

SUMMARY OF COMMENTS ON THE CONSOLIDATED ANNUAL PLAN DRAFT

Comments regarding the draft of the Consolidated Annual Plan were accepted through November 13, 1998. Remarks given by community members at the October 26th hearing as well as written and oral comments received throughout the public review period are summarized below.

1. A representative of the Indianapolis Neighborhood Housing Partnership inquired if the City would be performing activities listed in the Consolidated Annual Plan that do not directly name a responsible organization.

City response: In some cases, City staff will indeed be carrying out the activities. In other instances, however, funds have been set aside for certain activities for which the City has not yet made a decision regarding the provider organization.

2. A representative of CICOA: The Access Network inquired about the units of services listed in activity twenty-one, which states that 1000 hours of service will be performed by Park Rangers.

City response: The City uses the Community 2020 software program provided by HUD that requires an estimation of units served. The City has estimated that 1000 households will be served by the Park Rangers.

3. A representative of CICOA: The Access Network questioned staff about the format of the activity pages, inquiring about the categories at the bottom of the page which ask if an activity will help the homeless or individuals with HIV or AIDS.

City response: The HUD software system generates the format of the activity pages. In compliance with HUD requirements and this software, City staff must answer a series of questions for each activity which help identify the persons to be served.

4. A representative of CICOA: The Access Network expressed concern that activities that preserve homeownership received less funding than activities which support the creation of homeownership.

City response: Based on input received through the Citizen Participation Process, the status of the five-year Plan goals, and the report of the Housing Task Force, the City identified homeownership activities, in aggregate, as the focus of 1999 funds. Therefore, \$2,542,500 has been designated for creating new homeownership opportunities and \$2,250,465 for maintaining existing homeownership. The City believes that a substantial amount of dollars have been allocated toward preserving homeownership in an effort to meet the identified community need.

5. A representative of CICOA: The Access Network commented that a number of alternative sources of funding for rental housing are available and inquired about the use of City funds to support the rental supply.--

City response: Although there may be other resources available, those resources are limited. The City collaborates with its partners to identify other resources, but believes that a significant need for rental housing is still present in the community. Therefore, the City believes it is entirely appropriate to dedicate funds to this activity.

6. A representative of CICOA: The Access Network asserted that the City should use eminent domain to take properties identified as unsafe buildings, then deed the properties to local community development corporations for restoration.

City response: The City has used eminent domain in such circumstances on a limited basis. This process, however, is very time consuming and not the most efficient mechanism for addressing unsafe buildings.

7. A representative of the Indianapolis Neighborhood Housing Partnership questioned whether the housing products created by activity number eighty-three, entitled Multifamily Housing Production, would be market rate.

City response: No, this activity will produce affordable housing for persons making at or below 80% of the Median Family Income.

8. A representative of CICOA: The Access Network inquired about the possibility of obtaining more specific information about the activities that a sub-recipient will be undertaking with these funds. He cited the employment and training listed in activity fifty-one as an example.

City response: The Consolidated Annual Plan gives an account of all activities that are going to be undertaken, the number of units (people, households, etc.) that will be served and the general location that will be served by each activity. Each year, the City publishes a Consolidated Annual Report detailing the actual activities that have been undertaken with grant dollars.

9. A representative of CICOA: The Access Network asked if information gleaned through the Empowerment Zone application process is a part of the Consolidated Planning process.

City response: The Consolidated Plan builds upon the discussions that have already taken place through the Empowerment Zone application process, the Housing Task Force and other on-going planning activities.

10. A representative of Keys to Work inquired about the guidance that agencies that are awarded funds will be given about the rules governing their use.

City response: The City has a number of policies and procedures in place explaining the rules governing these funds. All subrecipients will receive training prior to contract execution and technical assistance will be available throughout the year.

11. A representative of CICOA: The Access Network acknowledged that that organization is pleased with the City's recognition of the maintenance and repair needs of elder homeowners.

City response: The City recognizes the value that stable neighborhoods add to the Indianapolis community. Maintaining the homes of seniors is an essential step in fostering this stability.

12. A representative of CICOA: The Access Network asserted that if the City held its claim for Administrative Support to 15% of funds, \$230,000 would be available for home repair, which would have a greater return for the community than spending on administration.

City response: The successful management of federal entitlement dollars requires a highly coordinated effort. If the City were to claim less than the allowable 20% of administrative dollars, programs would inevitably suffer as a result.

13. A representative of CICOA: The Access Network stated that page thirty-five of the Consolidated Annual Plan Draft erroneously states that homeowner repair activities are the single largest funded activity in 1999.

City response: The City acknowledges that this statement was in error, and has amended it.

14. A representative of CICOA: The Access Network stated that there is a need for new, supportive, multi-family housing for seniors. He further commented that such projects should be constructed in older neighborhoods, to enable seniors to remain in a familiar environment.

City response: The City has funded multi-family senior housing programs in the past, including William Penn Commons, The Seminole and The Missions Building. As viable projects are identified, the City will continue to contribute funds to meet this need.

EXECUTIVE SUMMARY

This Consolidated Annual Plan contains the City of Indianapolis' (the City's) implementation plan for the final year of its current Consolidated Plan. The Consolidated Plan is a comprehensive five-year plan that identifies the City's housing and community development needs and identifies strategies to meet those needs. This Consolidated Annual Plan details the federally funded activities that the City anticipates undertaking in 1999 to enact these strategies. The Plan, through the attached standard forms 424, also represents the City's application to the United States Department of Housing and Urban Development (HUD) for the following four federal entitlement grants, totaling an estimated \$16.7 million:

- **Community Development Block Grant (CDBG) Program**
Provides funds to (1) supply decent housing, (2) secure a suitable living environment, and (3) expand economic opportunities. This program is targeted principally for persons of low-¹ and moderate²-income and projects that will prevent or eliminate slum and blight.
- **Emergency Shelter Grant (ESG) Program**
Provides funds to (1) meet the costs of operating emergency shelters, (2) provide essential services to homeless individuals, (3) avert the increase of homelessness through homeless prevention activities, and (4) rehabilitate homeless facilities.
- **HOME Investment Partnership (HOME) Program**
Provides funds to expand the availability of decent affordable housing (for which a household spends no more than 30% of its monthly income) and furnish coordinated assistance to participants in the development of affordable housing. HOME funds may be used for activities that build, buy, and/or rehabilitate affordable housing for rent or home ownership or provide direct rental assistance to households earning 80% or less of MFI.
- **Housing Opportunities for Persons with AIDS (HOPWA) Program**
Provides housing assistance and supportive services to low-income persons with HIV/AIDS and their families in order to prevent homelessness. HOPWA funds may be used to assist in the creation, operation, and utilization of housing units. Additionally, short-term assistance can be provided to enable a person to stay in his or her own home.

The Consolidated Annual Plan that is prepared and submitted to HUD each year identifies the City's strategy for distributing the funds provided by these four grants in a manner

¹ Low-Income - Households whose incomes are 0 to 50% of the Median Family Income (MFI). For Indianapolis, the 1998 limit for low-income is \$25,550 for a four person household.

² Moderate-Income - Households whose incomes are 51 to 80% of the MFI. For Indianapolis, the 1998 limit for moderate-income is \$40,900 for a four person household.

consistent with the housing and community development goals outlined in the five-year Consolidated Plan. The yearly Plan includes a description of the activities that will be carried out, the areas of the community that will benefit from these activities, and a profile of the persons and families to be assisted. This year's Consolidated Annual Plan covers the program year January 1, 1999 to December 31, 1999.

Over the last four years, the accomplishments in each of the five priority areas set in the five-year Consolidated Plan are as follows:

Table A: Status of Five-Year Objectives

Five-Year Objective	Strategies	Five-Year Goal	Current Total ³	% of Five-Year Goal
Increase Supply of Rental Housing	(1)Rehabilitate rental housing (2)Provide rental assistance payments (3)Link to support services	1855	1450	78%
Preserve Homeownership	(1)Homeowner Repair	1040	1452	139%
Increase Homeownership	(1)Acquire, rehabilitate and construct units (2)Locate acquisition/permanent financing (3)Provide support facilities and services	695	306	44%
Prevent Homelessness	(1)Create a Continuum of Care plan		Complete	100%
Reduce Unemployment	(1)Support existing training programs (2)Create employment opportunities	No specific goal set	2,018 trained, 216 placed	NA

As the above chart demonstrates, the City has progressed toward securing the goals of the Consolidated Plan. However, much work remains in order to achieve the original goals and continue addressing the great need for affordable, quality housing. The activities chosen for inclusion in this Consolidated Annual Plan address these remaining gaps and areas of continued concern.

