



City of Indianapolis 2000 Action Plan

Since the program year begins in January, it is important that the City-County Council has an opportunity to review the document before that time, so that formal awards may be made. Organizations that have been recommended for funding have planned their annual budgets and activities based on the Annual Action Plan. In order to ensure that grant funds are expended in a timely manner, the City must allow those organizations receiving funds to have the maximum time possible to complete their activities. Many organizations, such as emergency shelters, provide vital services that will be carried out beginning January 1st. Although some activities may not begin until later in the year (particularly those involving construction), history has proven that if these projects are to be successful, the planning process must begin much earlier.

13. A representative of Goodwill Industries, Inc. stated that the 2000 Annual Action Plan should include a comprehensive workforce development strategy that would bring various funders and providers together in collaboration. He commented that this strategy should be tied to other economic development and housing efforts.

Response: The City recognizes the importance of bringing partners to the table to identify the workforce development needs in the community. During the Request for Proposals process, the City took steps to encourage partnerships and collaboration. Significant points were awarded to organizations that demonstrated meaningful cooperation. Additional points were awarded to projects that linked social services and housing activities. This Plan must address many community development needs, prioritize those needs and describe the activities that will be funded to meet the needs. These are valid comments and they will be forwarded to City staff committed to workforce development.



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9. *A representative of the National Association for the Advancement of Colored People (NAACP) inquired about the fair housing activities that the City will undertake with federal housing dollars in 2000. He expressed a concern that fair housing activities were not adequately addressed in the Annual Action Plan.*

Response: The City is not required to address fair housing at this level in the Consolidated Plan. It is, however, required to report all actions taken to affirmatively further fair housing in the annual Consolidated Annual Performance and Evaluation Report. This document will be released and available for public review in March of 2000.

The City of Indianapolis anticipates investing \$10,000 of these federal funds to promote fair housing in Marion County. A specific program has not been identified, but the City will seek, through a competitive process, a fair housing program to receive these dollars.

10. *A representative of the Marion County Commission on Youth inquired about the projects identified as "Summer Youth Programs" and "Other Youth Initiatives."*

Response: City staff clarified that these two programs will go to support youth initiatives that have not yet been identified. All funds will be awarded through competitive processes held in 2000.

11. *A representative of Technical Training Services commented that she appreciated the City's proactive approach to addressing the needs of low and moderate-income individuals, by funding preventative measures including home owner repair and job training.*

Response: The Consolidated Plan recognizes the importance of these activities in order to keep low-income individuals from slipping further into poverty. The City will continue to take steps to prevent further incidence of homelessness and poverty while assisting those individuals who already face these circumstances.

12. *A resident of the eastside requested that the City postpone sending the Plan to HUD and the City-County Council until after the first of the year when a new administration has time to review it.*

Response: In addition to being an important community planning document, the Annual Action Plan represents the City's formal application to HUD for federal funds. HUD requires the City to submit the Consolidated Plan forty-five days prior to the start of the program year. The City's program year begins on January 1, and therefore a Plan must be submitted by November 15th.



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5. *A representative of the Local Initiatives Support Corporation (LISC) commented that they were pleased to see homeownership as a priority. LISC believes that homeownership is the “bedrock of every thriving community”. LISC also stated that they were encouraged to see a continued emphasis on neighborhood commercial development.*

Response: Through the City’s Citizen Participation process, housing was identified as the top concern. Within the housing category, homeownership was ranked as the highest priority. The Annual Action Plan reflects the needs and priorities of Indianapolis’ residents, service providers, and businesses.

6. *A resident of the eastside commented that the Action Plan seems to show a disproportionately small amount of dollars going into eastside neighborhoods. He questioned the steps that those neighborhoods need to take to receive a larger share of the funding.*

Response: Awards are made based on a number of important factors, including the documented need for service in a particular area, the amount of leveraged funds brought forth through partnerships, and the capacity of the organization carrying out the activity. The primary housing service provider on the eastside of Indianapolis, Eastside Community Investments, received a total of \$216,710 for housing activities and administrative support, approximately 60% of their funding request. This investment represents a large increase over the past several years, as that organization struggled to remain viable after facing an organizational management crisis. Over the last several years, the City has worked consistently with ECI in order to rebuild its institutional capacity. This 2000 award indicates that the City recognizes ECI’s efforts to improve their standing and their readiness to return to housing activities on a greater scale.

7. *A resident of Wayne Township inquired about whether the City has guidelines that would assist a neighborhood trying to form a community development corporation.*

Response: The City does not have a specific set of guidelines for community development corporations to receive funding. City staff is willing to meet with any organization to discuss the application process and regulatory requirements of federal funds. The City recommended that the resident contact the Community Alliance for the Far Eastside, a relatively new organization that has successfully competed for federal housing dollars in recent years.

8. *A representative of the Southeast Community Organization (SUMO) commented that she was grateful for the City’s efforts to remove unsafe, burned-out buildings from her neighborhood.*

Response: The City will continue to support the Unsafe Buildings Program with \$1.3 million in 2000.



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2. *A representative of the Herron-Morton Neighborhood Association expressed a concern that the City's Unsafe Buildings Program shows a preference for building demolition over preservation. He suggested that the City donate unsafe properties to non-profit organizations so that the buildings might be rehabilitated.*

Response: The Unsafe Buildings Program is designed to secure buildings that pose a threat to individuals in the surrounding neighborhood. The City partners with the Health and Hospital Corporation to carry out the Unsafe Building Program. Once a Health and Hospital inspector has identified a building as unsafe, the owner of the building is given the opportunity to provide repairs. If repairs are not completed in a timely manner, the City is responsible for protecting the citizens in the area by securing the building through boardings, and ultimately, demolition. (In most cases, the City does not own the buildings that are demolished through this program and therefore cannot transfer them to non-profits for rehabilitation.)

The City's commitment to the preservation of existing homes is well documented. On an annual basis, over \$3 million are allocated to preserving the City's housing stock. The City cannot, however, risk the safety of citizens by allowing abandoned, unsafe buildings to remain unsecured.

3. *A representative of CICOA: The Access Network raised a number of concerns about the challenges presented by housing elderly individuals. In particular, he questioned the fact that the City listed preservation of homeownership (allowing seniors to remain in their homes) as the highest priority, while not allocating the highest funds to this activity.*

Response: In 2000, the City has allocated over \$2.7 million dollars to homeowner repair activities for the completion of 344 units. This represents a \$460,000 increase over homeowner repair funding in 1999. Organizations requesting funding received an award in proportion to their demonstrated capacity to complete the number of units assigned to them. In the event that an organization carrying out homeowner repairs completes their obligated units early, extra home repair dollars have been set aside so that those organizations can access additional funding to provide repairs later in the year.

4. *A representative of CICOA: The Access Network commented that the City claims 16.9% of funds for administration, while holding its contractors to a 15% limit on administrative dollars. He suggested that if the City held the same 15% standard, additional funding would be available for homeowner repair activities.*

Response: The Department of Housing and Urban Development has established administrative spending limits for each entitlement program. The City uses these federal dollars in order to effectively manage the housing and community development grant programs. In addition to general program administration, these dollars help to fund neighborhood and area planning activities, historic preservation efforts and local fair housing initiatives.



