

# State of Indiana 2020 Recovery Housing Program Action Plan

## Amendment Two

PREPARED BY: The Office of Community and Rural Affairs

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## Total Recovery Housing Program Budget

FY 2020 RHP	\$853,000.00
FY 2021 RHP	\$823,604.00
FY 2022 RHP	\$874,946.00
FY 2023 RHP	<u>\$1,145,278.00</u>
<b>Total Budget RHP</b>	<b>\$3,696,828.00</b>

## Narratives

### PROGRAM SUMMARY

This pilot program would support individuals in recovery on a path to self-sufficiency. By providing stable housing to support recovery, the RHP program aims to support efforts for independent living. These specific funds would provide grants to develop temporary, transitional housing for individuals recovering from substance abuse. To maximize and leverage these resources, the Office of Community and Rural Affairs (OCRA) will partner with the Family and Service Social Services Administration's Department of Mental Health and Addiction (DMHA) and the Indiana Department of Health (IDOH).

Safe and supportive housing is fundamental to a person's recovery and has been shown to decrease substance use and rates of incarceration. Currently Indiana only has 143 certified recovery residences at a level II-IV based on the National Alliance of Recovery Residences (NARR) standards. Level I are peer run recovery residences with no paid staff. Facilities certified above Level I have 1,773 beds available to them, total. Perhaps, the largest issue of need within the community is the lack of geographic diversity of these facilities. Indiana, a state with 92 counties only has recovery housing facilities in 38 of these counties. One of the largest areas of need in the state is recovery housing for women and women with children.

The RHP program will leverage SAMHSA funding, provided by the DMHA, to provide housing assistance to individuals to help cover the cost of staying at these facilities. DMHA currently provides room and board at \$15 a day if 100% of food is donated or \$20 per day if the residence provides at least one meal for individuals. The DMHA also provides \$6-7 per day for a staff member to be present each day at the residence. SAMHSA funding will be further leveraged by state funds from the mental health and addiction forensic treatment fund, aka Recovery Works, \$25 million a year for Level II – IV residences on the same pay scale. To further ensure that wraparound services are complete, the DMHA, along with the Indiana Housing and Community Development Authority, has created the landlord reserve mitigation fund to provide landlords up to 3 months' rent and covers damages to incentive landlords to secure permanent housing post-recovery.

The RHP program will also leverage National Opioid Settlement Funds. The Office of Drug Prevention, Treatment, and Enforcement, in partnership with the Indiana Family and Social Services Administration - Division of Mental Health and Addiction and the Indiana Department of Health developed a framework for how the State of Indiana plans to use the state's 35% appropriation for abatement from the National Opioid Settlement with distributors McKesson, Cardinal Health and AmerisourceBergen and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson. House Enrolled

Act 1193, passed by the Indiana General Assembly and signed by Governor Eric J. Holcomb in March 2022, created a 50/50 state and local split and defined the intensity metrics on how much money each locality received. The State Budget Committee approved Indiana's plan for the 35% appropriated for abatement to the Indiana Family and Social Services Administration in December 2022.

Local subdivisions received their first payments in December 2022.

As part of the National Opioid Settlement, the Indiana Family and Social Services Administration – Division of Mental Health and Addiction (DMHA) is also making available a one-time funding opportunity available to local units of government to support evidence-based prevention, treatment, recovery, harm reduction, behavioral health workforce, enforcement, jail treatment, recovery residences, and other services and initiatives across the state.

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

The total funding amount available for Indiana's Matching Program is \$25,000,000.

RHP funds will be made available to units of general local government (UGLG) through an application process that will allow the state to select the most impactful and likely to succeed projects. UGLGS may partner with a qualified, non-profit to construct or rehabilitate temporary housing to individuals in recovery from a substance use disorder.

It is anticipated that these funds will finance a variety of temporary recovery housing facilities. The goal of the program will be to fund at least one newly constructed recovery housing development as well as at least two rehabilitation projects to increase the number of temporary housing beds available for those recovering for substance use disorder.

Through these new facilities, it is anticipated that approximately 375 more people will be assisted per year. Of those treated, it is anticipated that 70% will find permanent housing directly as a result of this recovery housing program- assisted temporary housing.