Homeowner activities are the highest priority identified in this Plan. These activities include the creation of new homeownership opportunities as well as the maintenance of existing homes for low- to moderate-income persons. The benchmark for increasing homeownership has not yet been met. Therefore, there will be an emphasis on creating new homeownership opportunities in 1999. Additionally, throughout various public forums and hearings, citizens consistently commented on the need for homeowner repairs in order to maintain homeownership for low- to moderate-income persons. As a result, homeownership preservation has also been identified as a high priority.

³ These figures include estimated figures for 1998 accomplishments. Actual figures for 1998 will be presented in the 1998 Consolidated Annual Report, submitted for public review on or about March 15, 1999.

The City also anticipates focusing on the rehabilitation of rental units in 1999. This emphasis is, in part, an initial response to the potential loss of affordable rental units due to the expiration of federal funding for particular rental properties. As will be discussed later in this proposed Plan, determining a coordinated strategy to address this issue will be an important effort this year. The City anticipates that the rehabilitation and creation of “affordable” rental units will become increasingly important over the next five years.

Finally, this Plan proposes a wide variety of other activities intended to support the housing activities. For example, the Indianapolis community continues to vocalize the need for more job training and youth services. Both will be an important focus in 1999. Table B summarizes the City’s strategy for its 1999 federal funds.

Table B: Summary of 1999 Proposed Activities

Activity	1999 Proposed Funding
Creating New Homeownership Opportunities	\$2,542,500
Maintaining Existing Homeownership	\$2,250,465
Maintaining/Creating Affordable Rental Units	\$2,322,458
Demolishing Unsafe Buildings	\$1,666,000
Commercial Development	\$1,487,500
Public Facilities & Neighborhood Activities	\$921,550
Job Training	\$800,000
Youth Services	\$308,000
Health Services	\$200,000
Senior Services	\$539,264
Homeless Shelters & Services	\$417,050
HIV/AIDS Housing & Services	\$520,890
City of Indianapolis Administrative Support	\$2,738,060
TOTAL	\$16,713,737

INTRODUCTION

The Consolidated Plan is a five-year strategy for addressing housing and community development needs, as mandated by the National Affordable Housing Act of 1990. This Plan serves as the City of Indianapolis' application to HUD for the following federal programs:

- **Community Development Block Grant (CDBG) Program**
Provides funds to (1) supply decent housing, (2) secure a suitable living environment and (3) expand economic opportunities. This program is targeted principally for persons of low- and moderate-income and projects that will prevent or eliminate slum and blight.
- **Emergency Shelter Grant (ESG) Program**
Provides funds to (1) meet the costs of operating emergency shelters, (2) provide essential services to homeless individuals, (3) avert the increase of homelessness through homeless prevention activities, and (4) rehabilitate homeless facilities.
- **HOME Investment Partnership (HOME) Program**
Provides funds to expand the availability of decent affordable housing and furnish coordinated assistance to participants in the development of affordable housing. HOME funds may be used for activities that build, buy, and/or rehabilitate affordable housing for rent or home-ownership or provide direct rental assistance to households earning up to 80% of the MFI.
- **Housing Opportunities for Persons with AIDS (HOPWA) Program**
Provides housing assistance and supportive services to low-income persons with HIV/AIDS and their families in order to prevent homelessness. HOPWA funds may be used to assist in the creation, operation, and utilization of housing units. Additionally, short-term assistance can be provided to enable a person to stay in his or her own home.

Each year, HUD requires that the City submit a Consolidated Annual Plan, detailing the activities that will be funded through these four programs during that program year, in order to address the priorities established in the five-year Consolidated Plan. The activities proposed in this 1999 Plan will be carried out from January 1, 1999 to December 31, 1999, the final year of the five-year Consolidated Plan.

Citizen Participation

In accordance with the requirements of the City's Citizen Participation Plan, providing an opportunity for public comment is an essential element of the consolidated planning process. As a result, seven public forums and one community hearing at a public housing

facility were held and 2,000 community development surveys were distributed in an effort to gain public input. Over 125 individuals attended the forums held in neighborhoods throughout the City and nearly 250 people responded to the survey. The priorities that emerged through these venues were incorporated into the City's planned activities.

In August 1998, the City held a public meeting to announce the priorities of need that resulted from the citizen participation process and request proposals for activities to address those needs with funding received under the CDBG, HOME, ESG and HOPWA programs. In total, more than 100 proposals were received from City departments and outside organizations, covering a broad spectrum of housing and community development issues and proposing a wide variety of activities.

A number of review teams, comprised of City staff and members of the community, were convened to evaluate the proposed projects. The teams used the following criteria: (1) the goals and strategies outlined in the five-year Consolidated Plan; (2) the priorities that the public enumerated in the course of the citizen participation process; (3) the City's vision and missions; (4) the recommendations of the Housing Strategy Task Force and other neighborhood plans; and (5) all federal requirements guiding the Plan and its programmatic components.

The activities that were chosen for inclusion in this Consolidated Annual Plan scored highly against the above criteria and were found to maximize the impact of federal dollars.

The 1999 Consolidated Annual Plan

In addition to outlining the proposed 1999 activities, the following sections of this Plan detail the institutions and demographics of the Indianapolis' community and outline other factors that influence housing and community development strategies, objectives and activities.

- Summary of Five-Year Consolidated Plan summarizes the priorities of needs established under the Plan, and the goals and strategies set forth to meet those needs;
- Indianapolis Housing Task Force Summary outlines the findings and recommendations of the Task Force;
- Community Profile illustrates the fundamental demographic characteristics of the Indianapolis community;
- Strategic Factors discusses other factors that influence community needs;
- Special Urban Initiatives highlights special housing and community development efforts the City is undertaking;

- Citizen Participation Process details the activities undertaken during this planning process to obtain public input;
- Anticipated Resources indicates the funding that the City expects to receive from HUD and identifies other resources available in the community;
- Proposed Activities contains the proposed activities for 1999, identifying the nature of the activity to be funded in addition to the source and amount of funds that the City anticipates committing.

SUMMARY OF FIVE-YEAR CONSOLIDATED PLAN

The five-year Consolidated Plan for 1995 to 1999 outlines the City's approach to addressing the housing and community development needs of households that fall within 0 and 80% of the Median Family Income (MFI).

The five-year Plan recommended that the City concentrate its efforts in Center Township and in neighborhoods that are urban in nature. Eight particularly distressed neighborhoods were targeted for revitalization. The decision to focus in these geographic areas was based on 1990 census data that states that 66% of the moderate and low-income households in Indianapolis live in neighborhoods possessing urban qualities. Thirty-five percent of moderate and low-income households reside in Center Township, the oldest and most urban area in the Indianapolis Metropolitan Statistical Area. Another 31% of the moderate and low-income households live in areas of Wayne and Washington Townships that are older and urban in nature.

Although it is difficult to measure changes in the composition of the community until 2000 census data are available, other data indicate that the greatest need still exists in these areas. As discussed in detail in the following section, a 1998 report, entitled *A Housing Strategy for Indianapolis: Directions, Recommendations and Actions*, concludes it is important to focus entitlement dollars on urban revitalization.

Reasons for continued urban decay and distress are varied and inter-connected. The key to solving the problems is a coordinated, comprehensive strategy and the commitment of resources from public, private, and not-for-profit partners who have a stake in the rejuvenation of our neighborhoods. In an effort to provide this coordination, the five-year Consolidated Plan sets forth a framework for addressing a number of urban ailments including building code violations, environmental hazards, youth services, job training and placement and affordable housing issues.

The Process

During the planning process for the 1995-1999 Consolidated Plan, the City's needs were assessed and prioritized according to the following HUD criteria:

- **High Priority:** Activities to address this need will be funded by the locality during the five year period.
- **Medium Priority:** If funds are available, activities to address this need may be funded by the locality during the five year period. Also, the locality will take other actions to help this group locate alternate sources of funds.
- **Low Priority:** The locality will not fund activities to address this need during the five year period. The locality will consider certifications of consistency for other entities' applications for federal assistance.
- **No Such Need:** The locality finds there is no need or the grantee shows that this need is already substantially addressed. No certifications of consistency will be considered.

The table⁴ on the following pages summarizes the priority needs developed through this process, ranked according to the above qualifications:

⁴This table uses the following terms, defined as:

Cost Burden > 30% - The extent to which housing costs, including utilities, exceed 30% of gross income, based on data published by the Census Bureau.

Cost Burden > 50% - The extent to which housing costs, including utilities exceed 50% of gross income, based on data published by the Census Bureau.

