

U. S. Department of Housing & Urban Development  
Community Planning & Development

## 2014 Annual Action Plan

For the use of Community Development Block Grant  
and HOME Investment Partnerships Program Funds



Submitted by  
City of Anderson, Indiana  
Community Development Department



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## **EXECUTIVE SUMAMRY**

The City of Anderson, Indiana 2014 Annual Action Plan identifies housing and community development needs, set priorities, establishes goals, and defines strategies to work towards the identified goals. The primary tools to address priority needs are federal entitlement funds, competitive federal grants, and private partnerships. The City of Anderson receives two entitlement grants from the United States Department of Housing and Urban Development (HUD): the Community Development Block Grant (CDBG) and the HOME Investment Partnerships Program (HOME). To receive these entitlement grants, the City of Anderson is required to complete a five-year Consolidated Plan with annual updates, called Annual Action Plans.

CDBG is the larger of the two entitlement programs, averaging approximately \$850,000 annually. These funds can be used to develop affordable housing, expand economic activities, and provide services for households earning 80 percent or less of the median family income. CDBG funds can also be used to eliminate slum and blight as defined by HUD.

The City of Anderson receives approximately \$275,000 of HOME funds annually. HOME funds can be used to build new units for rent or for homeownership. HOME funds can also be used to provide down payment assistance to low/moderate-income homebuyers. All persons assisted with HOME funds must earn 80 percent or less of the median family income. This Plan describes how the city will use these entitlement funds to address various housing and community development needs.

The planning process for this began with an analysis of housing and non-housing issues that impact the community. Housing issues include rental housing, homeownership, housing for persons with special needs, and housing for homeless persons. This Consolidated Plan also describes other issues related to housing and community development such as lead-based paint hazards, barriers to affordable housing, impediments to fair housing choice and public housing. Non-housing community development issues include infrastructure needs, parks, youth services, senior services, jobs and the economy, and transportation services.

As part of conducting the analysis, the city consulted with community stakeholders and sought input from citizens to identify needs to set priorities. This process included consultation meetings with various organizations and six public meetings. The top needs identified during the consultation process the public was the need for education and job training and lack of adequate housing.

### **Annual Objectives & Outcomes**

The Department of Community and Economic Development is responsible for the administration of Community Development Block Grant and HOME Investment Partnerships Program funds through its Community Development division. This department also encompasses the economic development arm of the city, which is charged with business development, Brownfields, and redevelopment.

The Development is empowered to develop inter-agency agreements as well as coordinating bodies that can facilitate cooperation among the jurisdiction's line agencies. The department is empowered to work with other organizations and jurisdictions that have a regional responsibility for economic development, business, employment, and planning.

Additional duties of the lead agency include: coordination with homeless services providers, working with neighborhood and community groups, neighborhood revitalization, monitoring all funded projects, environmental and historic reviews, and the preparation of action plans and performance reports to the U.S. Department of Housing and Urban Development (HUD) and other funding sources.

In 2014, Community Development will continue to make every effort to encourage collaboration and inter-agency coordination through (but not limited to) the following:

**Private Housing:** Private developers, CHDOs, and providers of housing are a very important part of urban core neighborhood redevelopment by providing the design and construction of infill housing in designated areas. Contractors and developers, both non-for-profit and for-profit, will be utilized to perform future rehabilitation of existing structures and new construction projects. CD reached out to other entities in 2014 to leverage CDBG and HOME dollars to expand and renovate low income, senior housing, and provide housing opportunities for individuals participating in re-entry programs and transitional housing for families facing homelessness – particularly two-parent and single father families. Funding will also be provided for Emergency Rehabilitation to address health and safety issues for elderly and disabled homeowners.

**Social Service Agencies:** CD will continue to fund various social service agencies through the 2014 Plan Year utilizing the public service portion of the Community Development Block Grant (CDBG). CD will also continue to work with established community councils as well as working toward establishing additional Community Housing Development Organizations (CHDO) and Community Development Corporations.