## Resources

It is anticipated that the State will leverage SAMHSA funding through the DMH and opioid settlement funds through IDOH. The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds for FY 2020 RHP is \$853,000 and will be used towards this program. In addition, the allocation for FY 2021 RHP (\$823,604), FY 2022 RHP (\$874,946), and FY 2023 RHP (\$1,145,278) will also be used towards this program for a combined total \$3,696,828. The program may leverage publicly owned land, however, OCRA will also allow for land to be owned by the sub-recipient operating the facility. OCRA will also provide staffing for the pilot. That staffing includes the three (3) CDBG staff, and six (6) Grant Services staff. The CDBG staff will be responsible for oversight and management of the program. The Grant Services staff will be responsible for day-to-day administration and operation of the program.

## Administration Summary

Administration of the Program will be led by the Office of Community and Rural Affairs. Staff available for RHP program administration include:

Christmas Hudgens - CDBG Program Director - (317) 499-6563 – [chudgens@ocra.in.gov](mailto:chudgens@ocra.in.gov)  
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## Use of Funds - 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 an Annual Action 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 Action Plan process as well as the proposed method of distribution of CDBG funds. The State of Indiana's RHP allocation of federal Community Development Block Grant (CDBG) funds for FY 2020, FY 2021, FY 2022, FY 2023 total \$3,696,828. This document applies to all RHP funds allocated by HUD to the State of Indiana, through OCRA.

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

Through this Annual Action Plan, OCRA will pursue its goal of investing CDBG wisely and all applicable strategic priorities by distributing CDBG funds in a manner, which promotes the 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 changes 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." CRA will submit any Consolidated Plan, Annual Action Plan, or other related documents to you 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 Notice of FY2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program), 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. Those activities are highlighted under the Program Method of Distribution below. 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**

All Indiana counties, cities, and incorporated towns, including CDBG entitlement grantees who received funding directly from HUD or those in an "urban county" or other areas eligible for "entitlement" funding from HUD. 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 or irregularities with previous CDBG grants, overdue reports, overdue responses to monitoring issues, or overdue closeout documents on current grants, or for any 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 are outlined in the **General Selection Criteria** provided herein. The State of Indiana via the Office of Community and Rural Affairs (OCRA) does not project receipt of any CDBG program income for the period covered by this Annual Action Plan. In the event the OCRA receives CDBG Program Income, such funds will be placed in the Blight Clearance Program (BCP) to make additional grants under that program. Reversions of other years' funding will 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:

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 the IHCDA by the OCRA.

Program income generated by CDBG grants awarded by the OCRA using CDBG funds must be returned to the OCRA if such amounts are equal to or greater than \$35,000 per calendar year according to 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 the 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 the 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.

#### **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 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 RHP activities must comply with the Limited Clientele National Objective as modified by Notice of FY2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program.

- Expansion of Limited Clientele National Objective to include RHP-assisted housing. HUD is imposing a waiver and alternative requirement to the limited clientele national objective criteria at 24 CFR 570.208(a)(2) and 570.483(b)(2)(i)(B) to the extent necessary to enable the use of the limited clientele national objective for acquisition, rehabilitation, reconstruction, or new construction activities assisted by RHP funds that provide stable, temporary housing to individuals in recovery from substance use disorder, when at least 51 percent of the individuals benefitting are low- or moderate-income persons. Any cost or other limitations on the participation by beneficiaries in RHP activities must not be prohibitive for low-income persons. The RHP activities, when taken as a whole, must not benefit moderate-income persons to the exclusion of low-income persons.
- Modification of Limited Clientele Presumptions. Persons in certain group categories may be presumed to be low- and moderate-income persons pursuant to the requirements at 24 CFR 570.208(a)(2)(i)(A) or 570.483(b)(2)(ii)(A). HUD is modifying the requirements at 570.208(a)(2)(i)(A) and 570.483(b)(2)(ii)(A) to

add additional categories of groups of persons that, when served exclusively or in combination with groups of persons in other listed categories, may be presumed to benefit persons, 51 percent of whom are low- and moderate-income, barring any evidence to the contrary. Under this alternative requirement, the categories are expanded to include persons who meet the federal poverty limits or are insured by Medicaid.

