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Dear Mr. Ogle and Ms. Spergel:

Thank you both for your thoughtful work in helping to respond to critical housing and community development needs through the prioritization federal resources as outlined in the 2019 Draft Annual Action Plan.

Our membership, comprised of more than 150 organizations, is dedicated to creating inclusive opportunities that build assets and improve lives throughout every region of our state. Our network is diverse, but united by a mission to transform Hoosier communities. In particular, our members are dedicated to strengthening communities that are economically distressed through comprehensive solutions in rural, urban, and suburban neighborhoods. Expanding access to safe, affordable housing and economic opportunity are at the core of that work.

Prosperity Indiana members work not only to meet basic human needs, such as providing food and shelter, but to ensure low-income Hoosiers have the kinds of tools and resources required to attain and maintain economic sufficiency. We actively engage our membership on policy issues through a variety of mediums to identify areas where community development approaches are effective, and where they should be improved upon to be responsive to local needs.

This year, in reviewing the draft Annual Action Plan (Plan), we weighed the current proposed Plan against prior drafts and feedback from our members. In advance of the next five-year

Consolidated Plan, we would like to discuss ways to engage you both more directly in the planning process. One such option for engagement could be hosting a webinar later this summer for our network where Prosperity Indiana could highlight some feedback from our network in previous Action Plans, and staff from the Indiana Housing and Community Development Authority (IHCDA) and the Indiana Office of Community and Rural Affairs (OCRA) could talk through planning steps and opportunities for feedback. We would like to discuss this or other ways we can collaborate to engage our innovative network of members in this planning process.

For now, we offer the following comments in response to the current draft, hoping that these suggestions and notes will further facilitate partnership surrounding the statewide Plan moving forward.

### **Expanding and Preserving Affordable Housing Opportunities Throughout the Housing Continuum; Reduce Homelessness and Increase Housing Stability for Special Needs Populations**

Prosperity Indiana commends IHCDA for engaging with our organization and our members in trying to be responsive to local needs and thoughtful in program design to meet housing needs throughout the state. We would like to continue working with our members and IHCDA staff to better address the down payment assistance, counseling, and origination needs of low- and moderate-income households hoping to achieve stable, affordable homeownership. We are pleased the Project Development track will help provide resources for low- and moderate-income homebuyer construction, but would like to see increased emphasis on homeownership supports for low-income households beyond construction.

Prosperity Indiana has been working to highlight the severe lack of safe, affordable rental housing, particularly for extremely low-income households, and applaud worthy investments in expanding that stock; but in a statewide plan, providing more homeownership resources remains critical. We know homeownership is one of the single most effective mechanisms to help low- and moderate-income families build assets and multi-generational wealth and Plan feedback in 2018 continued to identify homeownership as a top need. We also know it is an important way to address the racial wealth gap as Indiana [has a nearly 30 percent gap in homeownership](#) for white households compared to households of color — 73.3 percent homeownership rate among white households compared to 44.9 percent for households of color. That disparity is referenced as an area to address in action steps developed in response to the State's 2016 Analysis of Impediments to Fair Housing Choice (AI). The homebuyer construction Project Development Track does help frame conversations around infrastructure and economic development to include housing development for low- and moderate-income households.

With regards to Home Investment Partnership Program (HOME) administrative requirements and non-profit capacity to meet those needs, we would to have greater collaboration with IHCDA focused on nonprofit/CHDO capacity building generally to yield stronger results for communities throughout the state. Within the draft Plan, Prosperity Indiana agrees that HOME program policies necessitated revisions to make the program more streamlined for administration and use. We would ask that the following suggestions be considered additionally in that same interest:

- Larger allocations are needed to support administrative non-profit capacity within the HOME program.
- In terms of CHDOs, IHCDA could update and clarify their CHDO qualification criteria for board members. Project feasibility can become an issue when non-profits pursuing projects that requires funding CHDO's can apply for but restrictive census tract determinations for low-income tracts mean that a single board member living in district that might adjust just slightly above the low-income threshold. That adjustment would make non-profit no longer be qualified as a CHDO and the project would not be feasible. Instead, we suggest considering a probation period for a board member in a qualified census district that experiences a population shift towards higher income. That may better account for areas that may be gentrifying where affordable housing need remains critical.
- A “representative of a low-income neighborhood organization” has been very strictly defined by IHCDA. Instead, we would suggest that an organization that serves a predominantly low-income population should be able to elect a representative, and that that representative should be able to serve as a CHDO board member.
- Taking into account barriers to rural feasibility in some scoring for HOME/HTF rental projects, such scoring based on the local ratio of primary care physicians, proximity to fresh produce, public transportation, and positive land use, as outlined in the Plan. Those amenities are certainly important, but the geographic limitations are too severe and put rural communities at a disadvantage, as we have noted as well in our Qualified Allocation Plan (QAP) feedback. We suggest having greater leniency in mileage allowed in considering reasonable proximity.

In other sections related to supporting affordable housing throughout the continuum, Prosperity Indiana was thrilled to see many critical member priorities addressed, including IHCDA's work alongside the Indiana State Department of Health on the Lead Hazard Reduction Demonstration Grant and the commitment, through program target populations to reduce lead contaminants in housing, particularly for young children. Prosperity Indiana is a part of the Health Equity Action Team and engaged in advocacy to help illuminate the how critical lead

remediation is for health and education outcomes of low-income children. We hope to collaborate more intentionally around this effort with IHCDA.

In that same arena, we were pleased to see that IHCDA will be implementing a new Priority List for the OOR program, based on HUD's Healthy Homes Assessment. We think it would also be positive if IHCDA could receive CDBG Technical Assistance funding to be able to provide certifications for lead paint remediation to contractors and inspectors directly.

When it comes to addressing our state's most vulnerable housing populations, Prosperity Indiana would like to applaud the significant achievements of IHCDA and statewide CoC partners in ably serving homeless populations in communities of all sizes throughout Indiana, in particular chronically homeless individuals who are frequently battling addiction and mental health conditions or those with disabilities. The successes here, particularly for combatting homelessness among veterans, are certainly impressive.

One area we have discussed that we hope to continue working on is better addressing homelessness for those who are not exiting an institution, disabled or battling addiction, but instead, experiencing incidences of domestic violence and/or lack of access to affordable childcare, transportation, and livable wage jobs that leads to homelessness through the institute process. Given our member input and strong stakeholder feedback emphasizing the need for housing for families with children, we want to work with IHCDA and the Corporation for Supportive Housing on this effort. While we all aim reduce shelter stay, we must continue to focus on providing sufficient housing and services that empower the diversity of homeless populations to remain stably housed, especially with significant HOME, LIHTC and all HTF resources devoted to permanent supportive housing.

We additionally applaud the state's increased planning for landlord training related to HOPWA and ESG-RRH. As our state has been experiencing an eviction crisis with 86 households evicted each day, we cannot emphasize enough how critical this is to achieving greater housing stability for vulnerable populations. We also applaud the greater emphasis on the social determinants of health in HOPWA programs, noting the critical intersection of healthcare services and stable housing. The increase in wrap-around services within HOPWA and emphasis on addiction treatment are in line with what our members report as urgently needed. The draft Plan's recognition of those concerns and ongoing work to better combine housing supports, healthcare and landlord outreach will have a positive community development impacts felt throughout the state.