**Credit/Financial Counseling Agencies:** CD will continue to collaborate with PathStone, Incorporated and other Community Organizations to provide a variety of financial counseling services. Depending on each individual or family's needs, services will be offered including but not limited to: budget management; homeownership/pre-purchase counseling; post-purchase counseling; and mortgage/foreclosure counseling.

**Code Enforcement:** CDBG fund will be provided for Code Enforcement to supporting salary and related expenses for the identification and enforcement of code issues in designated areas.

**Infrastructure:** CDBG funds will be provided for street improvements, curbs and sidewalks to improve handicap accessibility and other infrastructure improvements in low-moderate income areas.

**Demolition:** Funds will be provided for emergency demolition of blighted and condemned structures that pose a safety concerns for the surrounding community.

**Public facilities:** Funds will be reserved to provide a local match for a bus terminal to be constructed in 2015.

A breakdown of activities to be funded through CDBG and HOME funds is included in attachment A.

## **Summary of Past Performance**

The Community Development Department experienced a complete turnover of staff in 2012. Consequently, the department operated with very limited staff and experience for approximately ten (10) months. As a result, many programs and activities were delayed. A new Community Development Administrator was hired in 2013 and the department worked diligently establish new relationships and collaborations to move the department and activities forward and meet the goals and benchmarks mandated by funding sources. Despite these challenges and additional challenges brought on by a national economic recession, the Department was able to complete the planned activities and meet most of their goals. However, as might be expected, due to the negative downturn in the Nation's Housing Market, the City did have difficulty meeting its housing goals for Homeownership.

As the community development analysis and priority needs assessments were completed, the city began to develop goals and strategies to meet identified needs. The following pages describe the goals and strategies to be achieved during 2014.

## Geographic Distribution

During 2014, the City of Anderson will concentrate funding of Community Development Block Grant and Home Investment Partnership Program funds in the qualified census tract block groups with high concentrations of low and moderate-income households. These areas are primarily located in the central, core of the city and connect to the NRS area that is now nearing completion. The Census Tract Block Groups and their corresponding percentages of low and moderate-income households are as follows: 120.3 (77.2%), 120.1 (74.3%) 120.2 (71.1%) 119.1 (62.6%)

Aside from the fact that the Latino population has increased, very little seems to have changed over the past five year period in terms of the demographic make-up within the community.

Minority Disproportionality As the department continues to work on a neighborhood basis, it is evident that people living in certain census tracts with high percentages of people living with low incomes, correspond with racial and ethnic groups that have a disproportionately greater need than the rest of the city. This is evidenced by maps, statistical data as well as observation. Although numbers of undocumented Latino persons are moving into many of these census tracts, this condition is still particularly true of the Black/African American population in Anderson.

The basis for allocating department investments geographically by neighborhood are based on census information and the fact that the greatest impact for a depressed area can be achieved by bundling all available resources including HOME and CDBG into the area. This helps to stabilize the neighborhood through homeownership opportunities, homeowner and rental rehabilitation and new construction, creating increased property values and also stimulating the economy. It also provides the greatest opportunity for area sustainability by organizing the community and providing the necessary tools including educational and training opportunities to residents to empower them to carry on work in their areas and become more self-sustaining.

## Leveraging of Resources

For the year 2014, projects and activities will be undertaken throughout the city that will leverage funding partners from a variety of different sources. Approximately 30 Million dollars will be leveraged from the following sources:

- Episcopal Retirement Homes, LLC
- Alternatives, Inc for Homeless and battered women and children.
- Job Source Federal and State Program
- Madison County Council of Governments
- Anderson Housing Authority (Public Housing, Section 8, rental)
- Madison County Community Health Center (Medical, Dental, Vision)
- YMCA of Madison County
- Anderson Impact Center
- PathStone, Incorporated

Episcopal Retirement Homes received approximately \$434,000 in Rental Housing Tax credits to renovate the upper floors of the YMCA of Madison County into 30 units of senior housing. With the City of Anderson's HOME funds, the total investment in this project is around \$5.9 million.

Job Source provides a weatherization and energy program which provides leveraging for the Department in that the department is able to provide more funding for other program areas such as emergency rehabilitation; addressing code items such as a furnace, electrical malfunctions, roof and plumbing problems.