- Overall benefit to Low- and Moderate-Income Persons. Section 101(c) of the HCD Act (42 U.S.C. 5301(c)) establishes the primary objective of the HCD Act to be the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income. Unlike the CDBG program, RHP funds may not be used for activities to aid in the prevention or elimination of slums or blight, or activities designed to meet community development needs having a particular urgency. Therefore, all RHP funds must be used to support activities that benefit low- and moderate-income persons. Additionally, administrative and technical assistance expenditures are counted toward low- and moderate-income benefit in the same proportion as RHP expenditures for other activities.

**Recovery Housing Program:** OCRA will allocate \$853,000 of its FY 2020 RHP, \$823,604 of its FY 2021 RHP, \$874,946.00 of its FY 2022 funds, and \$1,145,278 of its FY 2023 Funds for Recovery Housing Program awardees.

Applications will be accepted in rounds and awards will be made on a competitive basis. OCRA will award such grants that meet the criteria outlined in **General Selection Criteria** hereto. The RHP shall have a maximum grant amount of \$750,000. Matching funds will not be required for this program. Eligible activities prioritized for the Recovery Housing Program as amended by Notice of FY2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program:

**Public Facilities and Improvements** - RHP funds may be used for activities under 24 CFR 570.201(c) or section 105(a)(2) of the HCD Act (42 USC 5305(a)(2)) only for the purpose of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 and this notice.

**Acquisition of Real Property** - RHP funds may be used for acquisition under 24 CFR 570.201(a) or section 105(a)(1) of the HCD Act (42 USC 5305(a)(1)) for the purpose of providing stable, temporary housing to persons in recovery from a substance use disorder. For example, a nonprofit could purchase a residential property for the purpose of providing stable, temporary housing for individuals in recovery from a substance use disorder in accordance with Section 8071 and this notice.

**Grant Administration** - Subject to the limitations described in section II.E of this notice, RHP funds may be used to pay administrative costs of the RHP program. These administrative costs include, but are not limited to, the costs related to the development and submission of the RHP Action Plan, costs associated with carrying out subrecipient monitoring and oversight, and costs associated with reporting to HUD. xii. Technical Assistance. Subject to the limitations described in section II.E of this notice, RHP funds may be used to pay for the grantee's non-administrative costs associated with providing technical assistance to a nonprofit or a unit of general local government to successfully apply for and implement the RHP program, to the extent eligible under 24 CFR 570.201(p) and section 105(a)(1) of the HCD Act (42 USC 5305(a)(19)).

#### **PRIOR YEARS' METHODS OF DISTRIBUTION**

Non-Applicable for this allocation.

### **APPLICATION PROCESSES**

The Recovery Housing Program will be 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. Proposal that are incomplete, contain cursory narratives, or have statements similar to “will complete by application” may not be invited to submit an application. The full application will be reviewed and evaluated. OCRA, as applicable, will provide technical assistance in coordination with DMHA and IDOH.

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 Recovery Housing Program has been assumed by the State of Indiana, the State is still bound by the statutory requirements of the applicable legislation passed by Congress as well as federal regulations promulgated by the U. S. Department of Housing and Urban Development (HUD) respective to the State’s CDBG program as codified under Title 24 of the Code of the Federal Register, and with consideration to non-regulatory guidance from HUD. 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 because 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.

#### **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.

#### **General Criteria (all programs, except pilots):**

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

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

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.

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.

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.

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

The applicant must first encumber/expend all CDBG program income receipts before applying for additional grant funds from the Office of Community and Rural Affairs; EXCEPTION – these general criteria will not apply to applications made directly to the Indiana Housing & Community Development Authority (IHCDA) for CDBG-funded housing projects.

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

Overdue grant reports, sub-recipient reports or project closeout documents; or

More than two (2) CDBG grants that are open or pending award (Indiana cities and incorporated towns), or three (3) CDBG grants that are open or pending award (Indiana counties) from OCRA;

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.

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.

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

Any unresolved complaints filed against the applying party with the Indiana Civil Rights Commission or any other local human relations commission with jurisdiction (collectively “Commissions”)<sup>1</sup>

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.

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.

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.

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”). 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.

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.

Housing related projects are to be submitted directly to the Indiana Housing & Community Development Authority (IHCDA) under its programs.

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.

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.