Table C: Summary of Priority Needs

PRIORITY HOUSING NEEDS (households)			Priority Need Level High, Medium, Low, No Such Need			ESTIMATED UNITS	ESTIMATED DOLLARS NEEDED TO ADDRESS (over a five year period)
			0-30%	31-50%	51-80%		
Renter	Small	Cost Burden > 30%	H	H	L	14,330	201,840,600
		Cost Burden > 50%	H	H	N	6,178	126,859,920
		Physical Defects	H	H	M	15,071	339,668,087
		Overcrowded	N	N	N	0	0
	Large	Cost Burden > 30%	H	H	L	3,372	64,417,440
		Cost Burden > 50%	H	H	L	1,631	33,147,840
		Physical Defects	H	H	M	4,698	105,908,357
		Overcrowded	N	N	N	0	0
	Elderly	Cost Burden > 30%	H	H	M	9,357	105,805,820
		Cost Burden > 50%	H	H	M	4,346	55,928,023
		Physical Defects	H	H	M	3,462	213,247,374
		Overcrowded	N	N	N	0	0
Owner	Cost Burden > 30%	H	H	H	18,605	186,050,000	
	Cost Burden > 50%	H	H	H	7,429	74,290,000	
	Physical Defects	H	H	H	19,656	259,741,152	
	Overcrowded	N	N	N	0	0	
Priority Homeless Needs			Priority Need Level High, Medium, Low, No such need			Estimated Dollars Needed to Address	
Outreach Assessment			Families	Individuals	Persons w/ Special Needs	12,840,000	
			H	H	H		
Emergency Shelters			Families	Individuals	Persons w/ Special Needs	46,750,000	
			H	H	H		
Transitional Shelters			Families	Individuals	Persons w/ Special Needs	69,600,000	
			H	H	H		
Permanent Supportive Housing			Families	Individuals	Persons w/ Special Needs	24,000,000	
			H	H	H		
Permanent Housing			Families	Individuals	Persons w/ Special Needs	240,000,000	
			H	H	H		

PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level High, Medium, Low, No Such Need	ESTIMATED DOLLARS NEEDED TO ADDRESS
PUBLIC FACILITY NEEDS		
Senior Centers	N	0
Youth Centers	N	0
Neighborhood Facilities	N	0
Child Care Centers	H	0
Parks and/or Recreation Facilities	N	0
Health Facilities	H	108,111,570
Parking Facilities	N	0
Other Public Facilities	N	0
INFRASTRUCTURE IMPROVEMENT		
Solid Waste Disposal Improvements	H	110,000,000
Flood Drain Improvements	H	32,000,000
Water Improvements	N	0
Street Improvements	H	80,875,000
Sidewalk Improvements	H	39,875,000
Sewer Improvements	H	137,000,000
Asbestos Removal	N	0
Other Infrastructure Improvement Needs	H	50,000,000
PUBLIC SERVICE NEEDS		
Senior Services	H	30,000,000
Handicapped Services	L	0
Youth Services	H	293,387,500
Transportation Services	H	81,000,000
Substance Abuse Services	L	3,094,135
Employment Training	H	125,000,000
Crime Awareness	M	1,554,500
Fair Housing Counseling	N	0
Tenant/Landlord Counseling	N	0
Health Services	N	0

PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level High, Medium, Low, No Such Need	ESTIMATED DOLLARS NEEDED TO ADDRESS
Other Public Service Needs	N	0
ACCESSIBILITY NEEDS		
Accessibility Needs	N	0
HISTORIC PRESERVATION NEEDS		
Residential Historic Preservation Needs	M	25,000,000
Non-Residential Historic Preservation Needs	M	10,000,000
ECONOMIC DEVELOPMENT NEEDS		
Commercial-Industrial Rehabilitation	H	250,000,000
Commercial-Industrial Infrastructure	H	500,000,000
Other Commercial-Industrial Improvements		0
Micro-Business	H	1,000,000
Other Businesses		0
Technical Assistance	L	500,000
Other Economic Development Needs		0
OTHER COMMUNITY DEVELOPMENT NEEDS		
Energy Efficiency Improvements	H	5,000,000
Lead Based Paint/Hazards	H	226,000,000
Code Enforcement	H	8,500,000
PLANNING		
Planning	H	3,250,000

TOTAL ESTIMATED DOLLARS NEEDED TO ADDRESS: \$4,046,634,237

Objectives and Strategies

Upon establishing the preceding list, the City developed a set of objectives to begin addressing these needs from 1995 to 1999. In addition, a number of activities were outlined to accomplish these goals. The following summarizes the five objectives and corresponding activities outlined in the Consolidated Plan:

***Objective 1:* Increase the supply of rental housing for households between 0-50% of the Median Family Income (MFI) by:**

- Activity A: Rehabilitating rental housing;
- Activity B: Providing rental assistance; and
- Activity C: Providing support services, such as tenant training.

Objective 2: Preserve homeownership for households between 0-80% of MFI by:

Activity A: Funding homeownership repairs.

Objective 3: Increase homeownership for households between 50-80% of MFI by:

Activity A: Rehabilitating existing units and constructing new units for sale;

Activity B: Providing acquisition and permanent financing funds; and

Activity C: Facilitating support services, such as homeownership counseling.

Objective 4: Produce a Continuum of Care Plan to address homelessness

Objective 5: Reduce unemployment by:

Activity A: Supporting training programs with CDBG funds; and

Activity B: Creating employment opportunities.

Over the past four years, the City has made great strides toward accomplishing these goals. Community development corporations accessed HOME and CDBG funds to provide more suitable rental housing and to improve and create homeownership opportunities. A Continuum of Care was established creating a plan for a comprehensive housing and social service system to combat homelessness. Finally, a number of employment initiatives were undertaken that target high retention rates and a livable wage. The following chart details the progress that has been made to date:

Table D: Status of Five-Year Objectives

Five-Year Objective	Strategies	5-Year Goal	Current Total⁵	% of Five Year Goal
Increase Supply of Rental Housing	(1)Rehabilitate rental housing (2)Provide rental assistance payments (3)Link to support services	1855	1450	78%
Preserve Homeownership	(1)Homeowner Repair	1040	1452	139%
Increase Homeownership	(1)Acquire, rehabilitate and construct units (2)Locate acquisition/permanent financing (3)Provide support facilities and services	695	306	44%
Prevent Homelessness	(1)Create a Continuum of Care plan		Complete	100%
Reduce Unemployment	(1)Support existing training programs (2)Create employment opportunities	No specific goal set	2,018 trained 216 placed	NA

⁵ These figures include estimated figures for 1998 accomplishments. Actual figures for 1998 will be presented in the 1998 Consolidated Annual Report, submitted for public review on or about March 15, 1999.

Implementing the remaining steps toward reaching the five-year objectives is the City's goal for CDBG, HOME, ESG and HOPWA funds in 1999. While activities proposed in 1999 address each of the Consolidated Plan objectives, homeownership activities are the primary target for 1999's initiatives. The recent Housing Task Force Report reiterated the importance of addressing homeowner repairs in order to maintain the viability of neighborhoods, and public comment about the Consolidated Annual Plan further supports this philosophy.

In 1999, the City will undergo the process of creating its second five-year Consolidated Plan. Drawing upon citizen input, recent demographic information, analyses of community need and lessons learned during the first five year period, the City will reevaluate housing and community development goals and make recommendations to form the basis of the 2000-2004 Consolidated Plan.

INDIANAPOLIS HOUSING TASK FORCE

In early 1998, Mayor Stephen Goldsmith appointed fifty community leaders to serve on the Indianapolis Housing Task Force. This Task Force's mission was to develop a comprehensive set of policy recommendations regarding the housing needs of the Indianapolis community. The Task Force was guided by the vision of safe, decent, affordable housing for every citizen. The final document, *A Housing Strategy for Indianapolis: Directions, Recommendations and Actions*, was completed and presented to the Mayor in July 1998.

The Task Force concluded that the primary goal of community housing initiatives should be to provide services and support to allow persons and families to advance along a "housing continuum." The housing continuum is a long-term strategy focusing on progressively increasing individual and family self-sufficiency. Households should be enabled to move through the continuum, from housing instability and high subsidy to housing stability and market rate housing. Of course, not all persons or families will be able to progress along the continuum. There will always be a small number of individuals who need ongoing public support. Implicit in the housing continuum strategy is the assumption that many people with a need for affordable housing will, over time, move up the career/employment ladder and simultaneously along the housing continuum, thus diminishing their reliance on financial or housing assistance.

