCDA is required to complete a subsidy layering review at any time a development receives HTF funds, along with other governmental subsidies to assure that the development is not being overly subsidized. In reviewing requests for HTF in conjunction with RHTC, IHCDA will utilize the underwriting analysis as outlined in Section 5. If the applicant is also applying for Project-Based Section 8, the applicant must provide the required documentation as listed in the QAP (if applying for RHTC) and from Section 5.9 of this policy

c. The Applicant must identify all subsidy sources. Funding commitments must be provided with the RHTC or HOME application. If the funding has not yet been committed, application must provide proof of application, a narrative describing the selection process, and a narrative plan on how the development will move forward if the application is denied. HTF cannot be committed until all other sources have been committed.

d. The applicant must demonstrate experience and capacity to conduct an eligible HTF activity as evidenced by its ability to:
   1. Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or
   2. Design, construct, or rehabilitate, and market affordable housing for homeownership.
   3. That the applicant has the capacity to undertake the activities set forth in its application upon receipt of the HTF award and begin construction within 12 months of receipt of the award and complete the development within a 24-month period.

e. The Development must serve populations that are extremely low-income and experiencing homelessness. The target population served by the development must be the target population that was identified based on community need and relevant data through the Supportive Housing Institute process and align with the goals of the Consolidated Plan.

Part 7: Scoring Criteria

IHCDA will score HTF applications based on the scoring criteria of the primary funding source. These criteria can be found in detail in the Qualified Allocation Plan (RHTC), HOME Rental Policy (HOME), or HOME-ARP Rental Policy (HOME-ARP). Applications must meet the minimum score per each policy to meet threshold and be considered for funding. Applications will not be scored for HTF separately.

Part 8: Glossary

Below are definitions for commonly used terminology found throughout the IHCDA HTF application policy and forms and applicable to the IHCDA HTF program.

Development: The HTF activity proposed in the application.

Extremely Low-Income: A household at or below 30% of area median income.

HTF: The Housing Trust Fund program.

IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for projects giving the maximum income limits per household for program units. For HTF, the maximum income limit is 30% of area median income.

Median Income: A determination made through statistical methods establishing a middle point for determining income limits. Median is the amount that divides the distribution into two equal groups, one group having income above the median and one group having income below the median.

Rent Limits: The HUD published maximum rent amount, including a utility allowance and any non-optional fees. Rent limits are published by bedroom size and by AMI level. For HTF, the maximum rent limit is the 30% AMI rent limit.

NHTF.

REHABILITATION STANDARDS

IHCDA National Housing Trust Fund Rehabilitation Standards

IHCDA has established rehabilitation standards of which all HTF-assisted housing undergoing rehabilitation must meet at the time of project completion, pursuant to the regulations at 24 CFR 93. These standards are designed to outline the requirements for building rehabilitation for all IHCDA national Housing Trust Fund funded multi-family housing projects.

All IHCDA National Housing Trust Fund (HTF) projects constructed or rehabilitated must meet the stricter of the Indiana State Building Code, local building codes, or manufacturer's instructions. The General Administrative Rules at 675 IAC 12 provides State of Indiana codes and standards for rehabilitation. The Rules can be accessed at the following address: http://www.in.gov/dhs/2490.htm

At the time of publication and adoption of the HTF Standards, the adopted codes referenced are believed to be those in force. As standard sand codes change and put into effect by the governing authorities having jurisdiction, the new standards and codes will apply in lieu of those referenced.

Please note this Guide is to be used only as a supplement to compliance with all applicable State and Federal codes, laws, regulations, statutes, and rules. This Guide should not be considered a complete guide to physical inspection compliance. The responsibility for compliance with Federal program regulations lies with the HTF grantee and/or property owner. IHCDA's obligation to monitor for compliance with the requirements of the Code does not make IHCDA or its subcontractors liable for any non-compliance issues.

I. Health and Safety
If the housing is occupied at time of rehabilitation, any life-threating deficiencies must be identified and addressed immediately. Appendix A defines the list of Inspectable Items and Observable Deficiencies, including the identification of life-threating deficiencies for the property site, building exterior, building systems, common areas and units. Critical Violation code deficiencies (CVC) are identified in both the following Rehabilitation Standards, as well as Appendix A. Critical violations must be repaired within 24 hours of the inspection and IHCDA must be provided with written notification of the action taken to complete the correction(s). The following would be considered a Critical Violation Code:

- Exposed Energized Electrical
- Water Leak by Electrical equipment
- Gash/Methane Leaks
- Fire Exit Blocked
- Unusable Fire Escapes
- Flue Gas Vents with CO leakage
- Missing/inoperable smoke detector
- Expired/Discharged Fire Extinguisher/Inspector Tag
- Inoperable Emergency Escape/Rescue Windows
- Inoperable Emergency Lightening
- Inoperable EXIT sign
- Improper Fuel Storage
- Missing or Lose Guard Rail
- Ground Fault Protection Inoperable
- Fire Alarm Inoperable
- Other with Explanation

II. Major Systems

The remaining useful life of the major systems must be determined for rental housing and a Capital Needs Assessment will be required for projects of 26 units or more. For more information on the CNA the certificate and affidavit, please see Schedule F.

- All developments are required to have replacement reserves. Replacement reserves must be included in the operating budget but are not included as part of the operating reserves. Contributions must be made to the reserve account starting at or before the conversion date of the construction loan to permanent loan and must be funded for the term of the loan. Replacement reserve funds must only be used for capital improvements (substantial improvements to the real estate such as re-roofing, structural repairs, or major projects to replace or upgrade existing furnishings, but not including replacement of individual appliances or minor repairs) and must not be used for general maintenance expenses. Less restrictive provisions required by lenders must be approved by IHCDA.

    - Replacement reserves must escalate at a rate of 3% per year.
    - IHCDA will, at its discretion, adjust the replacement reserve to reflect reasonable and customary capital and replacement expenditures.
    - See 5.6: Underwriting Guidelines for Rental Projects in the HTF Policy for more information.

- An independent, experienced third party must perform the CNA and this party can have no financial interest in ownership of the development. It is required that an Indiana licensed professional, an engineer/architect, perform the assessment and supply IHCDA with their professional opinion of a property's current overall physical condition. This includes the identification of significant deferred maintenance, existing deficiencies, and material building code violations that effect the property's use and tis structural or mechanical integrity.

- The assessment should include a site visit and physical inspection of the interior and exterior of units and structures, as well as an interview with available on-site property management and maintenance personnel to inquire about past repairs/improvements, pending repairs and existing or chronic physical deficiencies. The assessment should include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives. The assessment should also include recurring probably expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, in order to determine the appropriate replacement reserve deposits on a per unit per year basis. The following components should be examined and analyzed for a CNA:

    - Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas and electric utilities and lines;
    - Structural systems, both substructure and superstructure, including exterior walls an balconies, exterior doors and windows, roofing system and drainage.
    - Interiors, including unit and common area finishes and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors;
    - Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, and fire protection; and
    - Elevators (if applicable).

- The CNA must provide the following information in the order and format below:
    - Company certification;

  - Executive summary – including a general building description, evaluation definitions, process used to create the Capital Needs Assessment (including interviews with the current owner and/or management company;
  - Existing Building Systems and Conditions Summary;
  - Critical Repair Items Cost Summary – including all health and safety deficiencies violation of state or local building codes that require immediate correction:
    - Site and grounds
    - Building exteriors
    - Common areas
    - Building interiors
  - Rehab and Renovations Cost Summary – An estimate of the repairs, replacements and renovations that will be completed before the final placed in service date:
    - Site and grounds
    - Building exteriors
    - Common areas
    - Building interiors
    - Market improvements
    - Contingency (not to exceed 15%)
  - Long Term Physical Needs Cost Summary – an estimate of the repairs and replacements, during and beyond the final placed in service date, that will be required to maintain the properties physical integrity over the next 15 years.
    - Remaining useful life schedule
  - Physical condition Inspection Report
  - Site, building and floor plans
  - Capital Needs Assessment Certification
  - Photo Log

- IHCDA will, after receiving the application and the CNA, schedule a physical inspection of the development in order to verify the accuracy of the CNA submitted with the application. Additionally, IHCA may make a report, which identifies deficiencies and/or inaccurate statements concerning the identification of repairs in the CNA submitted with the application.

III. Lead Based Paint:
HUD's Lead Safe Housing Rule 24 CFR Part 35 must be addressed in all projects receiving IHCDA HTF funding. The Rule may be accessed here:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/enforcement/lshr

IV. Accessibility
The Uniform Federal Accessibility Standards sets standards for facility accessibility by physically handicapped persons for Federal and federally-funded facilities. These standards are to be applied during the design, construction, and alteration of buildings and facilities to the extent required by the Architectural Barriers Act of 1968, as amended. Guidelines and standards may be found at:
https://www.access-board.gov/guidelines-and-standards/buildings-and-sites/about-the-aba-standards/ufas

Section 504 of the Rehabilitation Act of 1973- provides accessibility requirements for New Construction, Substantial Rehabilitation, and Rehabilitation. Please see Chapter 3 - Accessibility Requirements of the IHCDA CDBG & HOME Program Manual for an outline of Section 504 requirements.

V. Disaster Mitigation
These standards require housing to be improved to mitigate any potential impacts from potential disasters, such as earthquakes, hurricanes, floods, and wildfires. Improved housing must comply with State or local codes, ordinances, and any other HUD requirements. Currently new projects located in a flood hazard

area will not be funded, and any other rehabilitation of existing units must comply with any federal, State and local flood mitigation plans. Any other potential disaster issues will be mitigated as necessary.

VI: Uniform Physical Condition Standards

The property conditions must also be in accordance with the Uniform Physical Conditions Standards. These are the standards to which projects requiring on-going compliance will be inspected by during the affordability period.

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Site Conditions

1. **Site Drainage**

   a. There shall be positive surface water drainage away from all dwellings.
   b. The storm water drainage system shall be free of obstructions, structurally sound, free of hazards, and properly drain.

2. **Concrete and Masonry**

   a. Cracks in concrete, and/or masonry porches, steps or landings more than ¼ inch wide and change in elevation more than ½ inch tall shall be corrected.
   b. Walkways/Steps: cracking, spalling, exposed reinforcing material creating health/safety issues shall be repaired.
   c. Foundations: Cracking, spalling, excessive bowing (bulges vertically), sweeping (bulges horizontally), leaning, and mortar deterioration shall be corrected. Cracks 1/8 inch and larger shall be corrected.

3. **Accessory Buildings**

   a. Health and/or Safety issues shall be corrected.

4. **Trees and Shrubs**

   a. Landscaping shall not pose any health or safety hazard.
   b. Trees near the foundation shall not cause an immediate or potential drainage and/or structural problem.
   c. Excessive bushes and trees shall not cause health or safety hazards (overgrown areas).
   d. Dead branches and/or trees, which pose a hazard of falling and/or causing personal harm or property damage, shall be removed.

5. **Refrigerator/Stoves**

   a. It is recommended that the appliance(s) be replaced if any of the following conditions exist:
      - Broken or missing shelving.
      - Deteriorated seals.
      - Health and safety hazards.
      - Coolant leaks from the refrigerator.
      - Missing hardware (handles, controls knobs).
      - Inefficient or inoperable.

6. **Fencing and Gates**

   a. Shall be fully functional, securely installed, and free of health and safety issues.
   b. Any missing sections, holes, and/or components shall be repaired.

7. **Air Quality**

   a. Indoor and outdoor spaces must be free from high levels of sewer gas, fuel gas, mold, mildew, or other harmful pollutants.