The application must be complete and submitted by the announced deadline.

## Use of Funds - Activities Carried Out Directly

The State of Indiana, through OCRA, will not be conducting any activities that are carried out directly by the State.

## Use of Funds - Eligible Subrecipients

Recipients must be a unit of eligible local government and can have subrecipients that are registered with the IRS as a non-profit to receive funds. An eligible subrecipient may be a public or private non-profit group with any 501 non-profit designation.

## Use of Funds - Criteria for Evaluation

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

**NATIONAL OBJECTIVE SCORE (100 POINTS)** - 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**

**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 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 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)** - Recovery Housing Program (RHP)

- Non-Entitlement Communities (10 points) – A maximum of 10 points will be awarded to applicants that are a non-entitlement.
- Recent Planning Documents (10 points) – A maximum of 10 points will be awarded to applicants who have a project-specific planning document or PER that is dated within the last 12 months.
- Beds Available to Pregnant Women or Women with Dependent Children (10 points) – A maximum of 1 point will be awarded per new bed that is provided by the facility that is available to pregnant women or women with dependent up to 10 points.
- Individuals with Justice Involvement (10 points) - A maximum of 1 point will be awarded per new bed that is provided by the facility that is available to persons involved in the court ordered rehabilitation up 10 points.
- Project Sustainability (10 points) - A maximum of 10 points will be awarded for documentation of National Opioid Settlement Funds being used as project match.

**BONUS POINTS (25 POINTS)**- It is the Division of Mental Health and Addiction's policy to encourage Medication Assisted Treatment (MAT) amongst providers. As such a grant application should include how the provider will support residents in their recovery through the acceptance of individuals on medication for the treatment of their substance use disorder.

Applications that include policies written in a manner to encourage and support use of medications including, but not limited to, nicotine replacement, long acting injectables and daily medication for substance use disorder will be awarded a maximum of 25 points.

## Definitions - Individual in Recovery

An individual going through a process of change to improve their health and wellness, live a self-directed life, and strive to reach their full potential.

## Definitions - Substance Use Disorder

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

## Anticipated Outcomes

It is anticipated that these funds will fund a variety of temporary recovering housing facilities. The goal of the program will be to fund two newly constructed recovering housing developments as well as at least three rehabilitation efforts of a residential to offer temporary housing for those recovering for substance use disorder.

Through these new facilities it is anticipated that approximately 350 more people will be assisted per year by these facilities. Of those treated it is anticipated that 70% will find permeate housing directly from the Recovery Housing Program-assisted temporary housing.

## Expenditure Plan

OCRA will utilize multiple application rounds and anticipates that 100% of available RHP funds will be awarded and obligated in the 2<sup>nd</sup> RHP funding round scheduled for launch in FY2023. OCRA This should allow the state to satisfy both the requirement of expending at least 30 percent of any newly allocated RHP funds within one year of obligation and expending 100 percent of its total RHP funds before the end of the period of performance.

OCRA understands that at least 30% of RHP funds awarded to the state in FY2020, FY2021, FY2022, and FY2023 must be expended within one year of obligation and will award older funding years first.

Additionally, OCRA will expend no more than 5 percent of RHP grant funds for its own administrative costs.

## Citizen Participation Summary

he State of Indiana, through OCRA, will provide the opportunity for a 30-day public comment on the draft RHP action plan and two public hearings and respond to such comments in accordance with its

CPP. The OCRA will consider and summarize public comments received in its RHP Action Plan, including any comments not accepted and the reasons therefore.

OCRA hosted a virtual Public Hearing to discuss the RHP Action Plan on May 18, 2021 at 4:00 P.M. ET.

The Office of Community & Rural Affairs made the RHP Action Plan available for public inspection prior to its submission. Members of the public were invited to review the RHP Action Plan during the hours of 8:30 a.m. to 5:00 p.m. ET, May 10, 2021 through June 8, 2021, at the Indiana Office of Community & Rural Affairs, One North Capitol, Suite 600, Indianapolis, Indiana 46204. The RHP Action Plan was also made available online at OCRA's website.

No comments were received regarding the plan.

OCRA hosted additional virtual Public Hearings to discuss modifying the 2020 RHP Action Plan through an amendment to combine the FY2020 and FY 2021 allocations on March 21, 2022 at 10:00 A.M. ET and 4:00 P.M. ET.