Principles

The strategy includes the following seven principles:

- 1) Both the perception and actual role of income-based subsidized rental housing must be changed so that it functions as a temporary solution to housing need for residents who have the potential to move along the housing continuum.
- 2) All individuals receiving housing subsidies must be linked with the support services needed to achieve greater self sufficiency.
- 3) Current and future public resources available for affordable housing should be reallocated and aligned to ensure they leverage the maximum possible private investment in the housing system.
- 4) A primary role of the local public housing sector is to engage a wider spectrum of stakeholders, including residents, the private sector, philanthropic community, employers, government, social service providers and housing developers in meeting affordable housing needs.
- 5) Due to the increasing number of major employment centers throughout the region, there should be diverse housing stock in all geographic areas.
- 6) There should be no impediments to equal and fair housing.
- 7) Homeownership represents asset-building for individuals and households and plays a major role in the stabilization of neighborhoods. Homeownership should be a priority outcome for residents who desire their own home.

Recommendations

Based on these principles, the following eleven recommendations were made to address the most pressing housing challenges:

- 1) Increase the total number of quality, affordable units available throughout Marion County to the extremely- low and very low income renter, through a combination of actions including new construction, rehabilitation and rental supplements.
- 2) Require that effective social service and employment programs be connected with all units in order to assist extremely low-income renters move toward self-sufficiency.
- 3) Evaluate the current management and strengthen the oversight of Indianapolis' public and other subsidized housing.
- 4) Preserve and increase the number of subsidized rental units located outside of Center Township.
- 5) Expand opportunities for first time home buyers with a variety of specialized financing products designed to address down payment and credit issues.
- 6) Identify geographic areas with housing stock affordable to the first time home buyer, or where additional quality affordable housing stock could be developed and ensure it is ready for and worthy of investment.
- 7) Increase the number of low-income homeowners who are assisted with affordable home repair products, thereby reversing the trend of deteriorating, owner-occupied housing stock.
- 8) Identify geographic areas where signs of deterioration have begun. Focus resources on those identified areas to stem further deterioration.
- 9) Increase the number of neighborhoods with homeownership opportunities, to include both single and multi-family (condominium) housing products, ranging from affordable to market rate.
- 10) Develop financial products for urban Indianapolis which encourage stabilization of existing homeownership and rentals.
- 11) Expand the supply of market rate rental units in Urban Indianapolis.

Because this report was completed and submitted to the Mayor in the middle of 1998, well after the Consolidated Planning process for 1999 was underway, most report recommendations will not be addressed until 2000. However, two sets of recommendations included in this local housing strategy do speak to primary activities planned for 1999. These activities are homeowner rehabilitation and the creation of homeownership opportunities. Additionally, preservation of affordable rental housing units is also consistent with both the 1999 Consolidated Annual Plan and the Housing Task Force Report.

The Indianapolis Housing Strategy Report will serve as the principal and guiding document for housing policy in the preparation of the five-year Consolidated Plan (2000-2004).

COMMUNITY PROFILE

The Consolidated City of Indianapolis

The 1996 estimated population of the Consolidated City of Indianapolis was 756,171, a 2% increase from the 1990 census count of 741,952. In 1990, 77% of Indianapolis' population was white, 22% was black and the remaining 1% consisted of other races. The median age of the Indianapolis citizen in 1990 was 31.5 years.

In 1990, 35% of the population lived in non-family households. Twenty-two percent of the population were couples with children at home while 26.4% of the households were married couples without children present. Single parent households represented 9.5% of all households. Only 7% of the households consisted of single persons.

Eleven percent of Indianapolis households lived below the poverty level in 1990 (See Map 1 on page twenty-five) and the unemployment rate at that time was 5.8%. The median family income (MFI) for a family of four living in the Indianapolis Metropolitan Statistical Area (MSA) in 1990 was \$37,590. In 1998, the MFI is \$51,100.

In 1990, 23% of the population twenty-five years or older had not obtained their high school diploma. Over 45% of the population, however, had obtained some college education.

In 1990, Indianapolis had a 57% home ownership rate. The average mortgage payment at that time was \$616. The average monthly rent was \$412 in 1990. The median year for houses built was 1962.

The Minority Community in Indianapolis

In 1990, 23% of Indianapolis households were minority. In examining households that earned 80% of the 1990 MFI or less, 32% of those households were minority-headed. Over 60% of Indianapolis minority households earned only 80% of MFI or less in 1990. Almost half of the low-income minority households were located in Center Township. A very high concentration (defined as 80 to 100% non-white households located in a given census tract) of minority households were located in the northern portion of Center Township (See Map 2 on page twenty-six). High concentrations of minority households (defined as 60 to 80% of non-white households located in a given census tract) surround the very high concentration of minority census tracts.

Center Township

By far the most economically-distressed area of Indianapolis is its Center Township. Center Township lost almost 91,450 residents between 1970 and 1990 - a 33% drop in population. Its poverty rate in 1990 was almost 25%. While the unemployment rate for Marion County in 1996 was a mere 2.8%, Center Township's unemployment rate that year equaled 8%. Center Township also faces the challenge of higher property taxes compared to the surrounding townships. These higher rates are driven by two primary factors. First, although the property tax rate for funding City activities has not increased, other components of the total rate, such as schools and poor relief have increased, thereby increasing the total property tax rate. For example, 12% of the Center Township's tax base is dedicated to poor relief (second highest in the state). In contrast, the surrounding townships' poor relief tax burden accounts for 2% of their tax rate. Second, public services for Center Township are further constrained by tax abatements and exemptions. In 1992, 36% of Center Township's property tax base was not taxed due to exemptions (government-owned and not-for-profit properties) and abatements. Homeowners and businesses alike residing in Center Township must pay high local property tax bills in order to compensate for the lost tax base and to cover additional public service costs such as poor relief and public schools.

In 1990, over 50% of Center Township households were renters and 57% of these renters earned between 0 and 50% of the MFI. Indeed, almost 29% of all households residing in Center Township consisted of very low-income renters. Center Township's homeownership rate in 1990 was only 49%; in contrast to the Consolidated City's rate of 57%.

Targeted Neighborhoods

Upon taking office as Mayor of the City of Indianapolis in 1992, Stephen Goldsmith asked that the most distressed portions of Center Township be identified in order to target limited public investment dollars. City staff reviewed 1990 census data to pinpoint those census tracts with the very worst social indicator measurements. The census tracts that emerged fell into seven Center Township community development catchment areas. (One was subsequently divided into two sections, so that today there are eight target areas.) They included the Neareastside, Martindale-Brightwood, Citizens, United Northwest Area, Near Westside, Mapleton Fall Creek, Near North and the Southeastside (See Map 3 on page twenty-seven). These areas have become primary focal points for housing and commercial redevelopment and social investment projects funded with public entitlement and competitive dollars for the last five years.

Map One: Indianapolis Households Living in Poverty

Map Two: Percent Minority

Map 3: Targeted Neighborhoods

STRATEGIC FACTORS

In preparing a Consolidated Annual Plan, HUD requests that the City evaluate a number of strategic factors and explain the activities that will be undertaken to address those factors. These factors are discussed in detail throughout the next several pages.

Homelessness and Special Needs

According to the March 1990 census count, 725 homeless persons resided in Indianapolis at that time. A second count, taken in 1993, revealed that there were 1,589 homeless persons in the City. Service providers have continued to observe growth in the number of individuals served since the 1993 count. As a result, the Coalition for Homeless Intervention and Prevention, organizer of the local homeless network, has commissioned a study to take place in late fall of 1998. This study will provide a more up-to-date and technically-improved count of current numbers and enable the City to better assess the needs of the homeless community in the coming year.

In 1999, the City plans to undertake a number of activities aimed at supporting the operations of homeless shelters and preventing further incidence of homelessness. Specifically, ten homeless shelters will use Emergency Shelter Grant (ESG) funds for one or more of the following: rehabilitate their facility, meet operating costs, and provide essential services and homeless prevention programs. Additionally, three missions will receive bus tickets to distribute to the homeless funded with ESG. Other emergency housing assistance may be obtained through the Housing Opportunities for Persons with AIDS Program, which is primarily distributed to the Damien Center. In addition, the City will use CDBG and HOME funds for the following activities to prevent homelessness:

- Support homeowner repair for very low-income persons at risk of becoming homeless;
- Support the prevention of homelessness through employment opportunities, referral networks and self sufficiency programs; and
- Underwrite the development of rental housing for low-income persons.