8. Garbage, Debris, Chutes

a. Garbage and debris shall not exceed the capacity of the designated container within each unit and/or exterior collection points.
b. Exterior garbage containers shall be adequately sized for the number of units within the development.
c. Walls and gates surrounding exterior trash collection points shall remain in good repair and free of leaning, broken, and collapsing components or sections.
d. Garbage chutes shall be in proper working condition

9. Hazards

a. All sharp edges or cutting hazards which could cause bodily harm shall be properly repaired.
b. Trip and fall hazards shall be identified and repaired.

10. Infestation

a. Insect and/or rodent infestation shall be treated by a professional within 48 hours to prevent infestation of other units and areas.

11. Mailboxes/Signs

a. Mailboxes shall be present and in good repair.
b. All signage shall be present, legible, and in good repair.

12. Parking Lots, Driveways, and Roads

a. Cracks greater than ¾ inch, hinging/tilting, or missing section(s) that affect traffics ability On the property's parking lots/driveways/roads shall be repaired.
b. Water ponding affecting the use of the parking lot and/or driveway shall be properly remediated.
c. Cracks, settling, heaving, and/or potholes creating unsafe or unusable surfaces for walking or driving shall be properly repaired.

13. Play Areas, Equipment, Surface

a. Damaged or inoperable equipment creating a safety issue shall be repaired.
b. Deteriorated play surface creating a tripping hazard or not providing adequate protection from falls shall be remediated.

14. Graffiti

a. Inappropriate inscriptions or drawings scratched, painted, or sprayed on a building surface shall be removed.

Exterior Wall Assembly Standards

a. All exterior walls shall be reasonably weather tight as to prevent moisture from entering the building and preventing heat from leaving the building.
b. All siding and exterior wall coverings shall be free of loose, cracked, broken and/or missing sections.
c. Painted surfaces shall be free of deteriorated paint.
d. Crawl space access panels and vents shall be in good repair.
e. Basement/Cellar doors and access panels shall be in good repair.
f. Retaining walls deteriorated, damaged, falling, or leaning creating a health/safety issue shall be properly repaired.

Floor Standards

1. Wood Floor Standards

a. Floors shall not excessively sag or become springy when live or dead loads are applied.

2. Floor Sheathing

a. Sheathing shall be in good repair and free from structural defects and tripping hazards.

3. Floor Finishes

a. Floor finishes shall be in good repair, securely fastened, and free of any tripping hazards.
b. Sub-flooring and cement floors, in living spaces, shall be covered with carpeting or other approved floor finishes.

4. Toilet, Bath, Shower, and Kitchen Spaces

a. When a new floor finish is installed in the kitchen, it shall extend under moveable appliances, including stoves and refrigerators.

Windows and Doors

1. Windows

a. Window panes that are cracked or broken shall be repaired or replaced.
b. Any deteriorated components of window units shall be corrected.
c. All windows shall have properly operating locks and hardware.
d. Damaged storm windows or screens creating a possible safety hazard shall be repaired or removed.

2. Interior/Exterior Doors

a. All doors and hardware shall be present and in good working condition.
b. Interior and exterior doors shall be in good condition free of damage which may cause a hazard.
c. Doors leading to the outside of the unit shall be weather-stripped to prevent air infiltration.
d. Doors shall be located in the following areas: attic areas where there is a staircase, bathrooms, shower rooms, restrooms, bedrooms, basement entrances, and storage rooms.

e. Storm doors, components, and screens shall be in good repair.
f. Door frames, thresholds, and components shall be in good repair.

Partition Standards

1. **Wall Coverings**

a. All wall coverings shall be securely fastened to the wall assembly.
b. Wall coverings shall be free from excessively loose material, large gouges, holes, and cracks.
c. Excessive amounts of loose or torn wallpaper shall be corrected.

2. **Bathrooms and Kitchens**

a. Bathtubs with showerheads and shower compartments shall be finished with a nonabsorbent surface. Such wall surfaces shall extend to a height of not less than six feet above the floor.
b. If mildew is present, measures shall be taken to prevent future mildew as well as removing the current mildew.

3. **Cabinets and Countertops**

a. Cabinets shall be in good repair, all components operational, and be free of safety hazards.
b. Countertop surfaces shall be in good repair, in kitchens provide a sanitary surface to prepare food, and be free of safety hazards.

Stair Standards

1. **Stairs**

a. Staircases and stairwells shall be in good repair.
b. Stairs shall not pose a tripping hazard.
c. Deteriorated, missing or otherwise defective tread, risers, stringers or the supporting structure shall be corrected.

2. **Illumination**

a. All exterior and interior stairways shall be provided with illumination of the stairs, landings, and treads.
b. Exterior stairways shall have an artificial light source located in the immediate vicinity of the top landing of the stairway.
c. Exterior stairways providing access to a basement from the outside grade level shall have an artificial light source in the immediate vicinity of the bottom landing of the stairway.
d. The control for the illumination of interior stairways shall be accessible in habitable areas without traversing any step of the stairway. The control for the illumination of exterior stairways shall be located inside the dwelling unit. Lights that are continuously illuminated or automatically activated are exempt from the control standards.

Handrails and Guardrails

1. **Handrails**

a. All interior and exterior stairways having four or more risers must have at least one handrail. Spiral and winding stairways shall have a handrail on the outside perimeter.

b. Handrails shall have a height of no less than 34 inches and no more than 38 inches, and shall be in good repair. Handrails shall be securely fastened to the floor and/or wall to support loads applied by people using the rails.

2. Guardrails

a. All unenclosed floor and roof openings, open sides of stairways, landings and ramps, balconies, decks or porches that are more than 30 inches above grade or floor below, and roofs used for other than service of the building shall be protected by a guardrail in accordance with the Indiana State Building.

Ceiling Standards

1. Ceiling Performance

a. Ceiling framing shall be in good repair and free from structural defects.
b. Acoustical tile and suspended ceilings shall be in good repair.
c. Ceilings that excessively sag shall be corrected.
d. Any bulging, holes, or loose plaster shall be corrected.

2. Attic Access

a. Existing access panels shall be weatherized and provide a weather-tight seal between the conditioned and unconditioned space.

3. Insulation Clearance

a. Combustible insulation shall be at least three inches from recessed lighting fixtures, fan motors, and other heating devices. However, when heat producing devices are listed for lesser clearances, combustible insulation complying with the listing requirements may be located at the distance specified by the heat producing device.

4. Exhaust Ducts and Plumbing Stack Terminations

a. All plumbing stacks shall continue through the roof, wall, or gable and not terminate in the attic. Plumbing stacks shall be in good repair.
b. Exhaust ducts shall be in good repair and continue through the roof, wall, or gable and not terminate in the attic.

Roofs

1. *Re*-roofing

a. Roof repairs to existing roofs and roof coverings shall comply with the provisions of the Indiana State Building Code.
b. Standing-Seam metal roof systems, that are designed to transmit the roof loads directly to the buildings structure system and that do not rely on existing roofs and roof coverings for support, and comply with all provisions of the Indiana State Building Code, are permitted.

2. Sheathing

a. Sheathing that is sagging, buckling, rotted, or not structurally sound shall be repaired and/or replaced.

3. Underlayment and Moisture Barriers

a. Where shingles or sheathing need to be repaired or replaced, the underlayment and moisture barrier must also be replaced.
b. For roof slopes from 2 units vertical in 12 units horizontal (17% slope) up to four units vertical in 12 units horizontal (33% slope) underlayment shall be two layers cemented together. For roof slopes 4 units vertical in 12 units horizontal (33% slope) or greater, underlayment shall be one layer. The felt paper must be rolled and fastened according to manufacturer's directions. Successive courses shall be overlapped 2 inches, and fastened properly.

4. Shingles

a. Shingles must be replaced if one of the following exists: missing, excessive curling, cupping, or deterioration.
b. Shingles installed on a roof slope below State Building Code requirements for shingles shall be removed and an approved covering installed.
c. Standing water causing potential or visible damage shall be repaired.

5. Flat Roofs

a. Punctured, cracked, blistered, wrinkled, or otherwise distressed areas shall be corrected.
b. Drains shall be in good repair and free of obstructions.

6. Flashing and Vents

a. Flashing shall be in good repair and used wherever the roof abuts a wall or vent, around other extensions through the roof, and around masonry chimneys.
b. Properly sized attic venting shall be installed on all new construction and re-roofs and shall be free of damage or obstructions.

7. Gutters, Downspouts, Soffit, and Fascia

a. Missing, sagging, or deteriorated gutters must be repaired or replaced.
b. Wood is only acceptable if required by Department of Natural Resources – Division of Historic Preservation & Archeology.
c. Downspouts shall be color coordinated with gutters and shall be proportional in size to the drainage needs of the roof.
d. Gutters shall be supported as per the manufacturer's specifications with spikes and ferrules, wrap-around straphangers, or with hidden hangers.
e. Downspouts shall be securely attached to the house and connected to an exterior drainage system if one exists or installed in such a manner that storm water will drain away from the house and not result in washing, erosion, or damage to the foundation of the house. If there is no drainage system present, splash blocks or leaders shall be present.
f. Damage and missing soffit and/or fascia shall be repaired or replaced.

<u>Chimney Standards</u>

1. General Performance

a. Any operable chimney must meet all applicable chimney requirements.

b. When an existing chimney is found not fit for its intended application it shall be repaired, rebuilt, lined, relined, or replaced with a vent or chimney to conform to the applicable code.
c. Inoperable and/or deteriorated chimneys, which pose a health/safety risk, shall be corrected or removed.
d. All empty or cracked mortar joints, including those in interior areas, such as basements and attics shall be tuck-pointed.
e. Solid fuel burning chimneys, for burning of wood or coal, shall be provided with spark arrestors (screens).

2. Flue Lining

a. All operable chimneys shall have flue liners in good condition.

3. Chimney Hood

a. The chimney hood shall have a height above the vent of at least 25 percent of the narrowest dimension of the vent. Hoods shall also be free from spalling or rust.
b. Minor spalling shall be repaired. If more than small portions are spalling, the hood shall be replaced. If a metal chimney hood has excessive rust, it shall be replaced.

<u>Electrical – Hazards</u>

1. General

a. There shall be a minimum service of 100-ampre per dwelling unit.
b. Fused service panels shall be replaced by a panel with circuit breakers.
c. Open ports within a panel box shall be properly concealed.
d. Service-drop conductors shall meet the applicable code requirements.
e. All circuits within the panel-box shall be identified and labeled.
f. All wiring in basements, attics and/or garages shall be properly secured.
g. Whereas a bathroom does not have a receptacle, one shall be installed in accordance with the Indiana State Building Code. Half-bathrooms are exempt from this requirement.
h. All counter-top receptacles, in the kitchen, shall be GFCI protected.
i. Bathroom and exterior receptacles shall be GFCI protected.
j. All 240-volt appliances or equipment except baseboard heating units shall be on separate circuits.
k. Wall or ceiling light fixtures and/or ceiling fans shall be securely installed.
l. Moisture leaks, puddling, or ponding on or near energized electrical components shall be investigated and remediated.
m. Electrical panel access and working clearance shall not be obstructed.
n. Breakers with evidence of melting, arching, or carbon residue shall be investigated and properly repaired.
o. Electrical enclosures/equipment shall be free of moisture stains, water leaks in close proximity, rust, and other signs of corrosion, or safety issues.

2. Wiring

a. Existing wiring and equipment shall be in proper operating condition, free of fraying, nicks, and abrasions, and pose no health or safety risk.
b. All wiring in areas other than the basement, unused attic areas, and garages shall be run in walls, wire mold or in conduit.
c. A new or old service shall be grounded to a ground rod.

d. Circuit extensions made with flexible cord wiring in lieu of permanent wiring shall be eliminated.
e. Copper wiring shall have proper connections to aluminum wiring. It is recommended that aluminum wiring be replaced with copper wiring when possible.