## **Promote Livable Communities and Community Revitalization Through Addressing Unmet Community Development Needs**

Prosperity Indiana applauds OCRA staff for being thoughtful in prioritization of programs and allocations to meet the needs of our communities. We appreciate the draft Plan's recognition that helping vulnerable Hoosiers and communities requires investments beyond those in housing. As such, we welcome the draft Plan's increase in resources identified for blight clearance. This investment is essential for communities as blight remediation is extraordinarily costly and left unaddressed, has significant negative consequences for the health and safety of Hoosier communities. We do have a concern, however, that communities might not be able to utilize the funding due to the 5-year Change of Use interpretation that prohibits use of the property for five years following clearance. Most communities seek to repurpose or beautify land that has been cleared, so they would not seek out this needed funding. We believe the HUD requirement does not apply when discussing clearance alone and would ask that the state not impose the restriction.

With regards to the Stellar program, we applaud the many laudable community development goals met as a result of this program throughout Indiana. We do feel it is important for the continued success of the program to note one concern regarding consistency in how many finalists will be selected to receive funding. The Method of Distribution (MOD) references two communities, but communities received notice in late April that there will, in fact, only be one designee from the 2019 round. As they may change their minds about whether or not to apply based on the number of finalists that will be selected, confirmation of how many will be selected will help empower local communities to decide when weighing their options.

Prosperity Indiana underlines the importance of OCRA and its community liaison's responsiveness to local community development needs through Planning Grants. These help bolster a community's ability to respond strategically to ongoing or emerging demands. We do have a few suggestions we believe would empower communities to more ably take advantage of these resources. Our network has identified that, at present, certain rules and scoring makes this grant too cumbersome to pursue and requires communities to do the planning work prior to receiving the planning grant.

In response, we recommend having greater clarity on what goes into the "credible readiness" determination of a project to help communities understand that criteria in advance. The draft Plan also outlines that the Planning Grant would receive 25 points for demonstrating community input when the plan itself is supposed to address strategy for engagement with the community. Additionally, additional points are awarded to a community that has successfully completed a previous plan which disadvantages applications from a previously unfunded community that may have new, emerging needs. Lastly, the current process requires Financial

Gap calculations before the grant is approved when that grant that is typically used to determine those calculations. We think revising those requirements would help empower low- and moderate- small communities, in particular.

### **Promote Activities that Enhance Local Economic Development Efforts**

As far as economic development strategies addressed in the Plan, those that focus on workforce development are regularly the biggest priority for our members. In our member meetings, we frequently discuss the training and education needs that exist to help Hoosiers attain living wage jobs, especially as manufacturing losses present economic challenges throughout the state. New employment training and opportunities will reduce the current continued strain on our emergency human services infrastructure, as individuals and families struggle to afford basic needs while working one or multiple minimum wage positions.

As such, we are disappointed that the Workforce Development Program was eliminated, noting that it would be duplicative of programs offered by the Department of Labor. As we have commented in prior drafts, we acknowledge it had not been utilized, but do not believe the lack of use was a reflection of need, rather a lack of intentionality behind program design. Accordingly, we would strongly encourage a reinvestment of resources in workforce development activities, but in broader range of economic development activities that spark innovation and support entrepreneurship at the local level, especially for those who lack access to traditional credit or business development support.

Prosperity Indiana believes increased investments in microenterprise lending, for example, are crucial to spurring investment in local economies. Microenterprise investments, which provide assistance to organizations that help low-income entrepreneurs who lack sufficient training and education to gain access to the capital they need to establish and expand their small businesses, should be a key goal in economic development priorities of the Plan. Previously, OCRA has devoted technical assistance resources to hosting trainings on microloan programs. It would be exciting to work with OCRA and engage our members to adapt and launch a similar training program moving forward. We welcome a conversation on this and other potential approaches that would be innovative in meeting workforce development needs within the constraints federal funding requirements, without being duplicative.

We sincerely hope to increasingly partner with OCRA staff and leadership to work towards shared community development goals. On behalf of our dedicated membership affecting positive change in communities throughout the state, we would like to thank both OCRA and IHCD for the opportunity to weigh in on this draft Plan and hope to work collaboratively with you on program design and prioritization for the upcoming five-year Plan.

Sincerely,

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