In addition to the projects listed within this Consolidated Annual Plan, the City has undertaken a number of initiatives to address the needs of the homeless and other special needs populations. The City received competitive Stewart B. McKinney dollars designated to address homelessness through the Supportive Housing Program and the Shelter Plus Care Program. Since 1994, the community has received over \$16 million in McKinney grant funding for the homeless. In 1998, approximately \$4.8 million were received for fourteen projects that provide transitional and permanent housing and supportive services to homeless individuals. These programs target a number of special needs groups including the severely mentally ill, the dually-diagnosed and victims of domestic violence. For the 1999 program year, the City applied for approximately \$4.5 million in additional funding for ten projects.

Underserved Needs

Below is a summary of underserved needs as presented in the original five-year Consolidated Plan. Persons identified in the following categories are all threatened with homelessness. Persistent obstacles to meeting the needs of these populations include the lack of supportive housing units and the fragmentation of service delivery.

- 1) Housing Needs of Elderly and Frail Elderly
Approximately 2,500 elderly households are threatened with homelessness because they earn between 0 and 30% of the areas' MFI and pay 50% or more of their income on housing.
- 2) Housing Needs of Severely Mentally Ill
Supportive housing is needed for approximately 1,344 households with mentally ill members.
- 3) Housing Needs of Developmentally Disabled
There is a need for more group housing, semi-independent living units, independent living units and support services for the approximately 18,747 persons in this group.
- 4) Housing Needs of Physically Disabled Persons
Approximately 72,000 Marion County residents have a physical disability and are in need of affordable housing with special amenities.
- 5) Housing Needs of Alcohol and Other Drug Addicted Persons
The number of persons in this category is difficult to estimate. In 1994 there were 334 beds in Marion County for addicted persons.
- 6) Housing Needs of Persons with HIV/AIDS and Related Diseases
Indiana's Statewide HIV/AIDS Housing Needs Assessment, Capacity Building and Strategic Planning Project estimates that there are 1,788 homeless people who are HIV-infected in Indiana.

In 1999, the City will take a number of actions to address underserved needs. In some cases, needs are served by working with other organizations that administer funds not covered by this Consolidated Annual Plan. The following enumerate a number of ways in which these needs will be addressed through CDBG, HOME, ESG and HOPWA funding:

- 1) Many elderly homeowners will benefit from the CDBG-funded homeowner repair program. Most of the community development corporations and a few other not-for-profit organizations, such as CICOA: The Access Network, Community Action of Greater Indianapolis (CAGI) and Indiana Black Expo will undertake homeowner repair activities in 1999. Funding proposals for this program were given higher ratings if they benefited an underserved population.
- 2) The City assumed the administration of McKinney Supportive Housing and Shelter Plus Care funds in 1998. The organizations funded with this grant which provide mental health, addiction and other housing support services include:
 - Adult & Child Mental Health Center Inc.
 - Midtown Community Mental Health Center
 - Homeless Initiative Program Healthnet, Inc.
 - Eastside Community Investments
 - Partners in Housing Development
 - Westside Community Development Corporation
- 3) HOPWA funds will be used to serve HIV/AIDS-afflicted individuals in an eight-county contiguous area that includes Marion County. For 1999, the City's primary sub-recipient, the Damien Center, has proposed to provide the following:
 - Tenant-based rental subsidies for at least eighty individuals and project-based rental assistance for Anderson AIDS Housing, Federation Place and The Blue Triangle;
 - Rent, utilities and deposits for approximately 400 people at-risk of homelessness;
 - Education about housing options;
 - Client/staff assessment about housing capacity and collaboration;
 - Supportive services through Food From The Heart to serve at least fifty-five people per month and transport services to serve at least fifty people yearly.

Foster and Maintain Affordable Housing

The Indianapolis Housing Task Force Report highlighted difficulties in creating and maintaining affordable housing for low-income persons. Specifically, the Report stated that almost 75% of renters earning between 0% and 50% of the MFI reported having a housing problem. These problems include (1) insufficient income to pay rent, (2) paying greater than 30% of their income for rent, and (3) living in substandard housing due to the unavailability of decent housing at a particular income level. In 1999, the City will work with the Indianapolis Neighborhood Housing Partnership, the organization designated by

the Mayor to serve as the lead agency in implementing the Task Force recommendations, to identify how the community can address the needs of low-income persons in finding and moving into affordable housing products – via both homeownership and rental housing.

An additional challenge for the Indianapolis community is the potential loss of project-based Section 8 housing units, which receive substantial federal support to make the units accessible to low-income persons. Currently, the City of Indianapolis has a project-based housing portfolio of 7,735 units. It is anticipated that the City will lose between 10% to 50% of this stock as the federal contracts expire and are not renewed by building owners over the next ten years. A majority of these units are located in areas outside of the inner-city where many of the clients served would not be able to afford to reside without the subsidy. As units are lost, residents may have no option but to reside in developments that accept Section 8 certificates, another type of federal housing subsidy. In the Indianapolis community, this means that a majority of the residents currently fortunate enough to reside in economically stable areas, through the availability of project-based Section 8 housing units, will be forced to either spend a larger proportion of their income on housing or move to less economically stable inner-city neighborhoods. This latter option would inevitably result in the further concentration of poverty in inner-city neighborhoods.

In an effort to maintain its affordable rental housing stock, the City has submitted to HUD its qualifications to become a Participating Administrative Entity (PAE). As PAE, with its partners Indiana Coalition for Housing and Homeless Issues, Local Initiatives Support Corporation, Indianapolis Housing Agency and P/R Mortgage and Investment Corporations, the City would restructure expiring Section 8 project-based contracts to retain affordable rental units. Additionally, the City has budgeted \$225,450 in a proposed rental rehabilitation initiative to assist project owners and not-for-profit organizations to meet the necessary HUD guidelines for Section 8 project-based contract renewal.

Remove Barriers to Affordable Housing

The City provides funding to local community development corporations to (1) repair homes for persons who are otherwise unable to make necessary repairs and could potentially face homelessness without these repairs; (2) construct and/or rehabilitate homes for low- to moderate-income homeownership; and (3) undertake new construction or rehabilitation of rental units. These activities alone are not enough to address the entire current need for affordable housing. With the potential that more affordable units could be lost in the coming years, the need for a community strategy to create more affordable housing opportunities is even more imperative. Again, the City anticipates the Housing Task Force's recommendations will serve as the impetus for developing this community strategy and will be a major emphasis in the years to come. Some of the barriers that may be addressed during this period include property taxes, zoning ordinances, code enforcement and fees and charges.

Lead-Based Paint Hazards

In 1998, the City of Indianapolis collaborated with the Marion County Health Department to seek federal lead-based paint funding for the establishment of a lead-based paint hazard control program, as presented below.

Historically, Center Township has the oldest homes and the highest concentration of deteriorating housing. For this reason eight census tracts within Center Township have been targeted for lead paint hazard control activity.

1996 data from universal screening efforts in Marion County revealed that 30% of children screened for the first time had elevated blood lead levels (BLLs). The majority of children identified with elevated BLLs reside in Center Township. Blood lead levels were consistently higher for younger children than older children, for blacks than for whites, and for central-city residents versus suburban residents.

Seventy-nine percent of the housing located in the target area was built before 1950, 60% of which is occupied by renters, the majority of whom are African American. Of 255 routine housing inspections conducted in the target area during 1996, 35% resulted in referrals for environmental assessments for lead hazards.

In its application, the Department of Metropolitan Development, Division of Community Development Financial Services (CDFS) stated that it would continue to administer housing rehabilitation programs and partner with the Marion County Childhood Lead Poisoning Prevention Program (MCCLPPP) to increase lead-based paint hazard control activity.

MCCLPPP currently operates a comprehensive childhood lead poisoning prevention program that screens approximately 25% of the County population judged to be at-risk. Its lead hazard control code enforcement activity brings approximately 525 lead cases to environmental court per year. About 53% of these cases are brought into compliance.

The project, as proposed in the grant application, would accomplish the following within the next three years:

- Merge housing rehabilitation programs with health services programs to accomplish immediate (limited) abatement or interim control of lead hazards in homes of infected children and pregnant women;
- Train community development corporation personnel, residents and local contractors in risk assessment and hazard control techniques;
- Create a three-year construction contracting opportunity for Minority Business Enterprises/Women's Business Enterprises (MBE/WBEs);
- Remediate lead hazards through interim controls and limited abatement for 330 structures using qualified lead abatement contractors and Community Based Organizations (CBOs); and
- Enhance lead hazard awareness through public education efforts.

If funding is received for this project, it would enable the partners to initiate lead assessment training and implement a remediation team by mid-1999.