3. Receptacles

a. All damaged or inoperable receptacles shall be replaced. Broken cover plates shall be replaced.
b. Replacement of an existing non-utility or non-appliance two-prong receptacle may be with a 15-ampre non-grounding type receptacle.
c. New or existing grounding type receptacles must be grounded or meet the current requirements of the Indiana State Building Code.
d. Existing baseboard receptacles properly set are acceptable.
e. Any equipment or appliances with grounded plugs shall have immediate access to a proper size grounded receptacle.

4. Lighting

a. A permanently installed light fixture controlled by a wall switch is required in the kitchen, bathroom, basement, stairwells, and hallways.
b. Light fixtures shall be installed properly and have a shield/globe installed.

Plumbing

1. Water Distribution System

a. Please ensure that anyone performing plumbing work meets the proper licensing requirements as required by the State of Indiana or local jurisdictions.
b. Dwelling units shall be served by an approved sanitary sewage disposal system.
c. Leaking drain or supply lines, the presence of lead piping, failed polybutylene joints or pipes, low water pressure, or corroded or broken pipes shall be repaired or replaced. Any cross connections or siphonage between fixtures shall be corrected.
d. There shall be a properly operating main shut-off valve on the house side of the meter.
e. Replacement sill-cocks shall be freeze-proof and/or have a shut-off valve located and in accordance with the Indiana State Building Code.

2. Drain, Waste, and Vent System

a. Leaks; clogged, slow, or non-working drains; or odors and any cross connections or siphonage between fixtures shall be corrected. Supplies that are located below the overflow drain must be corrected.
b. Horizontal drainage piping shall be installed in uniform alignment at uniform slopes.
c. The size of drainage pipe shall not be reduced in the direction of flow. A 4-inch by 3-inch water closet connection shall not be considered a reduction in size.

3. **Hot Water Supply System**

    a. Each dwelling unit shall have a water heater located, equipped, and installed in accordance to the Indiana State Building Code.
    b. A discharge pipe, extending from the TPR (temperature relief valve) and no less than the diameter of the TPR inlet, shall be installed not less than six inches from the floor. The end of the discharge pipe shall not be threaded.

4. **Fixtures and Faucets**

    a. Kitchen Sink. Any sink rusted, severely chipped or with badly worn enamel or not in good repair shall be corrected.
    b. Lavatory Sink and Cabinet. A rusted, severely chipped or badly worn enamel or not in good repair shall be corrected. The lavatory sink may be located in the same room as the flush water closet, or, if located in another room, it shall be in close proximity to the water closet compartment. Damaged or missing cabinet components shall be repaired/replaced.
    c. Bathtub/Showers. A rusted bathtub and/or shower unit or one that is chipped or has badly worn enamel, or not in good repair shall be corrected.
    d. Flush Water Closet. The water closet shall be in good repair and securely installed. All water closets, existing or newly installed, shall have a functioning shut-off valve.

<u>HVAC Standards</u>

1. **Controls and Operation**

    a. Each thermostat shall be functional and user friendly.
    b. Each gas and oil combustion system shall have a master switch that serves as an emergency shutoff for the HVAC burner. The switch shall be easily accessible by the client in case an emergency shutoff is necessary. The switch shall also be in the line of sight of the appliances it controls.
    c. Abnormal vibrations, noise, or leaks shall be investigated and repaired if needed.

2. **Fuel Supply**

    Piping

    a. Piping shall be properly supported, but not supported by other piping. A sediment trap shall be located as close as practical to the inlet of each combustion appliance (illuminating appliances, ranges, dryers, and outdoor grills need not be equipped). Shutoff valves shall be installed where required by the Indiana State Building Code and have easy access, be user friendly, and be protected from damage.
    b. Piping shall be supported with appropriate hangers for the size of pipe. Supports shall be at such an interval and strength to prevent or dampen excessive vibration. Pipe supports shall be installed so movement of the pipe being supported will not detach them.
    c. Any leaks from a fuel tank or line shall be reported and immediately repaired.

3. **Combustion Heat** (Forced Air Systems only)

    Basic Conditions

    c. The unit must have the minimum manufacturer's requirements in front of the unit for maintenance. The unit shall also be free from rust or other physical damage. The heat exchanger must be free from cracks or other openings. Barometric draft regulators shall be located above the unit or on the vent or vent connector in oil burning appliances.

d. The heating system must be capable of heating all habitable rooms, bathrooms, and water closets to a temperature of at least 70° F for a local design temperature at a distance of 36 inches above floor level.
c. Combustion air requirements shall be in accordance with the Indiana State Building Code.

Vents

General Conditions

a. Vents shall be sized to properly exhaust all combustion products outdoors. Vents shall also consist of the appropriate vent type for the combustion appliance(s) being vented. Vents shall be free from damage or rust and be tightly connected.
b. Vents shall be properly supported so that they are generally vertical and comply with the listed clearance to combustible materials of the vent.
c. Direct vent sealed combustion; power venting, and other approved methods of venting are permitted if they are installed according to manufacturer's instructions.

Vent Termination

a. Gas vents 12 inches or smaller must terminate at least 8 feet from a vertical wall or other similar obstruction and have a minimum height (from highest roof penetration to lowest discharge opening) according to the Indiana State Building Code. All other gas vents must terminate at least 2 feet from the highest point where the vent passes through the roof and at least 2 feet higher than any portion of a building within 10 feet.
b. Type B or L vents shall terminate at least 5 feet above the highest connected draft hood or flue collar. Vents must terminate vertically unless direct vent sealed combustion, power venting, or other approved methods of horizontal venting are used and installed according to manufacturer's instructions.

Vent Connectors

a. Vent connectors shall be sized to properly vent combustion products. Vents shall also consist of the appropriate vent type for the combustion appliance(s) being vented. Vents shall be free from damage or rust and be tightly connected. All segments of vent connectors shall be accessible at all times.
b. Vent connectors shall be properly supported and have a minimum slope of $^1/_4$ inch per foot and comply with the listed clearance to combustible materials of the vent.

4. Electric Heat

Observable heat source

a. All heating elements shall be functional. Heating units shall also be in good condition. The heating system must be capable of heating all habitable rooms, bathrooms, and water closets to a temperature of at least 70° F for local design temperatures at a distance of 36 inches above floor level. Heating elements shall have good connections and no damaged or charred wires. Aluminum shall not be used as wiring unless specified by the manufacturer.
b. Any heating element that does not adequately heat shall be checked to make sure the connections to the element are satisfactory and that the relay is not malfunctioning.

5. **Cooling**

a. Central air conditioners shall be in good, working condition.
b. Unit/Window and Packaged terminal air conditioners shall have a tight seal around the unit and be properly supported. Unit/Window air conditioners shall also be properly grounded.
c. If a heat pump is equipped with a reversing valve, it shall function properly.
d. Bent fins on air conditioners should be combed to straighten them. The condensate shall be properly drained so that moisture problems are not created. Fiberglass shall not be used as an air sealant around window/unit air conditioners. Both indoor and outdoor coils should be clean. Suction lines should also be insulated to prevent possible moisture problems.
e. A disconnecting means shall be installed in accordance with the Indiana State Building Code.

6. **Distribution Systems**

a. Duct systems shall be intact, supported properly, and well-sealed.
b. Air shall be allowed to flow freely from supply registers into return registers.
c. When furnaces are converted from a gravity fed heating system to a forced air system the duct system should be reconfigured and properly sized so that the heating system functions properly.
d. Duck tape shall not be used to seal or connect ducts.
e. When possible, supply and return registers shall be located in the same room, except for bathrooms or kitchens. No returns should be located in bathrooms and kitchens. If supplies and returns cannot be in the same room, measures must be taken to allow for air to flow from supplies to a return even if doors are closed separating the rooms. Grills and louvers are two methods of allowing air to flow from room to room.
f. Boiler/Pump water or steam leaks creating a safety hazard shall be properly repaired.

Ventilation

1. **Minimum Ventilation Standards**

a. All habitable rooms shall be provided with natural or mechanical ventilation.
b. Louvers, windows and doors shall be able to let air pass freely between the room and the outdoors.
c. Exhaust fans must terminate outdoors and not in the attic. Excessive amounts of exhaust ductwork shall be avoided.

Bathrooms

a. Bathrooms that have a tub or shower shall be ventilated.
b. Windows must have at least 1.5 square feet of area that air can pass through if mechanical ventilation is not available.
c. Ventilated air shall be exhausted directly outside and not terminate in any other part of the building.
d. Any ductwork passing through attics shall be insulated.

2. **Clothes Dryer Exhaust**

General

a. Dryer exhaust systems shall be independent of all other systems; shall convey the moisture to the outdoors and shall terminate on the outside of the building. Screens shall not be installed at the duct termination. Transition ducts shall not be concealed within construction.
b. Exhaust ducts shall not be connected with sheet-metal screws or fastening means which extend into the duct.
c. Exhaust ducts shall be equipped with a backdraft damper.
d. Exhaust ducts shall be constructed of minimum 0.016-inch thick rigid metal ducts, having smooth interior surfaces with joints running in the direction of the airflow.
e. Flexible transition ducts used to connect the dryer to the exhaust duct system shall be limited to single lengths, not to exceed eight feet in length, and shall be listed and labeled in accordance with UL 2158A.
f. Exhaust duct terminations shall be in accordance with the dryer manufacturer's installation instructions.

Lint collector

a. All ducts expelling lint shall be provided with a lint collector unless the dryer is already equipped with one.
b. Lint collectors shall be installed according to manufacturer's instructions.

Exhaust duct size

a. The minimum diameter of the exhaust duct shall be as recommended by the manufacturer and shall be at least the diameter of the appliance outlet.

Exhaust clearance

a. Exhaust ducts for clothes dryers shall have a clearance of at least one inch from combustible materials.

Length limitation

a. The maximum length of a clothes dryer exhaust duct shall not exceed 25 feet from the dryer location to the wall or roof termination. The maximum length of the duct shall be reduced by 2.5 feet for each 45-degree turn and 5 feet for each 90-degree turn. The maximum length of the exhaust duct does not include the transition duct.

3. Range Hoods

a. Range hoods for gas stoves that discharge to the outdoors must be through a single wall duct. The duct serving the hood shall be airtight and shall be equipped with a backdraft damper. Ducts serving range hoods shall be constructed of galvanized steel or stainless steel and not terminate in an attic or crawl space or areas inside the building.
b. Variations can be made where installed in accordance with the manufacturer's installation instructions, and where mechanical or natural ventilation is otherwise provided

4. Overhead exhaust hoods

a. Overhead exhaust hoods shall discharge to the outdoors and shall be equipped with a backdraft damper. Broiler units incorporating an integral exhaust system, and listed and labeled for use without an exhaust hood, need not be provided with an exhaust hood.
b. Domestic open-top broiler units shall be provided with a metal exhaust hood, not less than 28 gauge, with a clearance of not less than 0.25 inch between the hood and the underside of

combustible material or cabinets. A clearance of at least 24 inches shall be maintained between the cooking surface and the combustible material or cabinet. The hood shall be at least as wide as the broiler unit and shall extend over the entire unit and be centered over the unit

Fire Safety

1. **Emergency Escape and Rescue Openings**

   a. Emergency escape and rescue opening shall comply with the Indiana State Building Code.
   b. Fire escapes, including ladders, shall not be blocked by stored items or barriers.
   c. All components of a fire escape such as a ladder, shall be present and in proper working order.

2. **Exits**

   a. Exits shall comply with the Indiana State Building Code.
   b. Emergency lighting that provides illumination during power outages shall be in proper working order at all times.

3. **Smoke Alarms**

   a. Individual dwelling units shall be provided with smoke alarms as required by the Indiana State Building Code.

4. **Flammable Materials**

   a. All flammable materials shall be properly stored in accordance with the manufacturer's specifications, state, and/or local codes.

5. **Fire Protection**

   a. All components of a sprinkler system shall be present and in proper working order.
   b. Required fire extinguishers shall be present, accessible, and the inspection tag up to date.