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SUMMARY OF COMMENTS ON THE 2000 ANNUAL ACTION PLAN

1. *A representative from the Coalition for Homelessness Intervention and Prevention commented that the City did not adequately address the need for rental housing for individuals earning between 0 and 30% of the Median Family Income (MFI) as stated in the report of the Housing Strategy Task Force convened in 1998. He cautioned that individuals falling within this category are in crisis and are therefore at risk of becoming homeless. Representatives from the Indianapolis Neighborhood Housing Partnership and the Local Initiatives Support Corporation echoed his concerns.*

Response: The City is committed to providing rental housing for extremely low-income individuals and recognizes the important goal outlined in the Housing Strategy Task Force Report. While the City acknowledges that the 2000 Action Plan falls short of the goals, there will be efforts made in 2000 to foster the development of more projects that help serve this extremely low-income population.

However, the City's primary responsibility as steward of HUD entitlement funds is to support proposed *viable* projects that meet the priorities established by the community and the goals identified in the Consolidated Plan. During this funding awards process, the City did not receive a sufficient number of proposals towards realization of the Housing Task Force goal. Additionally, of the proposals that were received, several were not feasible projects. The City cannot allocate funding towards projects either not proposed or underwriting and further analyses indicate are likely to fail.

In preparing the 2000 Annual Action Plan, the City received seven proposals for constructing or rehabilitating rental housing. Of these, three were funded, all of which serve individuals earning 50% or less of the MFI. The remaining proposals were troubled by high rents and excessively high costs per unit. In several instances, if the City invested as much as \$75,000 per unit, each unit would still have to generate approximately \$900 a month in rent if the project were to work. Clearly, even with this large subsidy (three times the City's usual limit on subsidy per unit), these projects would not have been affordable to individuals earning less than 30% of the MFI.

Page seven of the 2000 Action Plan states that the City will "continue to seek ways that HOME funding may be used to buy down the costs of low-income housing tax credit and other rental units in order to make affordable housing projects more viable to extremely low-income households." In order to work towards this goal, nearly \$1.4 million in HOME funds have been set aside for affordable housing units – primarily to leverage those projects receiving funds through the federally funded, state administered low-income housing tax credit program. The City, in collaboration with its community partners, will seek opportunities to dedicate these funds towards projects that serve 0-30% of the MFI.



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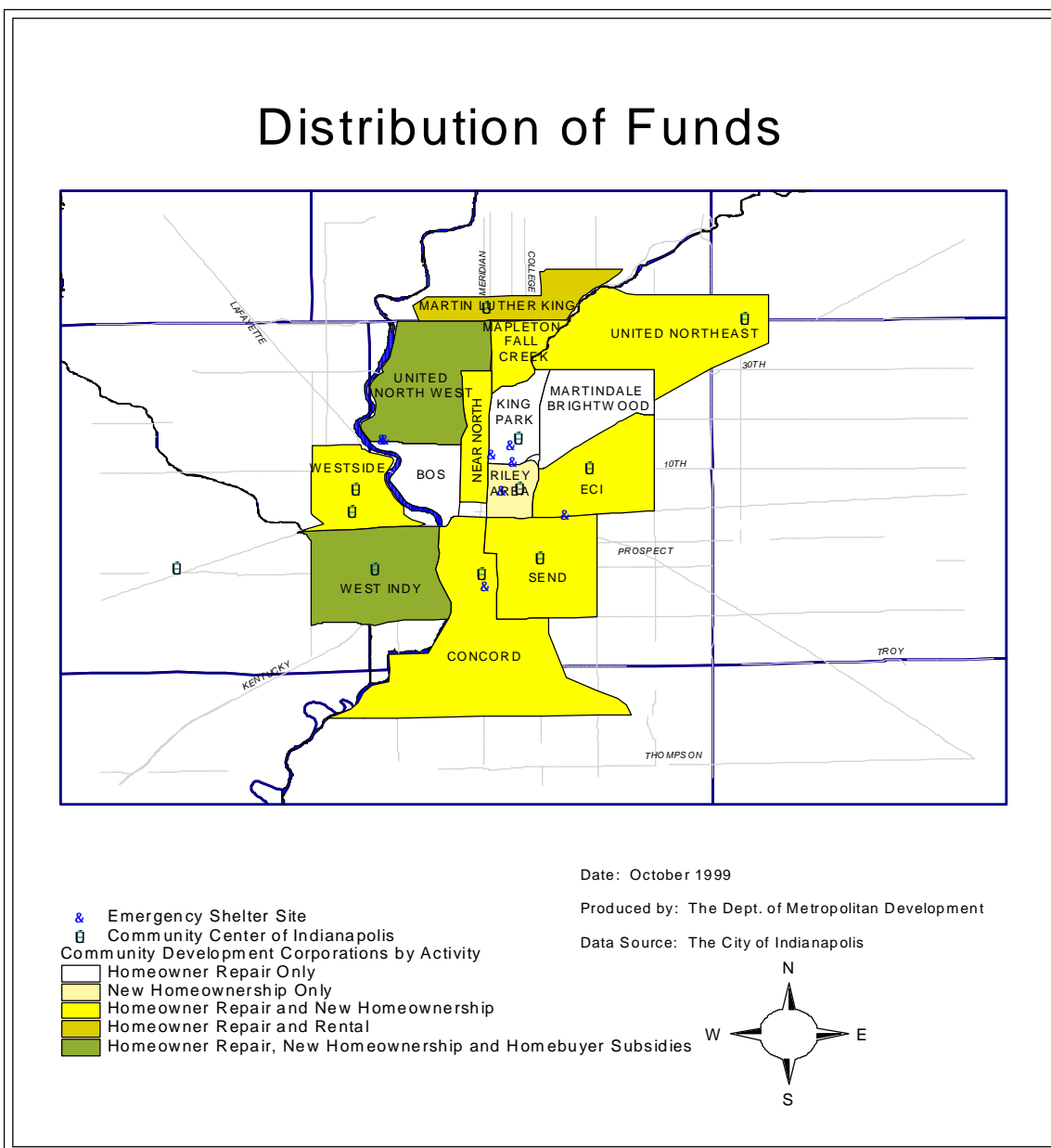


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2000 ACTIVITIES

Based on the anticipated resources identified in the previous section, the City released a Request for Proposals to any organization seeking CDBG, HOME, ESG and HOPWA funding for the year 2000. Using the criteria established through the citizen participation process and the five-year Consolidated Plan goals, the City evaluated 135 proposals to determine those which most closely met the community's priorities. The following pages contain a detailed summary of the organizations that have been recommended for funding and the activities that each will carry out.

Distribution of Funds



Note: This map shows the geographic distribution of a number of activities that will receive funding in 2000. For greater detail, refer to the project pages which follow.



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RESOURCES

In 2000, the City anticipates receiving \$17 million in federal resources from its CDBG, HOME, ESG, and HOPWA entitlement grants. In addition, \$200,000 are anticipated from program income generated from these grants. The ability to effectively utilize federal resources is greatly enhanced by leveraging these dollars with other funds. In 2000, a total of \$53.4 million will be used from public, private, and other sources to leverage projects receiving federal dollars. The table below illustrates an allocation of anticipated federal resources for 2000, and the amount of leveraging by source and activity.