Without the leveraging from the partners listed above, many of the goals of the department would be difficult if not impossible to meet. Additionally, this itemization does not represent the funding leveraged with social service organizations throughout the city that are estimated at approximately seven million dollars.

All CDBG and HOME activities that to be undertaken in 2014 are consistent with the approved Consolidated Plan and will be allocated to programs and activities benefiting individuals at or below 80% of the area median income as defined by HUD. In accordance with HUD guidelines, the City will expend at least 70% of its total funding on projects that assisting this population..

Currently, the City has no plans to utilize use any public owned land or property to carry out this plan. Any Land purchased with CDBG and HOME funds will be purchased from private owners for development. The City of Anderson will begin to look into forming and operating a land bank for access to property for future development.

#### *ACTIVITIES 91.220(D)*

While keeping a neighborhood/community focus, the department will undertake projects that have been identified as top priorities by concerned citizens and entities that represent people living with low incomes including; education/job training, elderly, youth, minorities, healthcare, law enforcement, social services, AIDS/HIV, housing, churches, homeless, battered women, and other county government agencies.

The City of Anderson attempts to involve many facets of the community in planning and implementation processes, as well as providing feedback opportunities at various stages of implementation.

The public meetings held through the year were conducted at locations throughout the city such as the public library, city hall, community centers, churches, businesses, etc. It is the policy of the department that all locations are easily accessible. Additional effort was made to reach the growing Latino population. At several of the meetings we had a volunteer staff person available for our Spanish speaking community. The department also continues their open door policy to receive input throughout the year.

Based on those consultations, the department found the following: The requirement for employment opportunities as well as job skills training represent an overriding need in the community. Other high priority needs identified through the Citizen Participation process include:

- Housing Needs
- youth activities
- Child Care

- transportation
- Infrastructure
- Code Enforcement
- local agency coordination/collaboration
- Medical and mental health care
- Drug and substance abuse treatment
- Crime prevention

### Education & Training

An overwhelming need identified by local community organizations and employers is the inability to hire and/or retain employees from the local community. Particular issues include: inability of individuals to pass the WorkKeys assessment (an assessment tool utilized by a growing number employers state-wide to hire staff), lack of/limited work ethics, and the inability of individuals to pass pre-employment drug screening.

### Housing

A primary need identified from citizen participation and other stakeholder meetings was transitional and/or emergency housing, particularly for intact families and single fathers with children as the City currently has nothing to address this demographic. Department of Community Development recognizes this need to focus heavily within this area during the 2014 plan cycle.

### Youth

There is a growing need for recreational and educational activities for the youth in the community. Based on continued citizen input, a goal of the City is to assist in increasing programming for education/leadership, job training and recreation that will provide greater stability to Anderson's youth through activities including. Activities will include collaboration with the Parks & Recreation Department to provide activities during the summer and after school, before & after school childcare on-site at local elementary schools, and youth employment opportunities.

### Fair Housing

The department will fund the Human Relations Annual Fair Housing program. This entity is responsible for the submission of the "Impediments to Fair Housing" analysis as well as providing fair housing education and advocacy to citizens and tenants as well as realtors, apartment complexes and other landlords. Additionally, this department handles tenant/landlord disputes.

### Demolition

The City has an increasingly aging housing stock. With the lack of resources available for rehabilitation, many of these properties continue to deteriorate to a point of where they are not habitable.

### Infrastructure:

Curbs, sidewalks and street paving for will support a suitable living environment. By tying a number of strategies and improvements together in one area, a historically neglected neighborhood can see many of the benefits.

### Housing Rehabilitation:

Two programs will be operating during 2014 that will assist approximately 20 qualified families. Emergency repairs will provide conjunction with JobSource to provide emergency assistance on code and/or health and safety items which pose an immediate threat to the homeowner. Rental Rehabilitation assistance will be provided to the Anderson Housing Authority to rehabilitate five scattered-site housing units to prevent them from deteriorating to the point they cannot be utilized.