Hazardous Materials

1. **Asbestos**

   a. The Local or State Health Department should be contacted regarding any questions concerning the proper treatment and/or disposal of any material possibly containing asbestos.

2. **Lead-Based Paint** – Reference HUDs Lead Safe Housing Rule at 24 CFR Part 35

Energy Efficiency

1. **Exterior Walls**

   a. Walls should be insulated in accordance with the Indiana State Building Code when any of the following activities occur:
      - New walls,
      - Walls that have become exposed during rehabilitation, and

- If the exterior covering is removed.

2. Attics/Ceilings

a. Attic areas are recommended to have a minimum of R-38 insulation.
b. Any attic walls that connect to an interior space are recommended to be insulated at a minimum of R-18.
c. Insulation should be installed in accordance to manufacturer's specifications. All insulation in the attic should meet the appropriate fire safety codes. Thorough air sealing of the attic floor must be accomplished prior to addition of insulation.

3. Ductwork

a. All supply and return air ducts and plenums shall be insulated with a minimum of R-5 insulation when located outside the thermal boundary and with a minimum of R-8 insulation when located outside the building envelope.

4. Piping

a. All piping serving as part of a heating or cooling system shall be thermally insulated in accordance with the Indiana State Building Code.

5. Air Sealing

a. Exterior joints, seams or penetrations in the building envelope, that are sources of air leakage, shall be sealed.

Accessible Features

1. Elevators

a. Elevators shall be operational with an up to date inspection certificate present, and properly aligned and leveled with each floor to prevent trip hazards.

2. Call for aid

a. Systems shall be fully operational as designed.

ESG AND HOPWA.

MODS AND WRITTEN GUIDELINES

ESG Method of Distribution Summary

Please see the ESG Written Standards for providing ESG assistance.

AP-30 and AP-90 of the Annual Action Plan outline the MOD as follows:

IHCDA plans to allocate funding to approximately up to 15 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Components of the ESG program for line items: Housing Relocation & Services (financial and services), Rental assistance and administration.

There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately one-two agencies that may apply for an outreach component. No more than the maximum allowed 60 percent of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance.

Each proposal will be reviewed by at least one IHCDA Community Services staff person. . The reviewer will complete a built in scoring tool in the application, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the average of their proposal score and the amount of funding that will be available.

The goal of ESG is to prevent homelessness and assist families and individuals experiencing homelessness to find housing as quickly as possible. Please see the ESG MOD for the performance standards expected of ESG subrecipients.

Performance Standards:

The performance standards were developed in collaboration with the governing body for the Balance of State CoC Board and the Resource & Funding Committee and approved by the Balance of State CoC Board by using the national standards outlined in Section 427 of the McKinney-Vento Act, as amended by the HEARTH Act.

Baseline performance measurements will be reports generated by the HMIS system and mainly from the ESG CAPER reports for the current grant prior year. Two of the standards are specific to the subrecipients program performance and the remaining two are specific to system outcomes.

ESG subrecipients will be able to set their own goals for the next years on areas such as: discharging persons to permanent housing, increasing employment income and increasing overall income by persons who exit the emergency housing.

Below are goals that IHCDA would like to reach on an annual basis:

- ESG RR -rental assistance program subrecipients: At discharge from program, 82 percent of persons assisted will still be permanently housed, and 65 percent will increase their income.
- ESG program subrecipients that are Emergency shelters that have activities such as operations, essential services and financial assistance: 50 percent of persons will discharge to permanent housing, and 25 percent will increase their income.
- ESG program subrecipients that have outreach component: 50 percent of identified caseload will be permanently housed.
- ESG program subrecipients that have outreach component: 50 percent identified caseload will increase their income.
- The average length of stay of participants in ESG funded and other CoC programs should decrease by at least 10 percent.

HOPWA Method of Distribution

Please see attached for the HOPWA RFQ Instructions.

AP-30 of the Annual Action Plan outlines the MOD as follows:

IHCDA will facilitate a request for qualifications (RFQ), advertised through the CoC network and posted online, for HIV/AIDS service providers. The RFQ will gather information on the number of persons/households they plan to serve, housing plans,
housing services, organizational capacity, performance goals, supportive services, and their proposed budget. The RFQ applicants need to meet the following thresholds:

- Required to be a non-profit organization
- Required to be or have a relationship with a current Indiana Department of State Health Care Coordination Site.
- Previous experience providing HOPWA assistance.

Actively attending the local Regional Planning Council/Committees/Leadership roles within their Region. By having all subrecipients to be or have a relationship with a current Indiana State Department of Health - Care Coordination Site, we are providing a one stop shop for persons to access level of care that is needed. Persons will be able to receive testing, diagnosis, medical information, supportive services and housing if needed.

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

- At least 60 percent to direct housing assistance: long-term rental assistance, short term rental assistance, and facility based operations;
- No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration;
- No more than 35 percent to housing information and permanent housing placement activities;
- No more than 35 percent to supportive services that positively affect recipients' housing stability.

Once the Federal budget is determined, IHCDA will make adjustments proportionally to increase or decrease the above HOPWA allocation MOD.

Emergency Solutions Grant (ESG)
Reference 24 CFR 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

Written Standards for Provision of ESG Assistance

This section includes written standards for providing the proposed assistance and describes the requirements for subrecipients to establish and implement written standards.

1) Describe the standard policies and procedures for evaluating individuals' and families' eligibility for assistance under ESG.

ESG subrecipients serving households experiencing literal homelessness as defined under paragraph (1) of the "homeless" definition in 24 CFR § Part 576.2 or who meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other place described in paragraph (1) of the "homeless "definition are encouraged to utilize the Arizona Matrix Tool that is embedded in HMIS as well as completion of a Housing Plan to provide a guide for case management and evaluation of a person or family's needs.

2) Describe the policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.

ESG subrecipients are expected to create MOU's with all shelter providers, housing agencies, community action agencies, township trustees, mental health centers, health clinics and homeless service providers in their proposed service area. Once available in their area, each ESG subrecipient will be required to partner with the Coordinated Access point by providing immediate housing to those persons who are unsheltered, if space is available. Additionally, as part of the proposal process, subrecipients are required to develop a program design that is inclusive not only of other targeted homeless services, but also of other mainstream resources such as public housing programs, programs receiving project-based or tenant-based Section 8, Supportive Housing for persons with disabilities (Section 811), HOME Investment Partnerships Program, Temporary Assistance for Needy Families (TANF), State Children's Health Insurance Program, Head Start, Mental Health and Substance Abuse Block Grants and services funded under the Workforce Investment Act. IHCDA encourages programs to be strategic and comprehensive in their program design by requiring applicants to include all available resources to the maximum extent practicable.

3) Describe the policies and procedures for determining and prioritizing which eligible families and individuals for homelessness prevention assistance and for rapid re-housing assistance.

Persons who are utilizing Rapid Rehousing Funds must meet the criteria under paragraph (1) of the "homeless" definition in 24 CFR § Part 576.2 or meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other place described in paragraph (1) of the "homeless "definition to be eligible to receive rapid re-housing assistance.

Those persons who will be utilizing homeless prevention funds must meet the criterion under the interim rule that clarifies the definition of ''at risk of homelessness'' under section 401(1) of the McKinney-Vento Act. The definition includes three categories under which an individual or family may qualify as ''at risk of homelessness.'' For an individual or family to qualify as ''at risk of homelessness'' under the first category of the definition, the individual or family must meet two threshold criteria and must exhibit one or more specified risk factors. The two threshold criteria, as provided in the statute, are:

1. The individual or family has income below 30 percent of median income for the geographic area; and (2) the individual or family has insufficient resources immediately available to attain housing stability. Under the interim rule, the first criterion refers specifically to annual income and to median family income for the area, as determined by HUD.

2. The second criterion is interpreted as, ''the individual or family does not have sufficient resources or support networks, e.g., family, friends, faith based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the homeless definition in 24 CFR § Part 576.2.

For homeless prevention, the risk categories to further ensure consistency of interpretation, the interim rule also clarifies several of the risk factors that pertain to the first category of individuals and families who qualify as ''at risk of homelessness.'' As provided under the statute, the pertinent risk factors are as follows:

1. Has moved frequently because of economic reasons;

2. Is living in the home of another because of economic hardship;

3. Has been notified that their right to occupy their current housing or living situation will be terminated;

4. Lives in a hotel or motel;

5. Lives in severely overcrowded housing;

6. Is exiting an institution; or

7. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

4) ***Describe the standards for determining the share, if any, of rent and utilities costs that each program participant must pay, if any, while receiving homeless prevention or rapid re-housing assistance.***

Participants who receive rental assistance through rapid rehousing or homeless prevention are expected to pay 30 percent of their income for rent and utilities if they have income. IHCDA provides an Excel based worksheet which automatically calculates the tenant rent and utility portion allowable when household income is entered. Subrecipients will be responsible for ensuring that assisted rental units meet reasonable rent standards, are at or below fair market rent and meet habitability standards before any rental payments are approved. The tenant's portion and ESG subsidy will be calculated based upon acceptance into the program and determination of need for rental assistance.

The tenant portion of rent is calculated on the basis of allowable household income. Tenant rents are paid directly to the landlord and are subject to the same timeliness requirements as the overall rent. Any late fees incurred while receiving ESG will be the responsibility of the tenant to pay.

5) ***Describe the standards for determining the duration of rental assistance and whether and how the amount of assistance will be adjusted over time.***

Participants can receive up to 12 months of rental assistance per award year, and up to a maximum of 24 months of rental assistance in a three year period. The award term to subrecipients is 12-18 months. All funds associated with that award year must be expended upon completion of the award term. Program participants receiving rental assistance must pay 30 percent of their household income each month towards rent and utilities throughout the duration of their participation with ESG. Tenant payments will not be adjusted if income has increased. Payment of rental arrears consisting of a one-time payment for up to six months of rental arrears, including any late fees on those arrears is also an eligible expense. All persons assisted with program will qualify for up to 12 months of rental assistance and up to 18 months of services. Case managers will utilize the Arizona Self Sufficiency Matrix tool, which is built into the HMIS, to ensure participants receive the appropriate level of assistance. The Housing Plan is available for case managers to utilize for each household.

6) ***Describe the standards for determining the type, amount, and duration of housing stabilization or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive. Limits should include the maximum amount of assistance, maximum number of months the program participant is eligible to receive assistance; and the maximum number of times the program participants may apply for assistance.***

Participants can receive up to 12 months of housing relocation and stabilization services during the award term. Participants cannot receive more than 24 months of these services within a three (3) year period. Housing relocation and stabilization services includes financial assistance activities such as moving costs, rental application fees, security deposits, last month's rent, utility deposits and utility payments; and services such as housing search and placement, housing stability case management, mediation, legal services and credit repair. No limit will be placed on the amount or type of services provided per participant as subrecipients are encouraged to spend the funds as needed by the tenant through active engagement with the participant. The amount and type of services will be determined largely at the time of intake when the housing case manager completes a housing assessment on the participant. The assessment consists primarily of using the Arizona Self-Sufficiency Matrix tool, which uses a vulnerability index to determine the most urgent needs as it relates to housing. This tool is also built into the HMIS. Participants can be assisted with housing stability case management for up to 30 days during the period the program participant is seeking permanent housing and cannot exceed 18 months total during the period the program participant is living in permanent housing.

Training through ESG program Analyst and other formats provided by the CoC Board (CoC Development Day) have been provided to ESG subrecipients and other McKinney Vento funded programs. These trainings have covered areas such as: housing first best practices, motivational interviewing, rule reductions, how to assist in employment, mainstream resources, bed bug prevention, fair housing, best practices for ESG RRH and case management best practice.

Subrecipients will be expected to attend ESG Rapid Rehousing training offered during the grant cycle and participate in peer learning opportunities/trainings offered during the year.

1. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

   The Coordinated Assessment Committee of the Balance of State Continuum of Care Board is working with the State ESG program to develop and coordinate regional centralized intake and triage centers to ensure access to assistance is driven by the needs of persons experiencing homelessness. IHCDA is the collaborative applicant within the CoC and IHCDA was awarded the Coordinated Access Grant. With the assistance of the CoC Board, IHCDA has ~~will~~ developed and improves upon the coordinated access system. **Access:** The Coordinated Assessment will be in the HMIS system and utilized by the Coordinated Access agency within the Region within the Balance of State CoC whether they are an ESG subrecipient or other programs funded by McKinney Vento. Each Region will determine if their Coordinated Access will be a centralized or decentralized system. **Assessment:** Each homeless person will be assessed and triaged based on their needs in order to prioritize the most vulnerable and those with the highest barriers for first assistance. This first priority would include the chronic homeless population. **Assign:** Once assessed the person/family then will be assigned to the right type of housing that best suits their needs whether it is permanent supportive housing, rapid rehousing or VASH voucher and whether it is available in that area or Region.

2. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

   IHCDA plans to allocate funding to a maximum of 15 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Activities of the ESG program for line items such as: housing relocation and services (financial and services), rental assistance and administration.

   There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately two - six agencies that may apply for the street outreach activity. No more than 60% of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the Balance of State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance. Each proposal will be reviewed by at least one IHCDA Community Services staff person and verified by an independent person or committee as appropriate, which could include members of the CoC Board. The reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the average of their proposal score and the amount of funding that will be available. The amount of each award could be between $60,000 and $250,000 each.

3. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

   The State ESG recipient – IHCDA - consults with the Indiana Balance of State Continuum of Care Board, which is also administered by IHCDA. The CoC Board must have at least one member who is or has been formerly homeless. Currently, the CoC board has two members who meet this criterion and serve as members of critical committees, including the Resource & Funding Committee. This committee provides guidance to our CoC Programs and their policies and procedures. The State of Indiana recognizes the invaluable perspective of individuals who are currently homeless and formerly homeless in developing an effective person-centered program and system.

The State program strongly encourages subrecipients of the ESG program to incorporate this participation, to the maximum extent practicable, in a policy-making function of both the organization and the respective regional Planning Council on the Homeless. The State ESG program application requires subrecipients to demonstrate how participation and input of people experiencing homelessness is utilized at both an organizational level and within their regional Planning Councils on Homelessness. For 2018-19 applications, this will be a threshold item and will require the subrecipient to provide documentation around their policies for verification. This issue is also reviewed during program monitoring visits.

4. Describe performance standards for evaluating ESG.

The performance standards were developed in conjunction with the governing body for the Balance of State CoC Board and the Resource & Funding Committee and approved by the Balance of State CoC Board by using the national standards outlined in Section 427 of the McKinney-Vento Act, as amended by the HEARTH Act.

Baseline performance measurements will be reports generated by the HMIS system and mainly from ~~the Annual Progress Reports and~~ the ESG CAPER reports for the current grant ~~prior~~ year. Two of the standards are specific to the subrecipient's program performance and the remaining two are specific to system outcomes.

ESG subrecipients will be able to set their own goals for the next years on areas such as: discharging persons to permanent housing, increasing employment income and increasing overall income by persons who exit the emergency housing.

Below are goals that IHCDA would like to reach on an annual basis:

ESG RR -rental assistance program subrecipients: At discharge from program, 82 percent of persons assisted will still be permanently housed, and 65 percent will increase their income.

ESG program subrecipients that are Emergency shelters that have activities such as operations, essential services and financial assistance: 50 percent of persons will discharge to permanent housing, and 25 percent will increase their income.

ESG program subrecipients that have outreach component: 50 percent of identified caseload will be permanently housed.

ESG program subrecipients that have outreach component: 50 percent identified caseload will increase their income.

The average length of stay of participants in ESG funded and other CoC programs should decrease by at least 10 percent.

APPENDIX B.

PUBLIC COMMENTS AND NOTICE

PUBLIC NOTICE

NOTICE OF FILING
OF
2024 Annual Action Plan for Housing and Community Development

Notice is hereby given that the Indiana Office of Community & Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA) plan to file their 2024 Annual Action Plan for Housing and Community Development ("2024 Action Plan") with the U.S. Department of Housing & Urban Development on May 15, 2024, contingent on federal funding decisions. In the event that federal funding is delayed, the plan may be submitted to HUD after this date. The draft 2024 Action Plan contains a funding contingency plan.

The Annual Action Plan concerns programs that are funded through the U.S. Department of Housing & Urban Development under Title I of the Housing & Community Development Act of 1974 as amended. Annually, the state receives about $65 million for housing and community development funds. This document governs the allocation of those funds among housing and community development activities (e.g., economic development initiatives, infrastructure improvements, and homeownership and rental programs).

The 2024 Action Plan provides information on the housing and community development needs priorities and one year spending plan for the Community Development Block Grant Program (CDBG), the Home Investment Partnership Program (HOME), the National Housing Trust Fund (NHTF), the Emergency Solutions Grant Program (ESG), and the Housing Opportunities for Persons With AIDS Program (HOPWA).

OCRA and IHCDA will have the 2024 Action Plan available for public inspection prior to its submission.

Members of the public are invited to review the 2024 Action Plan during the hours of 8:30 a.m. to 5:00 p.m., April 1 through April 30, 2024, at the Indiana Office of Community and Rural Affairs, One North Capitol, Suite 600, Indianapolis, Indiana 46204. The Action Plan will be available online at: https://www.in.gov/ocra/cdbg/consolidated-and-action-plans/ or https://www.in.gov/ihcda/newsroom/action-plans/.

Information regarding the 2024 Action Plan can be obtained by writing to: Office of Community and Rural Affairs, c/o 2024 Action Plan, One North Capitol, Suite 600, Indianapolis, Indiana 46204-2027. Additional information may also be obtained via e-mail at vanessa@rootpolicy.com or SEnz@ihcda.IN.gov or CHudgens@ocra.IN.gov.

Two public hearings will be held in a hybrid setting to discuss the methods of engagement and provide comments on the draft 2024 Action Plan. Public hearings will be held via Zoom and in person at the Indiana Government Center South (IGCS) located at 302 W Washington St, Indianapolis, IN 46204.

Participants are welcome to join the public hearing online only or in person at the hybrid meeting location(s). Please email vanessa@rootpolicy.com or call 970-880-1415 for the Zoom meeting link or call-in number to attend the public hearing virtually. You can access the virtual public hearing by phone or computer.

Public Hearing 1: Tuesday, February 20th at 4 pm

In person at 302 W Washington St., Indianapolis, 46204 in Conference Room D.

Online (email vanessa@rootpolicy.com or call 970-880-1415 for the Zoom link)

Public Hearing 2: Monday, April 15th at 4 pm

In person at 1N Capitol Avenue, Indianapolis, 46204 in the First Floor Conference Room.

Online (email vanessa@rootpolicy.comor call 970-880-1415 for the Zoom link)

Additional locations will be added and made available in coming weeks.

You can also provide public comments via email to: vanessa@rootpolicy.comor via mail to: Office of Community and Rural Affairs, c/o 2024 Action Plan, One North Capitol, Suite 600, Indianapolis, Indiana 46204-2027. If you prefer to provide comments verbally or need assistance, please call 970-880-1415.

AVISO DE REGISTRO
DEL
INFORME 2024 ANNUAL ACTION PLAN

Habrá un período de comentarios de 30 días desde el primero de abril de 2024 hasta el 30 de Abril de 2024. Los comentarios escritos se pueden enviar por correo o correo electrónico a hello@rootpolicy.com. Envíe comentarios por escrito a:

Office of Community and Rural Affairs
c/o 2024 Action Plan
One North Capitol, Suite 600
Indianapolis, Indiana 46204-2027.

Las audiencias se llevarán a cabo el 20 de febrero de 2024 a las 4:00 p.m. y el 15 de abril de 2024 a las 4:00 p.m. Los miembros del público pueden participar en persona o virtualmente. Las reuniones tendrán lugar en:

Audiencia 1: Martes 20 de febrero a las 4 p.m.

En persona en 302 W Washington St., Indianapolis, 46204 en cuarto de conferencias D.

Virtual (email avilia@rootpolicy.com o llame a 970-880-1415 para recibir el enlace de Zoom)

Audiencia 2: Lunes 15 de abril a las 4 p.m.

En persona en 1N Capitol Avenue, Indianapolis, 46204 en el cuarto de conferencias en el primer piso.

Virtual (email avilia@rootpolicy.com o llame a 970-880-1415 para recibir el enlace de Zoom)

Se agregarán ubicaciones adicionales y estarán disponibles en las próximas semanas.

Para solicitar adaptaciones o servicios de interpretación para la(s) reunión(es), o para obtener información sobre el proceso, comuníquese con Avilia Bueno en avilia@rootpolicy.com o 970-880-1415.

ihcda
Indiana Housing & Community Development Authority

To:	IHCDA Partners	**Notice: PN-24-09**
From:	IHCDA	
Date:	March 28, 2024	
Re:	**Notice of Adjusted Public Comment Period for the 2024 Annual Action Plan for Housing and Community Development**	

Notice is hereby given that The Indiana Office of Community and Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA) have identified the need to adjust the public comment period for the 2024 Annual Action Plan as HUD is still computing grantees' allocation amounts for the programs covered by the Consolidated Plan.

OCRA and IHCDA will have the 2024 Action Plan available for public inspection prior to its submission.

Members of the public are invited to review the 2024 Action Plan during the hours of 8:30 a.m. to 5 p.m. ET, April 8 through May 8, 2024, at the Indiana Office of Community and Rural Affairs, located at One North Capitol, Suite 600, Indianapolis, Indiana 46204. The Action Plan will also be available online at: in.gov/ocra/cdbg/consolidated-and-action-plans/ or in.gov/ihcda/newsroom/action-plans/.

Information regarding the 2024 Action Plan can be obtained by writing to: Office of Community and Rural Affairs, c/o 2024 Action Plan, One North Capitol, Suite 600, Indianapolis, Indiana 46204-2027. Additional information may also be obtained via e-mail at vanessa@rootpolicy.com or SEnz@ihcda.IN.gov or CHudgens@ocra.IN.gov.

Participants are welcome to join the 2nd public hearing to provide comment on the 2024 Action Plan online only or in person at the hybrid meeting locations. Please email vanessa@rootpolicy.com or call 970-880-1415 for the Zoom meeting link or call-in number to attend the public hearing virtually. You can access the virtual public hearing by phone or computer.

Public Hearing: Monday, April 15, at 4 p.m. ET

In person at 1 N Capitol Avenue, Indianapolis, 46204 in the First Floor Conference Room.

Online (email vanessa@rootpolicy.comor call 970-880-1415 for the Zoom link)

Additional locations will be added and made available soon on OCRA's website.

OCRA and IHCDA still anticipate submission of the 2024 Annual Action Plan to HUD on or about May 15, 2024.

Notice of Filing of 2023 Annual Action Plan for Housing and Community Development-Amendment One

Notice is hereby given that the Indiana Office of Community and Rural Affairs (OCRA) plans to amend the 2023 Annual Action Plan for Housing and Community Development ("2023 Action Plan") with the U.S. Department of Housing & Urban Development on or about May 15, 2024. This amendment will make adjustments specific to the Owner-Occupied Rehabilitation Program (OOR) and to OCRA's existing program income policy. The Annual Action Plan concerns programs funded through the U.S. Department of Housing & Urban Development under Title I of the Housing & Community Development Act of 1974 as amended. Annually, the state receives about $65 million for housing and community development funds. This document governs the allocation of those funds among housing and community development activities (e.g., economic development initiatives, infrastructure improvements, and homeownership and rental programs).