ACTIVITY	HUD ENTITLEMENTS	OTHER FEDERAL	STATE	LOCAL	IN-KIND	PRIVATE	TOTAL
Emergency Shelter	386,650	3,703,701	549,393	6,000		583,213	\$ 5,228,957
Housing Assistance/AIDs	561,630		1,000			1,194,042	\$ 1,756,672
Homebuyer Subsidies	1,466,850	1,327,340	3,043,081		26,250	5,802,265	\$ 11,665,786
New Const. Homeownership	415,710		266,500		12,690	2,141,000	\$ 2,835,900
Homeowner Repair	2,683,423	241,000	140,000	100,000	15,000	1,343,586	\$ 4,523,009
Acquisition/Rehab for homeownership	921,500	264,000	155,443			1,579,219	\$ 2,920,162
Public/Commercial Facilities	656,427		234,950		37,620	4,124,148	\$ 5,053,145
Rental Housing	1,825,790				4,000	50,785	\$ 1,880,575
Senior Services	323,000	301,000	6,000			428,705	\$ 1,058,705
Youth Programs	242,605				34,840		\$ 277,445
Job Training	738,350	4,900,000	1,122,000	125,000		1,525,000	\$ 8,410,350
Public Services/ Other	547,745				24,264	10,760	\$ 582,769
Commercial Development	3,366,000	8,000,000	200,000	500,000			\$ 12,066,000
Administration	2,783,320			9,300,000			\$ 12,083,320
TOTAL BY SOURCE	16,919,000	18,737,041	5,718,367	10,031,000	154,664	18,782,723	70,342,795



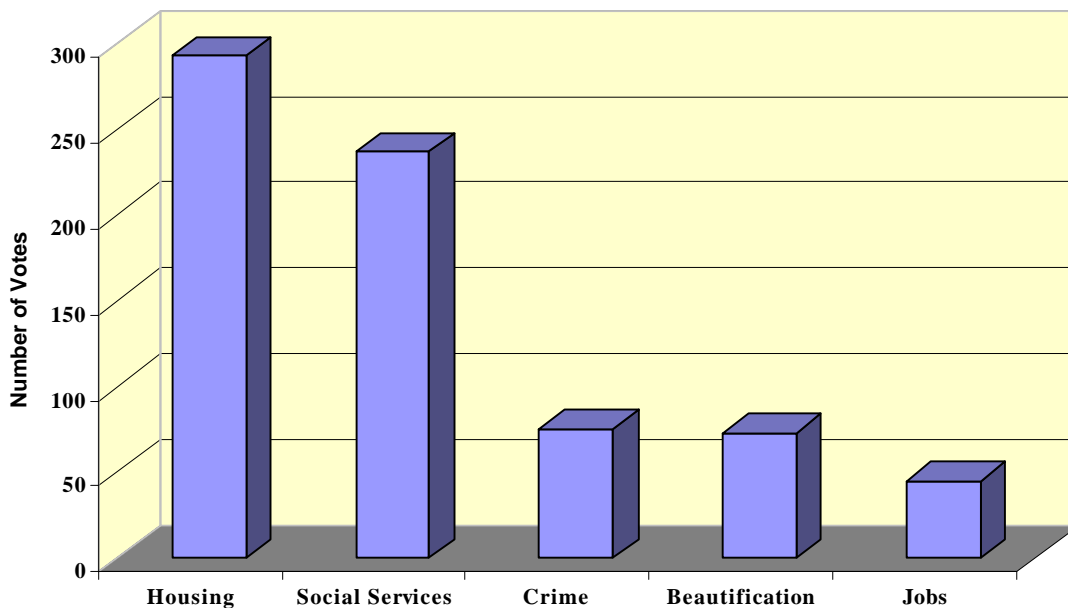
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These actions included activities that were funded with HUD's housing and community development dollars as well as other local initiatives undertaken to address the needs identified by the community during the consolidated planning process.

Participants were divided into small groups in order to discuss the issues affecting their community. The issues that had been identified in the prior year were presented to these groups as a starting point for their discussions. Each group reported the concerns that they had identified to the entire meeting and additional items were added to supplement the prior year's concerns. Attendees were then given "money" and asked to prioritize their needs by spending their dollars for those issues that represented their greatest concerns. By having only limited funding to spend on the gamut of issues, citizens were forced to identify their greatest needs out of the many competing concerns. City staff then assembled a list of the concerns that were identified based on a compilation of votes from all seven forums.

In addition to these forums, the City distributed a community development survey to approximately 1,600 individuals and organizations around the area. The survey was also featured on the City's web page. A total of 280 surveys were returned, representing a response rate of approximately 18%. This survey asked respondents to identify their top three housing and community development concerns.

The following chart demonstrates priorities of the survey respondents and hearing attendees.



Citizen participation is the cornerstone of the consolidated planning process. The priorities established by the public were used in the evaluation criteria set up to judge proposals submitted for housing and community development funds. Points were awarded to those projects that met one of the public's top priorities. Concerns that can not be addressed by projects funded through this Annual Action Plan will be shared with other departments within the City in an effort to identify alternative solutions to address the needs.

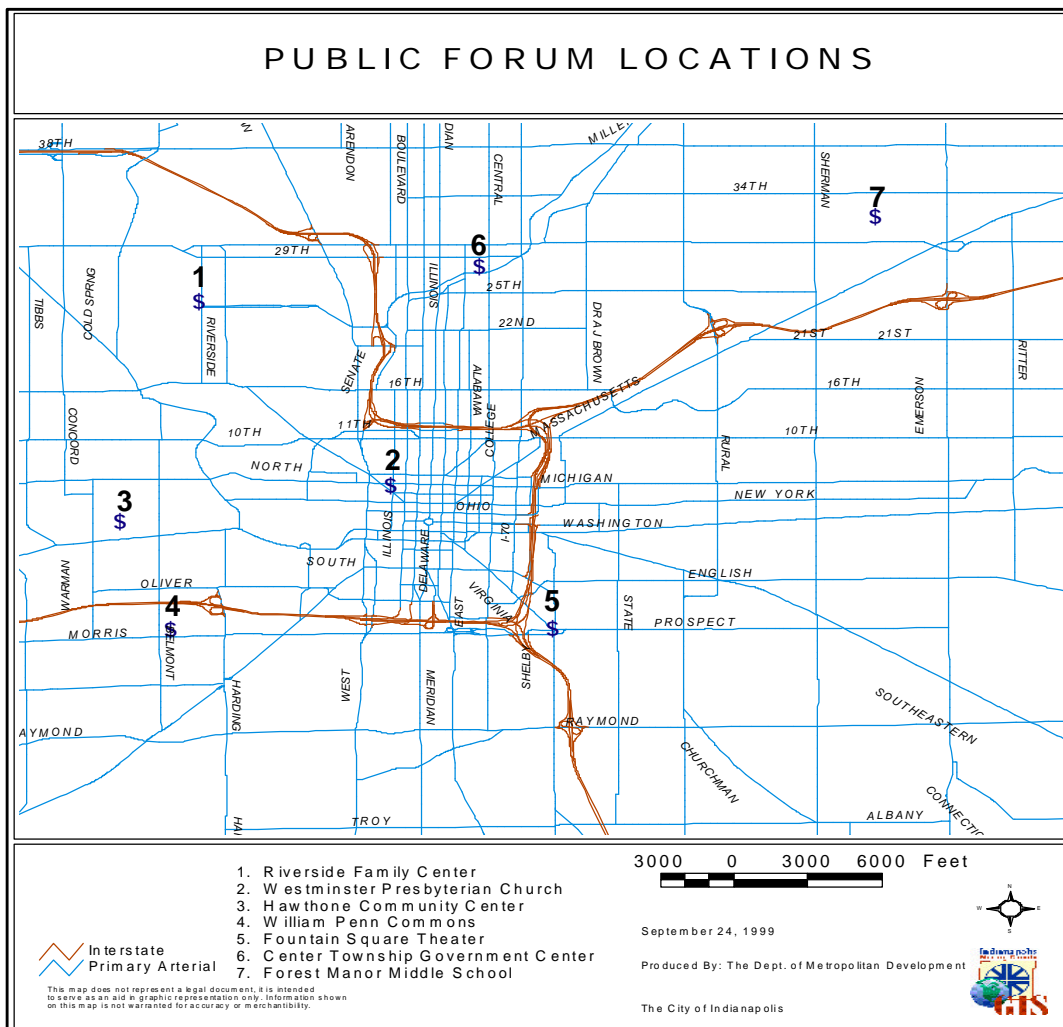


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CITIZEN PARTICIPATION

Annual planning for the use of housing and community development funds is guided by public input obtained through the citizen participation process. Each year, in accordance with the Citizen Participation Plan, the City holds public forums to allow citizens an opportunity to prioritize their own housing needs, the needs of their individual neighborhoods, and the needs of the larger community.