Reduce the Number of Poverty-Level Families

The City of Indianapolis is involved in a variety of initiatives to reduce the number of poverty-level families in the community. Two of the objectives identified in the five-year Consolidated Plan and the emphasis of this year's Plan are increasing and maintaining homeownership. By expanding opportunities for homeownership, the City is enabling low- and moderate-income individuals to begin to establish wealth.

Additionally, this year's Plan includes \$800,000 for employment training, through the Indianapolis Private Industry Council, the Metro Church and Keys to Work. These funds will provide training in manufacturing and trades in addition to supporting programs designed to foster entrepreneurship.

Finally, through the use of the Emergency Shelter Grant and other Stewart B. McKinney Grant funds, the City will support the stabilization of families that have temporarily fallen below the poverty level. Supportive services provided at the shelters and transitional housing units, including life skills training and substance abuse treatment, will increase the viability of poverty-stricken families.

Institutional Structure and Coordination

The institutional structure through which this housing and community development plan will be carried out incorporates a wide network of collaborating partners, coordinated by the Department of Metropolitan Development.

In an effort to maximize the use of federal dollars, the City of Indianapolis is constantly striving to strengthen internal controls on its grant administration programs. In late 1997, the City merged the Division of Community Development and Human Services with the Division of Financial Services to create a system of grant administration in which the programmatic and financial aspects of project development are maintained under one division, Community Development and Financial Services. Furthermore, the City's grants management practices were restructured to increase administrative efficiency. Interdisciplinary teams were established to manage the oversight, financial administration, and monitoring of each grant. Additionally, policies have been put in place that detail the City's grants management practices in order to improve sub-recipient

awareness of and compliance with federal and local regulations. Currently, these policies are being examined by a group consisting of representatives from each grant team, to ensure that City policies are consistent across funding sources. The revised policies will take effect in 1999.

While these City grant teams provide the backbone for the institutional structure, a number of partners are relied upon to carry out housing and community development activities. The following chart depicts the manner in which the City coordinates with other organizations and groups in order to accomplish these tasks.

Table E: Coordination

Organization	Description	Status	Activities
Community Development Corporations (CDCs)	In Indianapolis there are approximately sixteen CDCs with specific geographic boundaries and a mission to improve their community.	Contractual	<ul style="list-style-type: none"> • Housing rehabilitation • Housing acquisition/rehabilitation and resale • Construction of new housing • Other economic development activities benefiting low and moderate income persons
Community Housing Development Organizations (CHDO)	A CDC that meets specific HUD requirements for neighborhood representation per the HOME Program.	Contractual	<ul style="list-style-type: none"> • Housing rehabilitation • Housing acquisition/rehabilitation/re-sale • Construction of new housing.
Other Community-Based Organizations	Profit and Non-Profit entities serving primarily low and moderate income persons.	Contractual	<ul style="list-style-type: none"> • Neighborhood revitalization • Community economic development
Damien Center	Non-profit service provider.	Contractual	<ul style="list-style-type: none"> • Lead agency for the HOPWA program
Coalition for Homeless Intervention and Prevention (CHIP)	Non-profit organization coordinates homeless service providers.	Planning	<ul style="list-style-type: none"> • Oversees Indianapolis Continuum of Care
Lilly Endowment, Inc.	Private Foundation	Funder	<ul style="list-style-type: none"> • Supports specific projects and CDCs through INHP
Indianapolis Foundation	Private Foundation	Funder	<ul style="list-style-type: none"> • Supports specific projects and CDCs through INHP
Indianapolis Neighborhood Housing Partnership (INHP)	Primary Housing Development Intermediary	Planning and Contractual	<ul style="list-style-type: none"> • Lead agency in implementing Indianapolis Housing Task Force Recommendations • Makes grants and loans to CDCs for housing development and capacity building

Organization	Description	Status	Activities
Local Initiatives Support Corporation (LISC)	Community Development Intermediary	Planning Partner and Co-funder for certain CDC projects	<ul style="list-style-type: none"> • Makes grants, loans and equity investments to CDCs for retail space, rental homes, apartments and industrial facility projects
Indianapolis Housing Strategy Task Force	Private foundations, LISC, Coalition for Homeless Intervention and Prevention, Indianapolis Housing Partnership, Indianapolis Private Industry Council, Community Development Corporations, Neighborhood Associations, business leaders and bankers	Task force convened by the Mayor	<ul style="list-style-type: none"> • Promote income diversity in Center Township through Homeownership • Expand homeownership opportunities and affordable rental housing supply in Indianapolis, Marion County for the low-income households to make job opportunities accessible county-wide • Addresses the housing and social service needs of the homeless and those threatened with homelessness throughout all Marion County
Front Porch Alliance	Network of faith-based organizations, Foundations, CDCs, Neighborhood Associations, Social Service Providers, Coalition for Homeless Intervention and Prevention	City Initiative	<ul style="list-style-type: none"> • Aids and expands the work of faith-based organizations, especially in drug abuse, homelessness and violence intervention/prevention
Indianapolis Private Industry Council (IPIC)	Employment and Training Services Provider	Planning and Contractual	<ul style="list-style-type: none"> • Oversees employment and training activities that are delivered through neighborhood-based entities
United Way of Central Indiana/Community Service Council	Coalition for Human Services Planning (public and private funders of human services in Indianapolis)	Planning	<ul style="list-style-type: none"> • Produces a complete reference work: <u>Community Assets and Needs Report (CANR)</u>- A qualified vision including desirable community outcomes and community response, community supports and best practices; indicators that measure movement toward a desired vision; benchmarks and targets for indicators.

Public Housing

The City and the Indianapolis Housing Agency (IHA) have taken a collaborative approach to addressing the City's affordable housing issues. Although public housing is no longer a City agency, IHA reports to the Metropolitan Development Committee of the City-County Council. Additionally, the Executive Director of IHA serves as a member of the Mayor's Senior Staff.

This interaction has brought about a number of teaming efforts between IHA and the City's Department of Metropolitan Development (DMD), in order to oversee, administer and manage the City's affordable housing stock. In particular, DMD has partnered with IHA to dispose of dilapidated public housing units, maintain the viability of current units through the City's mark-to-market efforts and produce new affordable housing units through the HOPE VI Program.

The City will continue to work closely with IHA in 1999 in order to resolve outstanding issues contributing to its troubled status with HUD.

An important responsibility the Indianapolis Housing Agency has assumed is helping to implement a housing plan as part of the rescission of the Desegregation Order imposed on the Indianapolis Public School system over 20 years ago. This order prevented the agency from building public housing within Indianapolis Public School district. The agency promised the U.S. Department of Justice that this policy will remain in place. In addition, however, the agency promises to foster and encourage the development of housing in the surrounding, suburb townships that will be attractive and affordable to the minority community residing in Indianapolis.

Because the agency has, historically, worked only in the rental market and because the agreement speaks of homeownership opportunities in addition the rental market, DMD and other community agencies will be collaborating with IHA to ensure its success in carrying out this agreement.

Additionally, IHA will benefit from the recent Home Rule Flexible Grant Demonstration Program enacted under the "Quality Housing and Work Responsibility Act of 1998." This program enables IHA to combine funding allocations for the Drug Elimination Grant, the Comprehensive Grant, the Section 8 Program and operating subsidies. Under the demonstration program, these allocations will be consolidated into one block grant, totaling approximately \$31,000,000, that may be used to develop creative approaches to administering federal housing assistance, based on the particular needs of the Indianapolis community. In 1999, the City will support IHA's efforts to identify the priorities to be addressed with these flexible funds.

SPECIAL URBAN INITIATIVES

In 1992, the City identified seven Center Township neighborhoods that showed the greatest signs of urban distress. (One of the areas was subsequently divided into two sections, so that today there are eight target areas.) Over the last seven years, significant local government attention and public funding were distributed to these areas. Specifically, the City has pursued and obtained special HUD designations that have, in turn, brought additional federal funds and funding flexibility to these neighborhoods to help with affordable and market rate housing, employment, economic development, public safety and education initiatives (See Map 4 on page forty-four).

This focused, concentrated public investment in urban neighborhoods provides a good basis from which to implement the Housing Task Force recommendations (discussed on page twenty-two) that specifically pertain to increasing homeownership rates in Center Township. Again, those recommendations include increasing both affordable and market rate housing products in Center Township.

The following pages outline specific initiatives that are being undertaken in these neighborhoods.

Homeownership Zone

In late 1997, the City of Indianapolis applied for and received a Homeownership Zone designation and just over \$4,000,000 from HUD. With this designation and federal monies, the City will work in partnership with the neighborhood-based community development corporation, King Park Area Development Corporation, the Indianapolis Neighborhood Housing Partnership, the Local Initiatives Support Corporation, Key Bank and residents of the area to undertake the development of 322 single family homes for homeownership purposes in the King Park neighborhood – one of the eight distressed targeted neighborhoods.