The 2023 Action Plan provides information on the housing and community development needs priorities and one-year spending plan for the Community Development Block Grant Program (CDBG), the Home Investment Partnership Program, the National Housing Trust Fund, the Emergency Solutions Grant Program and the Housing Opportunities for Persons With AIDS Program.

OCRA will have the 2023 Action Plan amendment available for public inspection prior to its submission.

Members of the public are invited to review the 2023 Action Plan during the hours of 8:30 a.m. to 5 p.m. ET, April 8th, 2024 through May 8th, 2024, at the Indiana Office of Community and Rural Affairs, located at One North Capitol, Suite 600, Indianapolis, Indiana 46204. The 2023 Action Plan amendment will be available online at: in.gov/ocra/cdbg/consolidated-and-action-plans/.

Information regarding the 2023 Action Plan Amendment can be obtained by writing to: Office of Community and Rural Affairs, c/o 2023 Action Plan Amendment, One North Capitol, Suite 600, Indianapolis, Indiana 46204-2027. Additional information may also be obtained via e-mail at vanessa@rootpolicy.com or CHudgens@ocra.IN.gov.

A public hearing will be held in a hybrid setting to discuss the methods of engagement and provide comments on the draft 2023 Action Plan Amendment. This public hearing will be held via Zoom and in person at the Indiana Government Center South, located at 302 W Washington St, Indianapolis, IN 46204.

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---Version en Español --

AVISO DE CAMBIOS DE COMENTARIOS PUBLICOS PARA EL PLAN DE ACCION DE VIVIENDA Y DESARROLLO COMUNITARIO ANUAL DEL 2024

Por la presente se notifica que la Oficina de Asuntos Comunitarios y Rurales de Indiana (OCRA) y la Autoridad de Desarrollo Comunitario y de Vivienda de Indiana (IHCDA) han identificado la necesidad de cambiar el período de comentarios públicos para el Plan de Acción Anual del 2024, ya que HUD aun esta evaluando los montos de asignacion para los programas cubiertos por el Plan Consolidado.

OCRA e IHCDA tendran el Plan de Accion disponible para inspeccion publica antes de la audiencia publica. El publico esta invitado a revisar el Plan de Accion 2024 durante el horario de atencion 8:30 am a 5:00 pm ET, el 8 de abril al 8 de mayo de 2024, en el Oficina de Asuntos Comunitario y Rurales de Indiana, ubicada en 1 North Capitol Suite 600, Indianapolis, Indiana, 46204.

El Plan de Accion tambien estara disponible en la pagina web en in.gov/ocra/cdbg/consolidated-and-action-plans/ o in.gov/ihcda/newsroom/action-plan. El Plan de Accion tambien puede ser adquirido por correo electronico a vanessa@rootpolicy.com o SEnz@ihcda.IN.gov o CHudgens@ocra.IN.gov.

El publico puede atender a la segunda audiencia publica para informarce y prover comentarios sobre el Plan de Accion en linea o en persona. Para acceder a la segunda audiencia publica en linea envie un correo electronico a vanessa@rootpolicy.com o llame al 970-880-1415 para obtener el enlace de a la audiencia en Zoom.

La Segunda Audiencia Publica sera el Lunes 15 de abril a las 4:00 p.m. hora este.

Pude atender en persona a 1 North Capital Avenue, Indianapolis, Indiana 46204. En la sala de conferencia del primer piso.

O

En linea llamando al 970-880-1415 para obtener el enlace de Zoom or escriba al correo electronico a vanessa@rootpolicy.com para obtener el enlace virtual.

Otras ubicaciones adicionales a las que el publico puede acceder seran prontament publicadas en la pagina web de la Oficina de Asuntos Communitarios y Rurales.

Comentarios publicos pueden ser proveidos en persona o en linea.

OCRA e IHCDA anticipan presentar el Plan de Accion Annual 2024 a HUD en o aproximadament el 15 de mayo de 2024.

AVISO DE REGISTRO DEL INFORME 2023 ANNUAL ACTION PLAN ENMIENDA

Por la presente se notifica que la Oficina de Asuntos Comunitarios y Rurales del Estado de Indiana planea modificar el Plan de Accion de Vivienda y Desarrollo Comunitario del 2023 ("Plan de Accion del 2023) con el Departmento de Vivienda y Desarrollo Urbano de Estados Unidos el 15 de mayo del 2024 aproximadamente.

Esta enmienda propone cambios al Programa de Rehabilitacion para Proprietarios tambien ajustara los procedimientos y regulacion de ingreso collectados por el programa.

El publico puede obtener information sobre la enmienda al Plan de Accion del 2023 por correo electronico contactando a vanessa@rootpolicy.com o CHudgens@ocra.IN.gov.

Copias fisicas pueden ser adquiridas de la Oficina de Asuntos Comunitarios y Rurales localizada en One North Capitol, Suite 600, Indianápolis, Indiana 46204-2027entre las horas de servicio 8:30 a.m. to 5 p.m. ET.

Habrá un período de comentarios de 30 días desde el 8 de abril de 2024 hasta el 8 de Mayo de 2023. Los comentarios escritos se pueden enviar por correo postal o correo electrónico a vanessa@rootpolicy.com. Envíe comentarios por escrito a la siguiente direccion:
Office of Community and Rural Affairs
c/o Enmienda al Plan de Accion del 2023
One North Capitol, Suite 600
Indianapolis, Indiana 46204-2027.

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Para solicitar ayuda o servicios de interpretación para la audiencia publica, o para obtener información sobre el proceso, comuníquese con Vanessa Bramante por correo electronico a vanessa@rootpolicy.com o llame al 970-880-1415.

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Participants are welcome to join the 2nd public hearing to provide comment on the 2024 Action Plan online only or in person at the hybrid meeting locations. Please email vanessa@rootpolicy.com or call 970-880-1415 for the Zoom meeting link or call-in number to attend the public hearing virtually. You can access the virtual public hearing by phone or computer.

Public Hearing: Monday, April 15, at 4 p.m. ET

In person at 1 N Capitol Avenue, Indianapolis, 46204 in the First Floor Conference Room.

Online (email vanessa@rootpolicy.comor call 970-880-1415 for the Zoom link)

Additional locations will be added and made available soon on OCRA's website.

OCRA and IHCDA still anticipated submission of the 2024 Annual Action Plan to HUD on or about May 15, 2024.

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Esta enmienda propone cambios al Programa de Rehabilitacion para Proprietarios tambien ajustara los procedimientos y regulacion de ingreso collectados por el programa.

El publico puede obtener information sobre la enmienda al Plan de Accion del 2023 por correo electronico contactando a vanessa@rootpolicy.com o CHudgens@ocra.IN.gov. Copias fisicas pueden ser adquiridas de la Oficina de Asuntos Comunitarios y Rurales localizada en One North Capitol, Suite 600, Indianápolis, Indiana 46204-2027entre las horas de servicio 8:30 a.m. to 5 p.m. ET.

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c/o Enmienda al Plan de Accion del 2023
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Indianapolis, Indiana 46204-2027.

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O virtual (email vanessa@rootpolicy.com o llame al 970-880-1415 para recibir el enlace de Zoom)

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PUBLIC HEARING PRESENTATIONS

State of Indiana

2024 Action Plan Public Hearing #1

FEBRUARY 20, 2024

PRESENTED BY

Christmas Hudgens, *OCRA*
Stephen Enz, *IHCDA*
Kristin Garvey, *IHCDA*
Heidi Aggeler and Vanessa Bramante, *Root Policy Research*

Agenda

- Introductions
- 2024 Action Plan Hearing
- Fair Housing Plan
- Public comments and input

Introductions

How to reach the presenters:

- Christmas Hudgens, CHudgens@ocra.IN.gov. Contact Christmas about CDBG.
- Stephen Enz, IHCDA, SEnz@ihcda.IN.gov. Contact Stephen about HOME and HTF.
- Kristin Garvey, KriGarvey@ihcda.IN.gov. Contact Kristin about ESG and HOPWA.
- Root Policy Research, vanessa@rootpolicy.com (970) 880-1415. Contact Vanessa with public comments.

Introductions

To ensure that everyone in attendance has a chance to voice their opinion, thoughts, and comments:

- We will call on all attendees to see if they have any comments after the presentation.
- Please feel free to jump in at anytime—we may speak over one another, when that happens, we'll help facilitate.
- If you have very detailed comments about programs, or more to say, please contact one of us. This will give everyone an equal chance to voice their comments.

2024 Action Plan
Public Hearing

2024 Action Plan to be submitted May 15* pertains to specific HUD funding programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Emergency Solutions Grant Program (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Housing Trust Fund (HTF)

*Submittal may be delayed by federal budget processes.

Funds Covered

What is the State expected to receive from HUD in 2024?

****Based on 2023 allocations. 2023 allocations dropped by $7 million from 2022**

CDBG	$30,789,752
HOME	$16,429,054
ESG	$3,967,121
HOPWA	$2,160,235
Nat'l Housing Trust Fund	$5,391,554
Total	**$58,737,716**

Consolidated Plan - Five Year Goals

Guide annual allocations in program years 2020-2024

- **Goal 1**. Broaden housing choices in Indiana by facilitating the development of affordable rental and ownership housing and preserving existing affordable homes.
- **Goal 2.** Reduce homelessness and increase housing stability for special needs populations.
- **Goal 3.** Equip Indiana's cities and towns with the infrastructure needed to stimulate and maintain thriving economies.
- **Goal 4.** Address gaps in public infrastructure and services that arise as the needs of residents' change.
- **Goal 5.** Build capacity of rural leadership.

How to Participate in the Survey

- Take the survey at: https://surveymonkey.com/r/IndianaResidentHousingSurvey2024
- The survey will remain open until February 29, 2024

What we are Hearing

- Residents have had to move when they did not want to because housing costs became unaffordable;
- There is a need for rental assistance to prevent evictions;
- Utility and property tax assistance would improve housing security;
- Vouchers don't cover market rent and expire before renters find a unit;
- Survivors of domestic violence are often denied financial assistance, services, and/or admission to affordable housing; and
- High-paying job opportunities are limited in many areas of the state.

How to Access the Draft Plan

- Public comment period begins April 1 and continues through April 30, 2024
- Access the draft Plan starting April 1 online at

  https://www.in.gov/ocra/cdbg/consolidated-and-action-plans/
  https://www.in.gov/ihcda/newsroom/action-plans/
- You can also email vanessa@rootpolicy.com to request a copy.

How to Comment on the Plan

- Attend the next Public Hearing on April 15:

  Email vanessa@rootpolicy.com for the Zoom link
  In person at Indiana Government Center South (IGCS)
  302 W Washington St, Indianapolis, IN 46204, Conference Room D

- Through April 30 you may send email to:
  SEnz@ihcda.IN.gov or CHudgens@ocra.IN.gov or vanessa@rootpolicy.com

- Send a letter to:

  Indiana Office of Community and Rural Affairs
  One North Capitol Avenue, Suite 600
  Indianapolis, IN 46204-22288

  Attn: 2024 Action Plan Comments

2024 Fair Housing Information Session

2023 Fair Housing Proposed Rule

- Analysis of Impediments to Fair Housing Choice (AI) was last updated in 2016
- An updated process is presented in a proposed rule released by HUD in January 2023
  - 60-day comment period on the proposed rule
- That proposed rule has not been finalized
- The state will update the 2016 Plan for submission with the 2024 Action Plan

Components of the Fair Housing Plan

- Demographics, Segregation and Integration
- Access to Community Assets
- Access to Affordable Housing Opportunities
- State Policies and Practices Impacting Fair Housing
- Fair Housing Issues, Goals, and Action Plan to address Impediments

What we are Hearing

- Multi-marginalized groups (e.g., disability + LGBTQ) face significant fair housing barriers;
- There is a need to increase awareness of fair housing laws among landlords and tenants;
- Source of income protection is needed for voucher users;
- Bad credit, low incomes, and pets are top reasons for being denied housing to rent;
- Racial steering and other discriminatory real estate practices are prominent in the for-sale housing market;
- Accessing public transit easily and safely is a challenge and there is a need for more frequent public transportation options; and
- Healthy food is a challenge in some areas.
- Residents are satisfied with the resources schools have for basic school instruction.