In preparation for the 2000 Annual Action Plan, the City held seven forums in neighborhoods from all quadrants of the community. The following sites hosted public meetings in May (see Map):



At each of the meetings, City staff laid a groundwork for citizen participation by describing the consolidated planning process and highlighting some of the successes that have occurred in response to public input in previous years. Attendees were provided with a copy of the "Consolidated Plan News," a newsletter which detailed some of the actions that the City has undertaken to meet the concerns expressed by the public during last year's process.



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Once an NRSA has been established, HUD requires the City to develop goals that will be achieved within this geographic area. The table below contains goals and benchmarks to be accomplished in 2000 within the proposed NRSA.

Goal	Strategies	2000 Benchmarks
Preserve Homeownership	<ul style="list-style-type: none"> ◆ Rehabilitate owner-occupied homes 	170 units repaired
Increase Homeownership	<ul style="list-style-type: none"> ◆ Acquire and rehabilitate units for sale ◆ Create new units for sale ◆ Provide direct homeownership assistance 	20 units rehabilitated 10 units created 35 homebuyers assisted
Increase the supply of viable rental housing	<ul style="list-style-type: none"> ◆ Rehabilitate multi-family rental housing ◆ Provide gap financing for low-income housing tax credit projects 	35 rental units rehabilitated 75 rental units created
Eliminate unsafe buildings and sites	<ul style="list-style-type: none"> ◆ Improve, demolish and/or secure unsafe buildings ◆ Support redevelopment of environmentally unsound brownfield sites 	3,000 buildings addressed 3 sites redeveloped
Support capital and enterprise development	<ul style="list-style-type: none"> ◆ Provide financing for inner-city retail development ◆ Support economic development initiatives 	2 retail units developed 75 jobs created
Support neighborhood empowerment	<ul style="list-style-type: none"> ◆ Provide capacity building assistance to neighborhood organizations in targeted areas 	Assess each organization Develop standards for performance
Aid supportive services activities	<ul style="list-style-type: none"> ◆ Assist organizations providing senior, youth, employment and other supportive services 	3,500 people served

These benchmarks will be accomplished through public and private investment including CDBG, HOME, and ESG. By expanding the NRSA, the City will have the flexibility to invest in innovative initiatives in those areas of the community with the greatest needs.



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The City is entering its third year of investment in the 16th and Martin Luther King Redevelopment Project. This project consists of the acquisition of approximately thirteen acres of property and the preparation of the land for the expansion of existing businesses and the attraction of new businesses to the area. Many of the properties located within the redevelopment area are older, abandoned industrial sites that are considered to be brownfields. Therefore, environmental assessments and remediation are also included as part of the project. In 2000, acquisition and site preparation will be completed. It is anticipated that the newly-prepared site will be occupied by viable businesses by 2001.

The Inner City Retail Advisory Committee, made up of neighborhood and business leaders, completed the "Indianapolis Inner City Retail Study" in 1999. The purpose of this study was to assess and describe the climate of the inner city retail market in Indianapolis and to recommend strategies to strengthen existing retail and attract additional retail where it is lacking. In 2000, \$100,000 of CDBG funds have been allocated for the implementation of this plan by providing incentives to foster retail/commercial development in urban neighborhoods.

Although the above initiatives are located in different areas of the community and vary in size and project costs, the City recognizes the importance of each project and is committed to the completion and success of each. The overall goal is a positive impact on the City's economy by increasing employment opportunities and encouraging business, retail and commercial development in economically-distressed areas.

Neighborhood Revitalization Strategy Area

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

In 1998, the City applied to expand the existing EC in order to create another specially designated area known as an Empowerment Zone. Although the City was unsuccessful in obtaining this designation, it is committed to the objectives identified through the EZ application process. Therefore, the City is requesting the addition of the following census tracts: 3503, 3536, 3535, 3415, 3416, 3564, 3569, 3557, 3559, 3570, 3571, and 3572, to the NRSA to help achieve these EZ objectives.

The EZ application was a result of a four-month inclusive strategic planning process. This process involved over 200 people representing government, education, business, labor and residents. The process was highly participative, allowing all interested parties to directly express their views and concerns at planning workshops, public forums, task force meetings, or via the EZ application web site established to facilitate further consultation. This process encompasses the required criteria to establish an NRSA.



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SPECIAL URBAN INITIATIVES

In addition to implementing housing and supportive services activities, the City will undertake a number of special initiatives which will help to build stronger neighborhoods and foster family self-sufficiency in 2000.

Home Ownership Zone

In 1997, the City applied to HUD for a Home Ownership Zone (HOZ) designation. Of the sixty-seven cities that applied, the City of Indianapolis was one of six HOZ designations awarded. The HOZ is located within the Citizens Neighborhood and is bounded by Fall Creek Parkway, Pennsylvania Street, 23rd Street, and Park Street.

The outcome of the HOZ project will be a vibrant, diverse urban neighborhood created through homeownership. This project consists of rehabilitating and constructing 322 housing units. Fifty-one percent of the housing units will be available to homebuyers with incomes at or below 80% of the median family income. The remaining housing units will be available to families of any income level. Ultimately, the HOZ neighborhood will provide a mix of retail/commercial, housing, and green spaces all within walking distance of one another.

Development of the HOZ began in 1999. Approximately \$1.2 million have already been invested in the project area for acquisition, relocation, site preparation and rehabilitation. In 2000, the City will continue with the second year of this initiative.

Economic Development

Economic development continues to be an area of focus for the City of Indianapolis. The City will invest CDBG funds to improve the local economy by increasing employment opportunities and developing a climate for business, commercial and industrial interests. In 2000, the City will financially support three economic development projects with CDBG funds: I-70/Keystone Industrial Park, 16th and Martin Luther King Redevelopment Project, and an Inner City Retail initiative. Additional funds will support local brownfield¹⁰ redevelopment efforts.

In 1998, the City began development of the I-70/Keystone Industrial Park. This project involves the collaboration of several partners and includes investments from various sources of funding totaling more than \$14 million. The project site consists of seventy acres of blighted land and deteriorated structures. In 2000, the City will continue its ongoing efforts to acquire land, relocate any families living in the area to a more suitable environment, clear parcels for future development, and address infrastructure needs. Buildable sites will be transferred to the Indianapolis Urban Enterprise Association who will sell them to prospective buyers. It is anticipated that this project will bring in excess of 600 new jobs to the area.