The Office of Community & Rural Affairs made the RHP Action Plan-Amendment One available for public inspection prior to its submission. Members of the public were invited to review the amendment during the hours of 8:30 a.m. to 5:00 p.m. ET, March 4, 2022, through April 6, 2022, at the Indiana Office of Community & Rural Affairs, One North Capitol, Suite 600, Indianapolis, Indiana 46204. The RHP Action Plan was also made available online at OCRA's website.

No comments were received regarding the plan.

OCRA will host additional Public Hearings to discuss modifying the 2020 RHP Action Plan through a second amendment to combine the FY2020, FY 2021, FY2022, and FY2023 allocations on May 17, 2023 at 2:00 P.M. ET and 4:00 P.M. ET. These hearings will be offered both virtually and at an in-person location.

The Office of Community & Rural Affairs will make the RHP Action Plan-Amendment Two draft available for public inspection prior to its submission. Members of the public have been invited to review the amendment during the hours of 8:30 a.m. to 5:00 p.m. ET, May 1, 2023, through May 31, 2023, at the Indiana Office of Community & Rural Affairs, One North Capitol, Suite 600, Indianapolis, Indiana 46204. The RHP Action Plan-Amendment Two draft will also be made available online at OCRA's website.

## Partner Coordination

To maximize and leverage these resources, the Office of Community and Rural Affairs (OCRA) will partner with the Family and Service Social Services Administration's Department of Mental Health and Addiction (DMHA) and the Indiana Department of Health (IDOH).

Leveraging SAMHSA funding provided by the DMHA, to provide housing assistance to individuals to cover the cost of staying at these facilities. DMHA currently provides room and board at \$15 a day if 100% of food is donated or \$20 per day if the residence provides at least one meal for individuals. The DMHA also provides \$6-7 per day in order for that staff member to be present that day at the residence. SAMHSA funding is further leverage by State funds from the Mental Health and Addiction Forensic Treatment Fund, aka Recovery Works \$25 million a year for level 2 – 4 residences on the same pay scale.

To further ensure that wraparound services are complete, the DHMA, along with Indiana Housing and Community Development Authority, has created the Landlord Reserve Mitigation Fund to provide landlords up to 3 months' rent and covers damages as a way to incentive Landlords to secure permanent housing post recovery.

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

Local subdivisions received their first payments in December 2022.

As part of the National Opioid Settlement, the Indiana Family and Social Services Administration – Division of Mental Health and Addiction (DMHA) is also making available a one-time funding opportunity available to local units of government to support evidence-based prevention, treatment, recovery, harm reduction, behavioral health workforce, enforcement, jail treatment, recovery residences, and other services and initiatives across the state.

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

The total funding amount available for Indiana's Matching Program is \$25,000,000.

Currently, there is no other coordination with IHCD on Continuum of Care programs, and how it overlaps with those seeking temporary recovery housing. OCRA is reaching out to explore cross-sector partnerships to leverage current IHCD programming. These programs may have potential overlap with those in providing rental assistance and/or short-term rental assistance or provide funding to operators of shelters and affordable housing, administer temporary rental assistance, and provide supportive services in efforts to end homelessness.

## Subrecipient Management and Monitoring

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

Desk monitoring is conducted by staff for non-construction projects. Desk monitoring confirms compliance with national objectives, eligible activities, procurement, and financial management.

On-site monitoring is a structured review conducted by OCRA staff at the locations where project activities are being carried out or project records are being maintained. One on-site monitoring visit is normally conducted during a project unless determined otherwise by OCRA staff.

Grants utilizing a subrecipient to carry out eligible activities are monitored on-site annually during the 5-year reporting period to confirm continued compliance with a national objective and eligible activity requirements. In addition, if there are findings at the monitoring, the grantee is sent a letter within 3 to 5 days of the monitoring visit and is given 30 days to resolve it.

## Pre-Award/Pre-Agreement Costs

The State, through OCRA, will not use RHP funds to cover costs that are incurred by grantees or, if applicable, their subrecipient, prior to the execution of the grant agreement between OCRA and the grantee. This is in line with current State and OCRA CDBG practices.

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