How to Participate in the Survey

- Take the survey at: https://surveymonkey.com/r/IndianaResidentHousingSurvey2024
- The survey will remain open until February 29, 2024

Your Input

- What do you hope the plan will address?
- In your area of the state, what are the top housing and community development needs?
- Which residents face the greatest barriers to housing choice? What causes those barriers?
- Do you have questions about how to get involved, access the plan, or comment?

Contact Info

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PUBLIC COMMENTS

MEMORANDUM: 2024 Action Plan Public Hearing Comments

Re: 2024 Action Plan Public Hearing Comments

Date: February 20, 2024

This memorandum provides the comments received during the first public hearing for the 2024 Action Plan. Both residents and stakeholders attended the public hearing—stakeholders represented a range of expertise including housing, community development, and economic development. Comments are summarized below.

- We hear a lot from residents that there have been sharp increases in rent, especially where rents are already high which has forced many households to give up basic need items such as food and medicine. To make ends meet, they've been forced to look for something else but they're finding that there are very few choices/options in their communities and have to make do with small and substandard units. Information is coming from verbal conversations as well as annual member/policy surveys. We get a mix of feedback because we are one of the top search results for housing resources.
- Rising rents have forced families to move further from work and/or their social contacts – there are too few housing options available.
- State/cities need to find a way to help residents climb the housing ladder and move from crisis/housing instability to short- and long-term housing stability with opportunities for homeownership. We need to find ways to ensure that people can stay in homeownership (e.g., owner-occupied rehabilitation programs so residents can age in place).
- Need to find innovative ways to development new housing units/acquire units that are accessible and affordable to specific populations.
- Greatest needs are low income and working families, especially families with young children and Black/Brown residents, seniors, families with members who have disabilities, etc.
- See similar needs in urban, suburban, and rural communities alike – there aren't much different other than the demographic/socioeconomic composition of these areas.
- Changes in the severity of needs plus our population is aging rapidly and those needs are becoming more prominent. Rents are increasing and seniors don't have

the incomes to keep up with rising rents/housing costs/ability to keep up with housing repairs.

- Would like to see the state and local governments provide more opportunities for residents to share their stories to inform government processes/how they can get more involved. For example, how can we represent a broad range of interests and share genuine/direct feedback? Would be great to put together an accurate representation of broad feedback we receive.

APPENDIX D.

EQUITY PLAN EXECUTIVE SUMMARY

EQUITY PLAN.
Executive Summary

The Department of Housing and Urban Development (HUD) uses programmatic and enforcement tools to promote fair housing choice and eliminate racial and ethnic segregation, housing barriers unique to protected classes, and discriminatory housing practices. States, counties, and cities that receive federal funding and or participate in HUD's housing and community develop programs are partners in affirmatively furthering fair housing (AFFH).

HUD defines the AFFH obligation as requiring its partners to: 1) conduct an analysis to identify impediments to far housing choice; 2) take action to overcome the effects of any impediments identified; and 3) maintain records reflecting the analysis and actions taken.[1] According to HUD, actions should entail:

- Mitigating housing discrimination,
- Promoting fair housing choice,
- Providing opportunities for inclusive patterns of housing occupancy regardless of protected class status,
- Promoting housing that is structurally accessible to and usable by disabled persons, and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act (FHA).

This document—the State of Indiana's 2024 Equity Plan—serves as the analysis to identify impediments to fair housing choice in the state. It also contains recommended action items the state will take to address barriers. Those activities will be carried out by the Office of Community and Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA)—the state agencies that administer HUD block grant funds for the State of Indiana.

Methodology

The Equity Plan used a combination of analysis of demographic and housing data collected through the American Community Survey (ACS); primary data collection from a stakeholder and resident survey and focus groups; and academic research to develop primary findings.

[1] https://www.hud.gov/sites/documents/FHPG.PDF.

Fair housing challenges are often difficult to determine through regulatory reviews or complaint filings alone. As such, engagement with stakeholders serving vulnerable populations and hearing from residents with lived experience is key to fully understand the barriers faced in housing choice and access to economic opportunity. Focus groups and surveys were utilized to capture information on the lived experience of Indiana residents in finding and affording housing.

Geographic coverage. This Equity Plan focuses on the state's "non-entitlement" areas, which are eligible to receive HUD block grant funding from OCRA and IHCDA. "Entitlement" communities receive funding directly.

There are two entitlement counties in the State of Indiana: Hamilton and Lake County. In addition to the two entitlement counties, Indiana has 24 entitlement cities that receive their own HUD block grants.[2]

- **Entitlement communities** are eligible to receive annual federal grants directly. For entitlement eligibility, HUD requires grantees be a principal city of a Metropolitan Statistical Area (MSA), metro city with a population of at least 50,000 people, and or an "urban county" with a population of at least 200,000 people (excluding entitled cities' populations).[3]

- **Non-entitlement communities** are jurisdictions with populations less than 50,000 people (excluding designated principal cities of MSAs and urban counties). Non-entitlement communities are eligible to receive federal funding from the state through the Indiana Office of Community and Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA).[4]

Geographic distinctions are important because fair housing challenges (and solutions to those challenges) often vary by geographic typology. For example, urban areas have more racial and ethnic diversity, and, as such, fair housing challenges are often race- or ethnicity-related; these areas are also more likely to be segregated, often because of the discriminatory policies that were in place as they developed. Conversely, fair housing challenges in rural areas are more likely to be related to disability and accessibility because rural areas have higher proportions of seniors, who are more likely to live with disabilities. Rural areas also have low-density built environments, which can make access to

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[2] Entitlement cities include: Anderson, Bloomington, Columbus, East Chicago, Elkhart, Evansville, Fort Wayne, Gary, Goshen, Greenwood, Hammond, Indianapolis, Jeffersonville, Kokomo, Lafayette, La Porte, Michigan City, Mishawaka, Muncie, New Albany, South Bend, Terre Haute, and West Lafayette. Entitlement counties include Hamilton County and Lake County.

[3] https://www.hudexchange.info/programs/cdbg-entitlement/cdbg-entitlement-program-eligibility-requirements/.

[4] https://www.hudexchange.info/programs/cdbg-state/state-cdbg-program-eligibility-requirements/.

community assets (e.g., transportation and non-vehicular travel, quality schools, employment) challenging.

Primary Findings

Demographic Trends

- Population growth is slowing, and the state is aging. Over the last three years, the state's population has increased by only 48,400 people for an overall percentage increase of less than 1%. The state's growing senior population and shrinking population of core working age adults has significant implications for economic growth. The state will increasingly be dependent on importing labor from other states to fill jobs and may struggle to meet the needs of aging seniors who require health care and supportive services and rely on low wage labor.

- 14% of the total population has a disability and the vast majority of residents with disabilities live below the poverty line ($30,000 for a family of four). According to stakeholders, for people with disabilities the challenge is not only "can I find a place to rent" but also "can I stay in that place with my disability?" Lack of public transportation options also creates significant barriers to finding housing: by the time they get to see potential rental units, they have already been filled.
- Of all races and ethnicities, Black or African American residents are more likely to be in living poverty, with more than a quarter below the poverty line.
- Educational attainment is a significant influence on poverty, with poverty rates dropping as education increases. Indiana residents with less than a high school degree are nearly 6x more likely to be living in poverty than those with a Bachelor's degree and higher. High school graduation also effectively reduces the likelihood of living in poverty.
- Segregation is moderate for most racial and ethnic groups in entitlement and non-entitlement areas. The exception Black or African American residents, who live in highly segregated conditions.

Access to Economic Opportunity

- 31% of schools in non-entitlement communities have more than 20% inexperienced[5] teachers on staff—two times the national average for low poverty schools. Elementary schools in non-entitlement school corporations have the highest rates of chronic absenteeism with 41 schools reporting more 30% or more of students chronically absent, the threshold for being considered "severe" chronic absenteeism.
- The state's school choice program expansion, which covers some costs of tuition for private school education for families with up to $220,000 in income, has decreased the

[5] Inexperienced teachers are defined as having less than one year teaching experience or having received emergency certification.

number of Black and Hispanic/Latino applicants and resulted in a "crowding out" of lower income students in private schools. Location of housing, access to transportation (school corporations are not required to provide transportation), desired school space availability and parent resources are important determinants of whether parents participate in the school choice system. Rural communities are much more constrained in their portfolio of private school choice options.

- In 2020, Indiana had 110,400 disconnected youth[6], or 13% of the population for this age group, ranking 31st in the nation. The disconnected youth rate in rural Indiana is significantly higher than national average. The estimated cost of not altering the trajectory of a 21 year old disconnected youth is nearly $1 million per individual over a lifetime. This loss lost tax revenue, as well as additional public costs from health expenses, potential crime or incarceration, and social services.
- A recent study from Indiana involving 1,529 schools, 1,565 school counselors and 874,156 students showed that lower counselor to student ratios reduces chronic absenteeism and increases SAT scores.[7] Indiana's counselor to student ratio is 624:1 in 2021-2022 compared to 475:1 in 2020-2021 (the recommended ratio is 250:1). Indiana ranks 38th in the nation for the number of physicians per 100,000 people with Switzerland, Ohio and Crawford Counties having only 1 physician for the entire county.
- In rural Indiana, 72% of families do not have access to licensed childcare providers and 57% of Hispanic/Latino families cannot find licensed childcare. Studies have shown that inadequate access to childcare constrains local economic activity. It is estimated that parent absenteeism and productivity reductions due to childcare breakdowns cost U.S. businesses more than $3 billion annually. Based on this study, one could infer that such costs in Indiana are around $15 million annually.
- Indiana continues to be the nation's top manufacturing state, with 20% of the labor market share. However, the state has experienced a loss of well-paying manufacturing jobs and is transitioning to lower paying service jobs across most rural counties. According to a recent report by the Brookings Institute, nearly 50% of Indiana's overall labor market is at risk of automation.[8]

[6] Also called "opportunity youth", these are 16- to 24-year-olds who are neither enrolled in school nor in the labor force

[7] Parzych, Jennifer L. Ph.D., Peg Donohue, Ph.D., Amy Gaesser, Ph.D., Ming Ming Chiu, Ph.D. "Measuring the Impact of School Counselor Ratios on Student Outcomes". American School Counselor Association. February 1, 2019. https://www.schoolcounselor.org/getmedia/5157ef82-d2e8-4b4d-8659-a957f14b7875/Ratios-Student-Outcomes-Research-Report.pdf

[8] Dmitrovich, Nick. "Automation Approaches". Building Indiana. October 14, 2019. https://buildingindiana.com/automation-approaches/

Disproportionate Housing Needs

- Nearly half of the state's units were built before lead was banned for residential use and 81% of units were built before accessibility requirements were established for multifamily housing.

- The availability of rentals in the state is not meeting the affordability needs of extremely low income renters: statewide, Indiana has a rental mismatch gap for renters with incomes below 30% AMI of approximately 125,000 rental units. Rental assistance programs and deeply subsidized rental units (with supportive services) are likely needed to support housing stability and prevent homelessness for these households.

- Black or African American households are significantly more likely to experience cost burden and experience homelessness than other racial and ethnic groups.

  Black households had the lowest ownership rate of racial and ethnic groups at only 38% in 2021, compared to 70% for all households in the state. Black households were also the only racial or ethnic group to have experienced a decline in homeownership over the last decade. Low ownership rates are also prominent for single mothers (52%) and nonfamily households (54%).