¹⁰ *Brownfields - Environmentally contaminated industrial and commercial sites.*



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Coordination

The City's grants management structure oversees a complex and diverse network of community partners. The vast majority of activities proposed in this Action Plan will be carried out by these collaborating organizations, including:

- ∇ community development corporations and other housing developers
- ∇ neighborhood associations
- ∇ other community-based organizations
- ∇ social service providers
- ∇ faith-based organizations
- ∇ funding partners, including the Indianapolis Neighborhood Housing Partnership, the Local Initiatives Support Corporation, the Indianapolis Neighborhood Resource Center and other private organizations

In 2000, the City will continue to expand its collaborative efforts. For instance, in 1999 the City began coordinating with the Indianapolis Neighborhood Housing Partnership and the Local Initiatives Support Corporation to create a single quarterly reporting form that is acceptable to all three organizations, thereby easing the administrative burden on the organizations funded by these three agencies. This partnership will continue in 2000 as these agencies continue to seek ways to eliminate duplicative processes.

In addition to these efforts, in the next year the City will continue its involvement in the Home Repair Collaborative pilot program. This program is designed to coordinate the efforts of thirteen organizations as they provide home repair services on the City's near west side. The Collaborative provides a mechanism for neighborhood-based organizations and funders to identify the best combination of grant and loan dollars available to assist an individual on a case by case basis. If this pilot project is successful, it may serve as a model for home repair initiatives around the City.

The City has also created incentives to ensure greater collaboration among Project Sponsors carrying out housing and community development activities. In evaluating proposals through the consolidated planning process, for instance, City staff established a number of criteria that required applicants to demonstrate the existence and extent of partnerships that had been put in place to carry out the proposed activity. Additional points were awarded for those projects whose housing activities and supportive services were linked, demonstrating a more complete provision of services.



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IMPLEMENTATION

This Action Plan will be carried out by a network of collaborating partners coordinated by the Department of Metropolitan Development's Division of Community Development and Financial Services.

The City's grants management practices are continually evolving into a more unified, simplified system designed to facilitate partnerships with the Project Sponsors carrying out development activities. In 1999, the City instituted revised grants management policies that lay out a framework for compliance that cuts across funding sources. The City will continue to rely on these policies in the year 2000, updating them as more efficient methods emerge.

In addition to improving the "DMD Grants Management Policies,"⁹ the City has implemented new practices to ensure that those policies are being met. For instance, in 1999, grants management staff met with the executive directors of all community development corporations receiving funds on a quarterly basis, to ensure that the organizations are on schedule with their established benchmarks.

In 2000, the City will not only continue these practices, but also undertake a number of new initiatives to further strengthen the institutional framework that guides its grant administration. In particular, DMD will launch a new website that allows Project Sponsors to complete and submit required reports over the internet. On-line submission will not only simplify procedures for partnering organizations, it will also enhance the City's ability to compile data and monitor performance.

Monitoring

The City of Indianapolis has established standards and procedures for monitoring all Project Sponsors. For active projects, these procedures require that the City will conduct a minimum of one on-site monitoring visit each year. Based on a timeline established at the start of the year, City staff monitor each project when it is halfway complete, so that any necessary adjustments can be made for the remaining half of a contract period. During each visit, City staff reviews a sample of the files for accuracy, reviews the policies and procedures that the organization has in place and discusses the organization's general operating performance with the Project Sponsor. Any deficiencies that are identified are documented and conveyed to the Project Sponsor, along with a timeline for any necessary corrective actions.

The City is also required to monitor HOME rental projects for a length of time known as the "period of affordability." The number of units and subsidy for each unit will determine the length of time and frequency with which the City is required to monitor the project. The City is currently setting up a relational database to store all relevant information regarding these HOME rental projects. This database will help to generate letters, notifications and monitoring schedules to manage the long-term monitoring of these projects. The City will also revise the policies and procedures for long-term monitoring to include standardized forms and remedies for non-compliance.

⁹Copies of the Grants Management Policies can be obtained from the Division of Community Development and Financial Services.



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Additional housing assistance, supported by HOPWA funds, will be provided for persons with HIV and their families. These funds will be distributed through the Salvation Army Harbor Light and the Damien Center.

The City will also use CDBG and HOME funds to prevent homelessness by engaging in the following activities:

- ∇ 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 very-low income persons.

The City has undertaken other initiatives to address the needs of homeless and other special needs populations in Indianapolis. The City has been successful in applying for Stewart B. McKinney funds through HUD's annual competitive award process. These funds were received to address homelessness through the Supportive Housing Program and the Shelter Plus Care Program. Projects supported through these funds provide transitional and permanent housing and supportive services targeted for a number of special needs groups including the severely mentally ill, the physically disabled and victims of domestic violence. Additionally, the City received \$400,000 in Economic Development Initiative⁸ special project funds to further support transitional housing. These funds are being distributed to the Far From Home Foundation to support operating costs of transitional homes for veterans.

⁸ *Economic Development Initiative- A HUD grant that enables local governments to enhance both the security of loans guaranteed through the Economic Development Loan Fund and the feasibility of large economic development projects they finance.*
dually diagnosed -



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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 2,160 people who are HIV-infected in Marion County. According to the Salvation Army Harbor Light Center, the number of African Americans and Hispanics living with HIV/AIDS in Marion County at the end of 1998 was 900. As this number continues to grow, the need for more education and outreach to this population becomes more urgent. In 2000, the City will strengthen its efforts in HIV education and outreach by funding the Salvation Army Harbor Light's "street outreach" program with its HOPWA funds to target the minority community. Additionally, the City will continue to support the efforts of the area's primary AIDS service provider, the Damien Center, who provides tenant-based rental assistance, project-based rental assistance, housing services, and supportive services.

Homeless

The Coalition for Homeless Intervention and Prevention (CHIP), with assistance of a research team of sociologists from the University of Indianapolis, Butler University, and Martin University conducted the City's first single night count and survey of homeless persons since 1993. On April 26, 1999, over seventy-five volunteers surveyed the streets and homeless shelters to determine the extent of homelessness in Indianapolis. The results of their efforts estimated that 3,488 persons are homeless in Indianapolis on any given night.

This estimate replaces the 1993 report of 1,589 persons and combines statistics from this single night count with existing social service data. In order to estimate the number of people who experience homelessness during the course of a year, researchers recommend multiplying the single night count by 3-5 (10,500 – 14,050). Using that analysis an average of 12,500 people in Indianapolis may experience homelessness over the course of one year.

In 2000, the City will address the needs of homeless individuals and their families by continuing to support the operations of shelters and preventing further incidence of homelessness. ESG funds will be awarded to ten shelters and a network of social service agencies to support activities including: facility rehabilitation, operating costs, provision of essential services, and homelessness prevention programs. ESG funds will also be used to purchase bus tickets.



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Housing Needs of Elderly and Frail Elderly:

Approximately 8,295 elderly households are threatened with homelessness and are in need of some type of supportive housing. To address the needs of seniors, CDBG funds will be awarded to multiple organizations in order to provide a diverse range of supportive services including: housing repairs, transportation, home-based services, counseling, social activities, and exercise programs.

Housing Needs of the Severely Mentally Ill:

Supportive housing is needed for approximately 1,380 households with mentally ill family members. This population often is in need of home-based services, financial management, advocacy, case management, medical transportation, and daily living activities. CDBG and ESG funds will be awarded to the Family Service Association, Mount Olive Shelter, and other organizations who have an expertise in addressing the needs of the severely mentally ill.

Housing Needs of Developmentally Disabled:

There is a need for additional group housing, semi-independent living units, independent living units and support services to assist the 18,750 developmentally disabled individuals living in the Indianapolis Metropolitan Statistical Area. In 2000, CDBG funds will support the Family Service Association's Protective Care Program which provides support services for this population.