The Homeownership Zone project involves the development of a mix of new and renovated housing at both market and affordable rates. The housing will be designed to fit existing architectural styles and will provide a broad range of housing types and price levels. First time homebuyers will be offered very favorable financing products that will allow them to redeem their credit through special savings accounts and mortgages that require little downpayment, closing costs or personal mortgage insurance. The availability of energy-efficient mortgages will result in reduced utility costs and increase the amount homebuyers have available for home purchase.

The total project cost of this development is estimated to be \$42,723,500. The City has invested over \$10 million in local funds for infrastructure improvements. It will use the

\$4 million obtained from HUD to acquire additional parcels, demolish buildings, relocate households and rehabilitate houses. The rest of the funds will be raised from private investment.

Enterprise Community

In 1994, Indianapolis underwent a strategic planning process in pursuit of the Enterprise Community (EC) designation. That plan, *Building Bridges to Better Neighborhoods*, focused on four key areas: Capital and Enterprise Development, Workforce Development, Crime/Public Safety, and Housing. Several projects emerged out of that strategic planning effort to address the needs of the area. The community was successful in obtaining this designation and \$3 million in funding.

Since receiving this designation, 150 new streetlights have been installed on dark corners and in dark alleys. Community police officers have been able to purchase materials, including bicycles and surveillance equipment, hold neighborhood crime awareness meetings and provide for police overtime. To help EC residents increase skills and access gainful employment, funds were provided to support grass-roots employment and training organizations. That support has given residents new opportunities, such as increasing their average annual income from \$7,000 to \$20,000 with benefits. As a result of efforts to bring new funding to EC businesses, over \$1.2 million of capital investment has been gained in just one year. More than 100 EC small business owners have been provided free access to attorneys, accountants, business planners and marketing specialist, to assist with loan preparations.

In 1999, the EC Board will continue to work with residents, grassroots organizations and the police department to identify areas where 100 more streetlights are needed. The community development corporations will continue working with the Indianapolis Police Department to address the issues of the neighborhoods. The workforce development strategy includes a training and placement program called JobLink. In 1999, JobLink will add a curriculum tract for high tech machining and computer trades. The Marketing Capital Access, Technical Assistance Voucher and Housing Capital Loan Program are underway, and will continue until funding is depleted.

Empowerment Zone

Under the leadership of the Enterprise Community Advisory Board, Indianapolis pursued an Empowerment Zone (EZ) designation in the summer of 1998. The EZ Application encompassed a four-month inclusive strategic planning process involving over two hundred people representing government, education, business, labor and residents. The process was highly participative, allowing all interested parties to express their views and concerns at planning workshops, public forums, task force meetings, and via the EZ Application web site.

The cornerstone of the application is a community-based strategic plan, which builds on the strategic plan for the Indianapolis Enterprise Community developed in 1994. EZ task forces were established for each of the four original focus areas to bring the EC plan up to date, augment successful EC initiatives, develop new program/project proposals, and modify the approach to reflect the concerns of the broader proposed EZ area. The EZ strategic planning process also focused on two additional issues: education/technology, and tax incentives/developable sites. Accordingly, the task forces have proposed highly-leveraged projects designed to address the issues plaguing Indianapolis' most distressed neighborhoods. In the process, the EC area was expanded by nearly eight square miles and approximately 36,000 residents were added to make up the EZ. The Ameriplex development and the MedAmerica Research Park were two developable sites identified to serve as job creators. Both are developments that promise to be successful job engines, providing jobs with livable wages and benefits to residents of the EZ.

Provided designation is approved, implementation of the strategic plan will begin in 1999. The primary focus will be the establishment of a not-for-profit governance structure, and any initial planning processes that will need to be created before the funds can be implemented. Designation awards will be made before the first of the year. Table F compares the EC to the EZ and outlines the proposed activities for both areas.

Table F: Evolution of the Indianapolis EC to EZ

Enterprise Community	Empowerment Zone
Size	
Population 71,000	Population 107,163
12 Square Miles	19.4 Square miles plus two developable sites
Governance/Administration	
Study HOTIF; Design capital loan program	Complete
City, CDCs, and contractors administer EZ	New: non-profit agency to administer EZ
Board comprised of CDCs	New: broad based community board
No staff	New: 9 staff for admin./evaluation/marketing
Goal 1: Capital Development Projects	
NA	1. New: One stop capital shop
NA	2. New: Commercial Development Initiative
Technical assistance vouchers	3. Expand: TA vouchers
Capital access marketing	4. Expand: Capital access marketing
Goal 2: Business Development Projects	
NA	5. New: Brownfields gap financing
I-70 Technology Park	6. Expand: I-70 Technology Park
Micro-loan Program	Replaced

Enterprise Community	Empowerment Zone
Goal 3: Workforce Development Projects	
NA	7. New: Reduce barriers (transportation, substance abuse, child care, health, legal aid)
Job-specific placement & training	8. Expand: Job-specific placement & training
NA	9. New: Labor market information system
NA	10. New: High tech school to work
Goal 4: Education Projects	
NA	11. New: Public schools in all neighborhoods
NA	12. New: Schools as community learning ctrs.
Goal 5: Technology Projects	
NA	13A. New: Neighborhood empowerment through technology
NA	13 B. New: Computer training project
NA	14. New: Develop technology professionals
Goal 6: Housing Projects	
Capital Loan Program	Replaced
NA	15. New: Increase home ownership
NA	16. New: Increase commercial development
NA	17. New: Increase homeowner repair
Goal 7: Public Safety Projects	
Community policing	18. Expand: Community policing
Street lighting	19A. Expand: Street lighting program
NA	19 B. New: Nuisance abatement via neighborhood improvement fund
NA	20 A. New: Substance abuse treatment
NA	20 B. New: Youth and family programs
NA	21. New: community court/justice center

Neighborhood Revitalization Strategy Area

In 1996, the City received approval from HUD to have the Enterprise Community designated as a Neighborhood Revitalization Strategy Area. This designation allows the City to spend its Community Development Block Grant funds in a more flexible manner and alleviates some of the burdensome reporting requirements.

For 1999, the City requests the addition of the following census tracts: 3503, 3536, 3535, 3415, 3416, 3564, 3569, 3557, 3559, 3571 and 3572 to the Neighborhood Revitalization Strategy Area. These tracts represent the eleven additional census tracts included in the proposed Empowerment Zone area. With the inclusion of these additional census tracts, the City will have more flexibility in implementing Empowerment Zone activities should the EZ be approved by HUD. Even if HUD fails to award Indianapolis an EZ designation, the City and community leaders are already planning for ways to implement the EZ program without Empowerment Zone funds. Hence, the Neighborhood Revitalization Strategy Area designation for these additional census tracts is essential.

The planned activities that will take place in the Neighborhood Revitalization Strategy Area in 1999 have been summarized in the activities listed for the Homeownership Zone, Enterprise Community and the Empowerment Zone.

Homeowner Repair Activities

In 1999, a special demonstration project to concentrate a homeowner repair effort for senior citizens in one urban neighborhood will be undertaken by the City, the Indianapolis Neighborhood Housing Partnership (INHP), Community Action of Greater Indianapolis (CAGI), Central Indiana Council on Aging (CICOA), Indianapolis Power and Light (IPL), Citizens Gas, Keep Indianapolis Beautiful and Rehab Resources. Seniors are the target of this pilot project because of the overwhelming number of low- income senior homeowners in Indianapolis (See Map 5 on page forty-five).

The primary goal of this collaborative homeowner repair pilot project is to provide comprehensive, one-stop housing repair services to a low-income elderly homeowner. If the model is successful, the City intends to expand the project to all low-income homeowners in Indianapolis who struggle to maintain their homesteads.

Map 4: Special Urban Initiatives

Map 5: Low-Income Senior Citizen Homeowners

THE CITIZEN PARTICIPATION PROCESS

Public participation is a key element of the consolidated planning process. In determining a strategy for the use of federal funds covered by the Consolidated Plan, the City of Indianapolis must meet the requirements for public input outlined in the City's Citizen Participation Plan. This Plan requires the City to hold two public hearings per year, in order to obtain citizens' views on the housing and development needs present in the community. Citizen participation in the 1999 Plan went well beyond these requirements as a result of a concerted City effort to obtain public feedback.