- Nearly half of non-entitlement counties have home improvement denial rates between 30% and 56%. In rural areas with high proportions of aging homes in need of repair, home appraisal values requisite to loan approval could be a significant barrier to accessing home improvement financing, exacerbating poor condition housing and disinvestment in these communities.

Fair Housing Environment

- According to an analysis of HUD fair housing complaint data completed by the Fair Housing Center of Central Indiana, there were a total of 3,913 fair housing complaints filed by Indiana residents between 2000 and 2018. Of these complaints, 34% alleged racial discrimination followed by disability (33%) and sex and gender (11%). Rural counties comprised 25% of total complaints filed during this time, most of which alleged discrimination based on race or disability.

- Discrimination against families often comes in the form of overly restrictive and inconsistent occupancy policies, as evidenced by recent fair housing legal cases alleging discrimination on the basis of familial status. "Multiple marginalization" in housing is faced by residents who have intersectional protected classes such as race/ethnicity and LGBTQ status and disability status.

- Fair lending cases and unlawful banking practices disproportionately impact Black or African American residents majority-Black neighborhoods, particularly neighborhoods and communities in Marion County.

- Hate crimes in the state are largely motivated by racial and ethnic biases which disproportionately impact Black and African American residents. According to data provided by Indiana State Police, racially motivated hate crimes comprised 68% of total bias crimes in 2022. Persons with mental disabilities are at increased risk of hate crimes: 67% of crimes motivated by disability biases were against individuals with a mental disability.

- The state's bias crime law does not explicitly delineate gender and gender identity as protected classes from hate and bias crimes. Though bias crimes are not directly related to housing, not extending legal statutes to vulnerable populations signals to housing providers, lawmakers, and the general public that LGBTQ residents (and other groups) do not need more robust legal protections from discrimination.

Primary Fair Housing Barriers

Identifying fair housing issues, barriers, and the factors that contribute and perpetuate such barriers is one of the most important elements of the Equity Plan. According to HUD, impediments (or barriers) to fair housing are:

- Any actions, omissions, or decisions taken because of race, color religion, sex (including sexual orientation and gender identity), disability, familial status, or national origin that restrict housing choices or the availability of housing choices; or
- Any actions, omissions, or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, sex (including sexual orientation and gender identity), disability, familial status, or national origin.

Based on the research that formed this Equity Plan, the primary fair housing barriers—and recommendations for addressing the challenges to housing choice and economic opportunity resulting from those barriers—include the following.

Fair housing issue: Homeownership rates are severely low (and declining) among Black or African American households. Black or African American households had the lowest homeownership rate of all racial and ethnic groups in Indiana at only 38% in 2021. And ownership rates are declining: over the last decade, rates of homeownership for Black households have declined by four percentage points while rates for other racial and ethnic groups have moderately increased.

Low homeownership rates are related to differences in income and family wealth, a shortage of affordably-priced for sale homes, gaps between appraisals and home contract values, mortgage loan credit denials, and historical discrimination. These factors work together to create high barriers to homeownership. As homeownership is the main driver of community investment and development, reduced access to ownership has a profound implication for quality schools and neighborhood resources.

Strategies and recommendations. Strategies and recommendations to reduce homeownership barriers and expand access to homeownership for Black and African American households in the state could include:

- The Home Boost Minority Down Payment Assistance Program, created by the Indianapolis Federal Home Loan Bank, was launched in 2023 to provide $15,000 in down payment assistance to first-time homebuyers who identify as a minority group with incomes at or below 120% Area Median Income (AMI). The program was launched in September 2023 with a total of $2.5 million—however, program funds were gone by mid-October, which indicates considerable demand. Indiana should explore a state-funded, similar program with greater levels of assistance, modeled after the Home Boost program and other successful programs including the foundation funded Dearfield for Black Wealth (https://www.dearfieldfund.com/) and Evanston's Restorative Housing Program (https://www.cityofevanston.org/government/city-council/reparations) .

- Fund free or low cost homeownership counseling and other opportunities to increase financial literacy. Topics should cover homeownership readiness, homebuying process, loan applications, interest computations, loan terms and conditions, and other topics related to homeownership education.

- Conduct intentional and targeted outreach activities to increase awareness and applications among under represented homebuyers for IHCDA's First Place and Next Home programs where homeownership gaps are large and in non-White majority neighborhoods.

Fair housing issue: Housing choice for individuals with a disability is restricted by the lack of accessible housing (relative to incomes) in the state, especially in non-entitlement areas, where multifamily housing built with accessibility features is lacking. With lower incomes and employment rates, individuals with a disability are very vulnerable to housing instability and homelessness. This is exacerbated by the lack of accessible homes, especially in non-entitlement areas, where multifamily new construction subject to Fair Housing Act accessibility features is lacking.

Fair housing issue: Residents with disabilities have very high poverty rates and low labor participation rates. According to 5-year ACS data, almost three in four persons with a disability were not in the workforce in 2021. Median incomes for persons with a disability in the state are dramatically low at only $25,000 per year, with the vast majority of Indiana's residents with disabilities living below the federal poverty line.

Strategies and recommendations. Increasing housing options for residents with a disability will require a stronger commitment to expanding the supply of accessible housing units and increasing funding for accessibility improvements and modifications—as well as investing in opportunities to build economic opportunity.

- Work with groups like the Governor's Council for People with Disabilities to enhance opportunities in rural areas for employment such as technical assistance to coach rural business owners and organizations on more inclusive hiring practices to promote increased employment rates.
- Explore incentive programs similar to HB 1559 (2023) which would have reduced employment and other economic barriers for residents with disabilities by incentivizing employers to hire workers with a disability through tax credits.
- Fund new construction of accessible and deeply affordable rental and homeownership housing (e.g., land trusts, acquisition).
- Incentivize small landlords to rent to people with disabilities through a program that provides funding for accessibility improvements and first and last month's rent. Creating a pilot program, potentially with HUD block grants, would be an effective way to test the concept and raise seed money (through foundations, financial institutions) to expand the program if successful.
- Proving consistent block grant funding for housing accessibility improvements in both homeownership and rental housing.
- Pilot search features where landlords provide people with disabilities floorplans of their apartments so they know if they can be easily adapted. Online search engines work much better for people with disabilities (a stellar model is here: https://housing.sfgov.org/)

Fair housing issue: Domestic violence survivors face considerable barriers to housing choice associated with incomes inadequate to support families, lack of affordable child care, and perpetrators' violations of lease terms. Housing providers' lack of knowledge of VAWA contributes to limited housing options for domestic violence survivors and housing discrimination.

Strategies and recommendations.

- Prioritize increasing affordable rental and transitional housing development for families fleeing domestic violence through pilot programs.
- Invest in education and outreach programs to inform housing providers, including assisted housing providers, about their obligations under VAWA, and how to strategically support families fleeing violence.
- Explore implementation of programs from peer states, including:
    - Illinois has mobilized federal VAWA grants to expand provider and resource capacity to better reach and serve survivors of domestic violence. Grant

funds allowed the state to hire additional case managers to increase access to medical and case management care, as well as program managers and providers—activities that are not allowed with CDBG. Increased capacity has allowed the state to connect more individuals to stable housing, SNAP benefits, and mental health care.

- Ohio uses funding to support advocates and community organizations who assist domestic violence survivors in the criminal courts. With grants from the state, advocates provide confidential services and assist survivors in navigating the criminal justice system; creating safety plans; connecting to community resources; and assisting with other issues such as housing, visitation/custody, and financial matters.

  Ohio also supports survivors and households through transitional housing programs which provide safe housing and supportive services to help individuals work towards stability. Housing programs are designed with an adequate housing timeframe and services that are trauma-informed and client-focused to provide residents the ability to work through their trauma while rebuilding their lives.

Fair housing issue: Indiana's school choice system does not provide equitable access to all students and has diverted resources to privately school suburban non-Hispanic, White students. Public schools play an important part in closing the gap between wealthy and poor students on academic outcomes typically defined by standardized tests, which helps reduce income inequality.[9] Additionally, well-resourced and highly performing neighborhood schools are integral to community development and can provide a catalyst for improved neighborhood environments.[10]

Indiana's attempts to broaden school choice have resulted in inequities in access through diverting public funding into subsidies for private school educations of suburban, non-Hispanic White students.

Strategies and recommendations Indiana's school choice program should be reexamined and restructured to achieve more equitable access to students from protected groups through geographic admission requirements that are inclusive of students in high poverty and racially segregated neighborhoods.

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[9] Alexander, K. "Public Education and the Public Good". 1997. *Social Forces*. 76(1).

[10] Moore, Sandra M. and Susan K. Glassman. "The Neighborhood and Its School in Community Revitalization: Tools for Developers of Mixed-Income Housing Communities". *Housing and Urban Development*. 2007.

- As opportunities allow, the state legislature and/or the Department of Education should explore a geographic admission percentage requirement for future applicants and transparency in the admissions process among private schools to allow more opportunities for students living in racially and socioeconomically segregated neighborhoods to participate. For example, Dallas Independent Schools operates an admission system for magnet schools which requires an admission percentage from each of four quadrants of the highly segregated city resulting in a school population that reflects the population of the city. It is important to note that there are substantial benefits to White, higher income students who attend racially and socioeconomically diverse schools.[11]
- Similarly, the legislature and/or Department of Education should allocate additional and targeted resources for schools with extensive student population challenges. School funding has been directly linked to improved academic outcomes over time, specifically for lower income students in lower income concentrated schools who do not have the benefit of parent participation and monetary contributions through Parent Teacher Organizations.[12]

Fair housing issue: Lack of awareness and knowledge of state and local fair housing laws among housing providers and the general public. Stakeholders identified a general lack of awareness/knowledge of state and local fair housing laws, rights, and responsibilities among residents and landlords as significant fair housing barrier that disproportionately impacts protected class groups and other special needs populations. Individuals who participated in interviews explained that this has both enabled and allowed fair housing violations and made it more difficult for residents to enter housing and remain stably housed.

Strategies and recommendations. Strategies and recommendations to increase fair housing knowledge and awareness of rights/responsibilities in housing could include:

- Continue to fund and elevate fair housing trainings for the general public, housing providers, advocates, community organizations, and populations impacted by housing discrimination. Fair housing topics could cover housing advertisements; housing rights of domestic violence survivors; evictions; common forms of discrimination against families with children and persons with a disabilities; reasonable accommodations/modifications; LGBTQ discrimination; landlord-tenant relations; and other relevant fair housing issues.

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[11] Pettigrew, T., & Tropp, L. "A meta-analytic test of intergroup contact theory". *Journal of Personality and Social Psychology*. 2006. 90(5).

[12] Lafortune, Julien, Jesse Rothstein and Diane Whitmore Schanzenbach. "School Finance Reform and the Distribution of Student Achievement". March 2016. http://equitablegrowth.org/school-finance-reform-and-the-distribution-of-student-achievement

- Develop a program for town and county executives (Mayors, City Managers, Planning Directors and staff) to bolster their knowledge and awareness of fair housing laws and housing needs in their communities—and to encourage local methods to reduce fair housing barriers. This should include:
    - Accessibility requirements and reasonable accommodations as mandated by the federal Fair Housing Act (FHA) and Americans with Disabilities Act (ADA), including the benefits of accessible and visitability features;
    - Creation of sample and best practice websites that effectively increase awareness of fair housing laws/ordinances among constituents, AFFH commitments of grantees, and residents' and landlords' housing rights/responsibilities. Webpages should be available in multiple languages with referrals, contacts, resources, and information on federal, state, and local laws.
    - Strategies and best practices for addressing housing needs including considering state legislative efforts to preempt local governments' ability to increase the supply of affordable housing, extend fair housing statutes to include protected classes beyond federal law, and regulate landlord-tenant relations.