Housing Needs of Physically Disabled Persons:

Individuals with physical disabilities have special housing problems including lack of accessible housing, and the need for additional funds to add accommodations that allow disabled persons to remain in their homes. In 1999, the Division of Planning conducted a survey on the accessible housing supply, while HOME funds were awarded to the Local Initiatives Support Corporation to study the demand for accessible housing. Results from these studies will allow the City to better assess how it can continue to meet the needs of this population.

Housing Needs of Alcohol and Other Drug Addicted Persons:

According to the five-year Consolidated Plan, the need for increased substance abuse treatment programs has been recognized by many social service providers as a high priority. Supportive services offered through the City's Supportive Housing Program and ESG Program to the Salvation Army Social Service Center, Mount Olive, and other shelters and transitional housing facilities will allow more social service providers to continue to help this population.



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SPECIAL NEEDS

The Consolidated Plan addresses a number of populations with specialized needs, including the homeless, the mentally, physically and developmentally disabled, the elderly, and persons with HIV/AIDS. The City of Indianapolis is able to respond to the needs of these populations through its ESG, HOPWA, CDBG, and HOME entitlement grants. The shelters, transitional-homes, and other services funded through these grants assist an extensive continuum of care that helps these populations to sustain or start a path to self-sufficiency.

Anti-Poverty Strategy

The City of Indianapolis will invest community development funds in a variety of projects and programs that will help to build family self-sufficiency for those individuals currently living in poverty. The Indianapolis community has identified new homeownership opportunities and maintaining existing homeownership as high priorities. In the year 2000, approximately \$5.4 million will be invested to create 122 new homeownership opportunities and maintain 340 existing owner-occupied housing units.

Additionally, this year's plan includes \$738,000 for employment training, job placement and retention through Community Centers of Indianapolis, Metro Church, America Works of Indianapolis, Technical Training Services and CICOA: The Access Network. These organizations will provide training in manufacturing, service industries, construction, and trades in addition to supporting programs designed to foster entrepreneurship.

Finally, CDBG, ESG and other Stewart B. McKinney Grant funds will assist individuals and families who are homeless. Specifically, funds will be used to create and maintain transitional housing units and homeless shelters and to provide the supportive services needed to move families towards self-sufficiency. Supportive services include life-skills training, substance abuse treatment, employment training and childcare.

Each of these activities will address the needs of poverty-stricken families and increase their potential to live independently. The City will continue to support the housing and service providers who successfully assist families living in poverty.

Underserved Needs⁷

In 2000, CDBG, ESG, and HOPWA funds will be used to address the many challenges presented by special needs populations. Persistent obstacles to meeting the needs of these populations include the lack of supportive housing units and fragmented service delivery. The following is a summary of underserved needs as identified in the Consolidated Plan 2000-2004 and how the City plans to respond to these needs in 2000.

⁷All statistics in this section are provided by the 2000-2004 Consolidated Plan.



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Mark-to-Market was legislated to capture cost savings and ensure the stock of decent, affordable housing. As a PAE for Marion County, the City will work with owners, managers, and tenants of properties that choose to go through this program.

Eligible Section-8 property owners who have expiring Section-8 contracts on FHA-insured or HUD-held mortgages may choose to enter the Mark-to-Market program if rent for their property is determined to be excessively above rents for other comparable properties. As PAE, the City will work with participating owners to reduce rents and repair property that is in poor physical condition by restructuring the owner's debt.

To accomplish these tasks, the City has taken a lead role in forming partnerships to effectively coordinate the Mark-to-Market process. The City has collaborated with several teaming partners including P/R Mortgage Investment Corporation who will underwrite properties going through Mark-to-Market. Additional partners are IHA, the Local Initiatives Support Corporation, and Indianapolis Coalition for Housing and Homeless Issues (ICHHI).

Tenant participation is an important component of the Mark-to-Market Program. Tenants affected by this program will have several opportunities to provide comments to the PAE on the physical condition and management of the property where they reside. With assistance from ICHHI, the City will include tenant comments in the debt restructuring plan it submits to the Federal Office of Multifamily Housing and Assistance Restructuring for approval. By working closely with both tenants and teaming partners, the City hopes to both rehabilitate and ensure an affordable housing stock for the future.



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of other partners, will begin implementing the Healthy Housing Network. This Network is designed to identify housing that may have hazardous lead-based paint, inform the inhabitants about the potential threats of this dangerous substance, and work to remediate the threat. If awarded, initial activities will include:

- ∇ Setting up the oversight structure for establishing project priorities and reviewing progress;
- ∇ Establishing contracts with participating Community Development Corporations to carry out the remediation efforts;
- ∇ Beginning an education and marketing campaign;
- ∇ Beginning to send priority homes in the Enterprise Community⁶ through the network, so that the lead hazard can be sufficiently removed; and
- ∇ Establishing courses for a lead abatement-training program.

In the event that the application for the grant is unsuccessful, the City will continue to look for additional resources to address lead issues in Indianapolis.

Public Housing

A large number of affordable housing units are owned by the Indianapolis Housing Agency (IHA) which manages twelve public housing communities. Four of these communities, totaling 705 units, provide housing for the elderly and disabled. The remaining communities account for 1,229 units of family housing. Maintenance and upkeep of these communities is a priority for IHA. In addition to annual maintenance costs several communities are in need of more substantial repairs. Over the next five years, IHA proposes to spend \$12.5 million (Comprehensive Grant) dollars for construction activities throughout two of its elderly/disabled and one family development (Lugar Towers, Indiana Avenue and Beechwood Gardens).

The City continues to partner with IHA in addressing the city's affordable housing issues. IHA reports quarterly to the Metropolitan Development Committee of the City-County Council, which helps to foster collaboration with DMD to oversee, administer and manage the City's affordable housing stock.

The City, in collaboration with IHA, has taken an active interest in the future of Section 8 properties in Indianapolis, by becoming a Participating Administrative Entity (PAE) for HUD's Mark-to-Market Program. Currently IHA's role is to provide direct services in the areas of landlord contract management, management of the participant waiting list, participant enrollment and lease-up and housing quality standard enforcement.

⁶Enterprise Community - The City received this special HUD designation with a grant to implement economic development programs and incentives in a defined area of Center Township.



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HOUSING

The needs assessment completed in the 2000-2004 Consolidated Plan established the high priority of the creation and maintenance of affordable housing. There are a number of factors, however, that present barriers to meeting this need. This section will discuss some of these challenges and demonstrate how the City will address these issues as it moves towards the goals of the Consolidated Plan in 2000.

Affordable Housing

For many low-income individuals, a poor credit history can make it difficult to acquire affordable housing. Housing counseling services, provided by the Indianapolis Neighborhood Housing Partnership and others, can often assist these families, but many are unaware that such services are available. In an effort to expand the opportunities for housing counseling services, the City will invest HOME dollars in a storefront-counseling center sponsored by the Indianapolis Housing Agency. This center, which will open in the late fall of 1999, will serve the residents of public housing facilities as well as other low-income individuals seeking assistance.

A second barrier to affordable rental housing is simply the cost of development and operations. While developers can finance projects that serve families earning more than 50% of median family income, the costs impede the development of housing that serves those families earning below 51% of median family income. The Consolidated Plan indicates a high housing need for renters falling below this income level. Therefore, the City will continue to seek ways that HOME funding may be used to buy down the costs of low-income housing tax credit⁵ and other rental units in order to make affordable housing projects more viable to extremely low-income households.