The City held seven public forums around the community between June 9 and June 18, 1998. An additional meeting was held at a public housing facility to obtain the views of individuals receiving public housing assistance. A number of factors were considered in the site selection process including: accessibility to the maximum number of individuals; convenience to low- and moderate-income residents; availability to the senior population and persons with disabilities; and avoidance of traditional barriers, such as schools and police stations. Taking into account all of these considerations, the following sites were ultimately chosen, in order to appeal to the largest cross section of individuals possible:

1. Riverside Family Center - a neighborhood park serving the northwest side
2. William Penn Commons - a senior center serving the southwest side
3. Coleman Middle School - a public school serving the near southeast side
4. Roberts Park United Methodist Church - located downtown
5. Southeast Multi-Service Center - a community center serving the southeast side
6. Center Township Government Center - located on the north side
7. Christamore House - a community center serving the west side
8. Public Housing facility

A map has been included (See Map 6 on page fifty-one) showing the locations of the hearings. At each of the above sites, accommodations were made to facilitate attendance by the targeted low- to moderate income population, including the provision of on-site baby-sitting and refreshments. Local businesses generously supported the process by providing refreshments and donations to cover any additional expenses.

City staff ensured that the meetings were well publicized, particularly among Center Township residents and community organizations. A legal notice of the meeting dates and locations was published in a local newspaper, The Indianapolis Star, two weeks prior to the meetings, in compliance with the Citizen's Participation Plan guidelines. Press coverage prior to the meetings included an article in The Indianapolis Star, an appearance by city staff on a local radio talk show, and an announcement on a televised community calendar. The meetings themselves were broadcast on a local-government programming

cable station, and were covered by radio and television news. In addition to this media coverage, flyers listing the meeting information were mailed to community development corporations, resident boards, neighborhood organizations and service agencies. Notices were posted, in advance, at meeting sites and in community centers.

In all, 125 individuals attended the eight meetings. In a continuing effort to educate the community about City activities, the Department of Metropolitan Development set up a number of tables containing housing and community information, including neighborhood plans, brochures describing various City agencies and programs, and demographic information. Attendees were given an opportunity to browse through these materials and encouraged to question City staff in attendance about any concerns they may have had.

Meeting attendees were given a brief description of the consolidated planning process and the types of activities that would be eligible under the available federal grant programs. Participants were then divided into small groups for the purpose of discussing those issues that affect their neighborhoods and the larger community. Each group reported the concerns that emerged from their discussions to the entire meeting and a summary list was developed. Participants were given votes equal to half of the total number of items on the list, simulating the scenario of limited resources and competing demands that the City faces in prioritizing funding. Attendees were allowed to allocate these voting “dollars” in any manner they chose, according to their perceptions of the greatest needs.

To supplement these hearings, the City created a survey, affording those citizens who were unable to attend the forums an opportunity to share their views on housing and community development. Approximately 2000 surveys were distributed through the public hearings and a mailing was sent to individuals and organizations that had expressed an interest in the Consolidated Plan in the past. It was also available for electronic completion and submission, via the City’s home page. Two hundred and forty-four surveys were completed and returned.

Public participation in the planning process was not limited to the public forums and the community development survey. Results of the data collected from the surveys and public forums were released at a public hearing, held August 6, 1998 in the City-County Building. A public notice was published two weeks in advance of the meeting, in The Indianapolis Star, and a press release was published in the Community Events section of that newspaper. Housing and service organizations received notice of the meeting and all individuals who attended the previous forums were extended an invitation from the Mayor. Approximately fifty citizens were in attendance, and these individuals were again given an opportunity to voice concerns and ask questions of City staff. Additionally, the forum was broadcast live on the local government programming cable station and viewers were invited to call in with questions.

An external panel consisting of individuals outside of City staff, including an individual from the banking industry, a consultant, a researcher of urban studies, and several

individuals from partnering agencies, was convened on October 1st, in order to review the proposals that were recommended by internal review teams. This team provided an objective perspective to the evaluation process.

The Consolidated Annual Plan was released to the public on October 16, 1998. A final public hearing was held on October 26, 1998 to accept comments on the 1999 Plan and to detail the activities that the City intends to undertake during the 1999 program year.

The Results

Although the public forums were held in diverse neighborhoods, a number of issues were prevalent at a majority of sites, demonstrating a broad consensus around the community. The top three issues identified across the hearings were:

1. The need for homeowner repair assistance;
2. The necessity of increased homeownership; and
3. The importance of more neighborhood retail development.

Each of these three priorities received votes at six out of the seven public forums. Homeowner repair assistance received the highest number of votes at three of the locations, in different quadrants of the City.

In order to replicate the exercises undergone at the public forums, survey respondents were also asked to list and rank their top three priorities. The top three issues identified in the survey responses were:

1. The need for more crime prevention
2. The necessity of addressing the problems of drug and alcohol abuse
3. The need for assistance in housing repair and other improvements to the appearance of the neighborhood.

The priorities that emerged from the citizen participation process validate the City's continued pursuit of the strategies established in the five-year Consolidated Plan. Homeownership activities were identified as a top priority in both the hearings and the surveys and these activities, including homeowner repair and increased homeownership, and will be addressed by the projects proposed in this Plan.

The feedback obtained from the surveys and forums was incorporated into an evaluation tool used to judge proposals submitted for Consolidated Plan funds. Projects received points for meeting one of the priorities expressed by the public. Every effort has been made to identify activities that meet the needs expressed through the citizen participation process.

Citizen participation played a critical role in ranking activities for inclusion in the 1999 Plan. Through the use of the surveys and public forums, the City not only kept the

citizenry well-informed of the process, but relied upon its input to evaluate projects and ultimately to prioritize funding decisions.

Map 6: Public Forum Locations

ANTICIPATED RESOURCES

Federal Entitlement Resources

The following chart represents the federal resources that the City anticipates receiving in 1999. The dollar figures listed include both the anticipated entitlement and estimated program income.

Table G: Anticipated Federal Resources

Source	Entitlement	Program Income	Total
CDBG	\$11,406,000	\$75,000	\$11,481,000
ESG	\$439,000	\$0	\$439,000
HOME	\$4,188,000	\$68,737	\$4,256,737
HOPWA	\$537,000	\$0	\$537,000
TOTAL	\$16,570,000	\$143,737	\$16,713,737

Other Resources

The following tables list additional resources available in the community that are reasonably expected to be made available to address the needs identified in this Plan:

Resources that primarily assist current homeowners

Agency	Resource/Program	Type
Community Action of Greater Indianapolis	Weatherization	grant
CICOA: The Access Network	CHOICE/Medicaid	grant
Rehab Resource	Low-cost materials	discount

Resources that provide homeownership opportunities

Agency	Resource/Program	Type
Habitat for Humanity	Interest-free loans to Habitat buyers	loan
Indiana Housing Finance Authority	Single family bonds	loan
Indiana Housing Finance Authority	Mortgage Credit Certificates	tax credit
Indiana Housing Finance Authority	First HOME (HOME funds)	grant
Indianapolis Neighborhood Housing Partnership	Good Neighbor Home Loan	loan
Indianapolis Neighborhood Housing Partnership	Buyer's Assistance Loans	loan

Resources for rental units (acquisition, rehab or new construction)

Agency	Resource/Program	Type
Federal Home Loan Bank of Indianapolis	Community Investment Program	loan or line of credit
Indiana Housing Finance Authority	Low Income Housing Tax Credits	equity
Indiana Housing Finance Authority	Indiana Housing Trust Fund	grant/loan
Indiana Housing Finance Authority	Multi-family bonds	loan
Local Initiatives Support Corporation	Pre-development loans to CDCs and Equity Funds for LIHTC	loan

Resources that provide ongoing operating assistance for existing rental units

Agency	Resource/Program	Type
U.S. Department of Housing and Urban Development	Section 8 Project Based Assistance	grant
Indianapolis Housing Agency	Public Housing units	grant
Indianapolis Housing Agency	Section 8 Rental Assistance	grant
Indianapolis Housing Agency	Comprehensive Grant Program	grant
Indianapolis Housing Agency	HOPE IV	grant

Resources that provide temporary assistance

Agency	Resource/Program	Type
Community Action of Greater Indianapolis	Energy Assistance	grant
Citizen's Gas and Coke	Warm Heart, Warm Home Foundation	grant
Township Trustees	Emergency Assistance	grant
United Way of Central Indiana	Weather Assistance Fund	grant
United Way of Central Indiana	FEMA (housing only)	grant

Miscellaneous resources for homebuyer, homeowner or rental units

Agency	Resource/Program	Type
Federal Home Loan Bank of Indianapolis	Affordable Housing Program	grant/loan

Map 7

Map 8

Map 9