Another challenge to affordable housing is the perception that the neighborhoods in which these houses are located are deteriorated and unsafe. The removal of unsafe housing was one of the goals set forth in the Consolidated Plan. In order to alleviate these barriers to affordable housing, the City initiated a code enforcement pilot project in the Near Eastside area. This project has coordinated all code enforcement efforts in this area by ensuring that all zoning, building and Health and Hospital inspectors are in frequent communication in order to respond to code issues more efficiently. If this project proves to be successful, the City may replicate this initiative in other areas of the community in 2000. Additionally, CDBG dollars will be allocated to the Unsafe Buildings Program and to a new code enforcement project supporting a neighborhood-based legal team's efforts to target repeat violators.

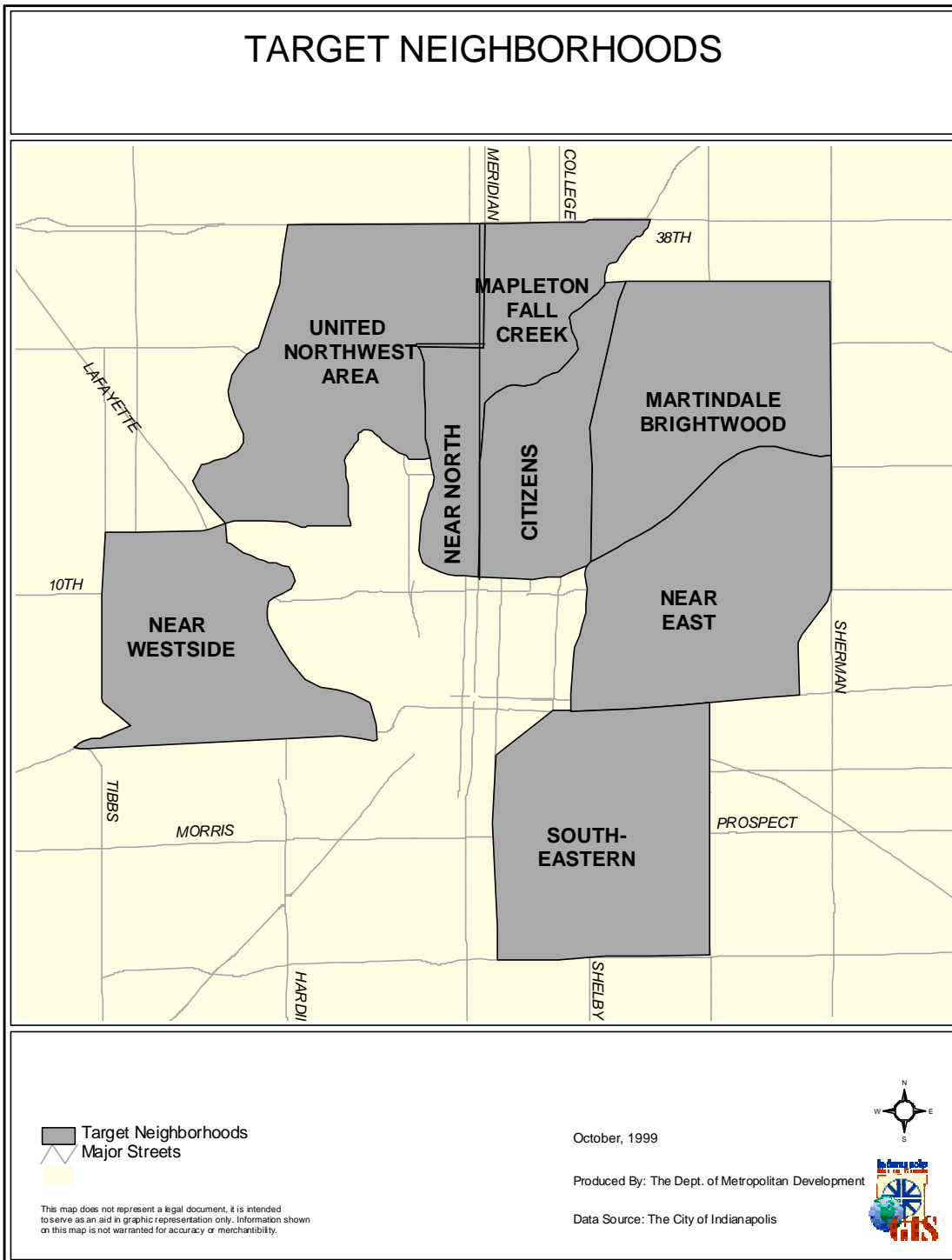
Lead-Based Paint

One condition not completely addressed by the Unsafe Building Program is the hazard created by lead-based paint. In 1999, the City of Indianapolis applied for a HUD-sponsored program entitled the Lead-Based Paint Hazard Control Grant. Award notification should be received prior to January of 2000. If this application is successful, the City, in collaboration with the Marion County Health Department and a number

⁵ Low Income Housing Tax Credit - A federal program administered by the State of Indiana to finance affordable rental housing production by providing tax incentives for investors.



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COMMUNITY PROFILE

Demographics

This Plan serves the Consolidated City of Indianapolis, which includes all of Marion County, Indiana except the excluded cities of Beech Grove, Lawrence, Southport, and Speedway. The 1997 Census estimate projected the population of Marion County to be 825,572, with minorities constituting approximately 26% of the total. Recent census updates and population models show that, following national population trends, minorities represent a greater percentage of the total population each year and that the population as a whole is aging.

The fiscal year 1999 median family income (MFI) for a four person household in the Indianapolis Metropolitan Statistical Area (MSA) is \$54,600. Median family income is dependent upon household size and is derived from 1990 census data which is updated with a combination of local Bureau of Labor statistics and Census Divisional data. The annually adjusted MFI is used to determine income eligibility of individuals receiving assistance through the CDBG, HOME, ESG and HOPWA programs.

The Targeted Neighborhoods

Since 1992, the City has identified eight neighborhoods that showed the greatest signs of urban distress (see map on following page). Over the last eight years, significant local government attention and public funding have been given to this area through the Neighborhood Empowerment Initiative⁴ and other efforts. These neighborhoods remain the focus of federal housing and community development dollars in the year 2000. When 2000 census data becomes available, an evaluation will be completed to determine the extent to which these neighborhoods have improved, and whether or not other areas have experienced disinvestment.

⁴ *Neighborhood Empowerment Initiative - A City initiative to build grassroots organizational capacity in the targeted neighborhoods. The eight targeted neighborhoods are generally represented by the Neighborhood Revitalization Strategy Area, described in the following section.*



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After obtaining input from over 350 citizens, the City released an application and requested proposals from any agency seeking funding under these four programs. Based on the public's feedback and in keeping with the mission of the five-year Consolidated Plan, the City, through its Department of Metropolitan Development, selected those projects best suited to carry out activities in 2000 from among 130 applications. A listing of activities that have been recommended for funding through the CDBG, HOME, ESG and HOPWA programs is included in this Annual Action Plan.

In addition to highlighting the projects that will be carried out in 2000, this Plan details the activities that the City will undertake over the next year to address a variety of issues that face this community including homelessness, challenges to serving individuals with special needs³, and barriers to affordable housing. This Plan will also describe the important role that various community organizations play in ensuring that these federal dollars are spent in accordance with the public's established priorities and that the activities carried out help the City to reach the long-term goals set forth in the Consolidated Plan.

³ *Special Needs - Individuals in one or more of the following categories: homeless, elderly, substance abusers, developmentally, physically or mentally disabled.*



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INTRODUCTION

The City's current Consolidated Plan 2000-2004² outlines Indianapolis' housing and community development needs and offers a strategy to address those needs with funding received from the United States Department of Housing and Urban Development (HUD). This Annual Action Plan describes how the City will begin to enact this strategy in the year 2000, the first year of the five-year Consolidated Plan.

The Consolidated Plan expresses the City's commitment to:

Building strong, accessible, healthy neighborhoods with safe streets and thriving economies so that all individuals and their families can have an opportunity to attain and maintain, to the best of their abilities, independent, self-sufficient lives.

In 2000, this mission will be carried out with an estimated \$17 million in funds received from HUD for the four entitlement programs detailed below:

PROGRAM	PRIORITIES
Community Development Block Grant (CDBG)	Supply decent housing, secure a suitable living environment, and expand economic opportunities for individuals earning 80% or less of median family income (MFI).
HOME Investment Partnerships Program (HOME)	Expand the availability of decent affordable housing for individuals earning 80% or less of MFI.
Emergency Shelter Grant (ESG)	Provide essential supportive services, homelessness prevention activities and support area shelters with operating and rehabilitation funds.
Housing Opportunities for Persons with AIDS (HOPWA)	Provide housing assistance and supportive services to low-income persons with HIV/AIDS and their families in order to prevent homelessness.

Together, these four programs represent some of the City's primary resources to build stronger and more vital neighborhoods. As a result, it is important to ensure that the public has an opportunity to help shape this Annual Action Plan and prioritize how and where the available dollars should be spent. Therefore, in preparation for this Plan, the City held a series of forums around the community, in order to give citizens a chance to express their views about the needs of their neighborhoods. These forums were supplemented by a community development survey which was distributed widely throughout the City.

² Copies of the Consolidated Plan 2000-2004 may be obtained from the Department of Metropolitan Development.



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The Consolidated Plan grouped these goals and strategies into two major themes for community development in Indianapolis - *Building Stronger Neighborhoods* and *Family Self-Sufficiency*. The Building Stronger Neighborhoods theme speaks to the role that the development of affordable housing can play in revitalizing neighborhoods that have experienced disinvestment. The second theme, Family Self-Sufficiency, identifies the supportive services necessary for individuals to build economic independence.

Building Stronger Neighborhoods

As the above chart indicates, homeowner activities are the City's highest priority for federal dollars in 2000. Homeowner repair efforts will be carried out to ensure that individuals, particularly the elderly, are able to remain in their homes. The City will provide funds to housing development organizations to assist low-income individuals with repairs such as roof replacement, new furnace installation, and other repairs necessary to maintain livable conditions. New homeownership opportunities will also be created through the construction of new homes and the restoration of abandoned housing. Additionally, funding has been set aside to bridge the finance gap in order to make homeownership more affordable to prospective low- and moderate-income buyers. Funds will be provided to assist eligible homebuyers with financing a downpayment or closing costs associated with the purchase of a home.

Creating and maintaining quality rental housing will also be a focus of HUD housing and community development funds in 2000. Through the HOME program, the City will help to finance local low-income housing developers that have received tax credits from the State to construct multi-family rental projects. Additionally, HOME and CDBG dollars will be allocated toward maintaining the current supply of rental housing through the renovation of deteriorated apartments.

Family Self-Sufficiency

As evidenced by the City's commitment to both homeownership and rental projects, the creation and maintenance of affordable housing¹ for low-income families is the cornerstone of the City's strategy to build stronger neighborhoods. In order to create a holistic approach to community development, however, this housing production must be undertaken simultaneously with supportive services and economic development initiatives. Therefore, in 2000, the City will support a number of economic development projects as well as a variety of supportive services including job training, senior services, essential services for the homeless and youth services.

The proposed housing and community development activities will be concentrated in those areas that are in the greatest need of assistance. As detailed in this plan, the City collaborates with organizations working in these neighborhoods, particularly in Center Township, who use the funding allocated through this consolidated planning process to leverage other public and private resources to achieve a larger community impact.

¹*Affordable Housing: Housing for which a household spends no more than 30% of its gross monthly income for rent and utilities or for principal interest, property taxes, and insurance.*



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EXECUTIVE SUMMARY

The City of Indianapolis' Consolidated Plan 2000-2004 lays out a framework of housing and community development goals to be accomplished through four United States Department of Housing and Urban Development (HUD) entitlement programs administered by the Department of Metropolitan Development (DMD). Each year, the City must establish an Annual Action Plan, detailing the steps that it will take towards reaching these goals with funding received from HUD for the Community Development Block Grant (CDBG), the Home Investment Partnerships Program (HOME), the Emergency Shelter Grant (ESG) and the Housing Opportunities for Persons with AIDS Program (HOPWA).

In 2000, the City anticipates receiving an estimated \$17 million for these programs. This 2000 Action Plan represents the City's strategy for allocating these entitlement dollars to activities that will assist in achieving the objectives set forth in the Consolidated Plan. The table below highlights the Consolidated Plan goals and estimates the accomplishments that will occur to reach these goals by undertaking the activities proposed in this Action Plan.

Goal	Strategies	2000 Benchmarks	2000 Proposed Investment
Preserve Homeownership	<ul style="list-style-type: none"> ◆ Rehabilitate owner-occupied homes ◆ Refinance mortgages for individuals at-risk of homelessness 	<p style="text-align: center;">340 units repaired</p> <p style="text-align: center;">3 mortgages refinanced</p>	\$2,688,423
Increase Homeownership	<ul style="list-style-type: none"> ◆ Acquire and rehabilitate units for sale ◆ Create new units for sale ◆ Provide direct homeownership assistance 	<p style="text-align: center;">31 units rehabilitated</p> <p style="text-align: center;">21 units created</p> <p style="text-align: center;">70 homebuyers assisted</p>	\$2,754,060
Increase the supply of viable rental housing	<ul style="list-style-type: none"> ◆ Rehabilitate multi-family rental housing ◆ Provide gap financing for low-income housing tax credit projects 	<p style="text-align: center;">70 rental units rehabilitated</p> <p style="text-align: center;">90 rental units created</p>	\$1,765,790
Eliminate unsafe buildings and sites	<ul style="list-style-type: none"> ◆ Improve, demolish and/or secure unsafe buildings ◆ Support redevelopment of environmentally unsound brownfield sites 	<p style="text-align: center;">3,000 buildings addressed</p> <p style="text-align: center;">4 sites redeveloped</p>	\$1,766,000
Support capital and enterprise development	<ul style="list-style-type: none"> ◆ Provide financing for inner-city retail development ◆ Support economic development initiatives 	<p style="text-align: center;">2 retail units developed</p> <p style="text-align: center;">75 jobs created</p>	\$1,682,000
Aid supportive services activities	<ul style="list-style-type: none"> ◆ Assist organizations providing senior, youth, employment and other supportive services 	<p style="text-align: center;">5,240 people served</p>	\$1,771,684
Support Special Needs Housing	<ul style="list-style-type: none"> ◆ Provide operating and rehabilitation assistance for homeless facilities ◆ Provide short-term rent and utility assistance 	<p style="text-align: center;">10,000 people served</p> <p style="text-align: center;">120 households assisted</p>	\$1,183,280
Support neighborhood empowerment	<ul style="list-style-type: none"> ◆ Provide capacity building assistance to neighborhood organizations in targeted areas 	<p style="text-align: center;">Assess each organization</p> <p style="text-align: center;">Develop standards for performance</p>	\$366,300