### Tenant Based Rental Assistance

#### *Home Investment Partnerships Program:*

The following activities will be undertaken by the City of Anderson during 2014 with its allocation of HOME Program funds:

- Provide funding funding to Episcopal Retirement Homes, LLC for the completion of five senior housing units on the upper floors of the YMCA of Madison County.
- Partner with PathStone, Incorporated (currently the city's only CHDO) to develop a transitional housing rental unit
- Assistance approximately five families to provide permanent housing and promote self-sufficiency. Priority will be given to families with single fathers and families consisting of women and children who are transitioning from abusive situations or homelessness in conjunction with Alternatives, Inc. and Dove Harbor.
- Provide up to \$7,500 for down payment and closing cost assistance eligible first time home buyers to purchase a home within the city limits
- Provide administrative funding for the oversight of the program in the amount.

A breakdown off each activity is included in Appendix A.

These activities represent the City of Anderson's planned uses of HOME Program funds for FY 2014 and remainig balances from 2013. Upon completion of each project, the department will file a deed restriction or an idemnifying mortgage and promissory note with the Madison County Recorder's office. These documents contain the legal language for compliance of the affordability period requirement. In addition, the guidelines for resale or recapture are attached to the recorded documents. Below are the resale and recapture guidelines.

#### Resale and Recapture Provisions for HOME Activities

The type of subsidy invested in the property will determine which of the following provisions are followed. When a buyer subsidy is provided in the form of a non-forgivable loan of at least \$1,001, alone or in conjunction with a development subsidy, the Recapture Provision is to be followed. When a development subsidy only is provided, such as rehabilitation or construction financing, the Resale Provision is to be followed. In specific redevelopment projects, the City will require Project Sponsors to institute the Resale Provision regardless of the subsidy breakdown.

A. The Recapture Provision

1. This provision authorizes the City of Anderson to recapture the entire HOME buyer subsidy.
2. The buyer subsidy is needed when a gap exists between what the buyer can afford and the value of the home plus closing costs. The buyer subsidy will be created when the value of the home is reduced to make it affordable (Fair Market Value Reduction), closing costs are paid, or down payment assistance is provided. The buyer subsidy is accounted for by HOME funds in the form of a non-forgivable loan.
3. Project sponsors will be required to initiate a mortgage and promissory note in the amount of the HOME buyer subsidy with the City of Anderson Department of Community Development as the mortgagor and the homebuyer as the mortgagee.
4. This loan will be a zero percent interest deferred payment loan and in most cases in second position. Loan documents will state that the loan amount is due and payable from net sale proceeds when the homeowner is no longer the principal resident of the house. Loan documents will specify that if ownership is transferred due to sale of the property, payment shall be made to the City from net sale proceeds. If the original buyer is in non-compliance at any time, the full loan amount will be immediately due and payable to the City of Anderson.
5. The purchaser must occupy the property as their primary residency.
6. The homeowner may sell the property to any willing buyer.
7. The City's recapture policy includes two scenarios for recouping HOME funds from net sales proceeds.
  - Decreasing Market Scenario: Net sale proceeds insufficient to repay HOME loan in its entirety.
  - Increasing Market Scenario: Net sale proceeds exceed amount required to repay HOME loan.

B. The Resale Provision

1. This provision ensures that a HOME-assisted property remains affordable during the entire period of affordability. The length of the period of affordability is determined by the amount of HOME funds provided (see chart below).

Amount of HOME funds	Affordability Period
Less than \$15,000 per unit	5 years
Between \$15,000 and \$40,000 per unit	10 years
Greater than \$40,000 per unit	15 years

2. The affordability period is terminated should any of the following events occur: foreclosure, transfer in lieu of foreclosure or assignment of a FHA insured mortgage to HUD. The original housing developer may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability.
3. Project Sponsors will be required to initiate a declaration of covenants to enforce the terms of the resale provision. In addition, the project sponsor will initiate a mortgage and promissory note to ensure that the entire amount of HOME funds invested will be repaid in the event of non-compliance or foreclosure. The note and mortgage shall have the City of Anderson, Department of Community Development as the mortgagor and the homebuyer as the mortgagee.
4. During the period of affordability, the property must be sold to another income qualified person.
5. The purchaser must occupy the property as their primary residence.
6. The homeowner is guaranteed a fair return on their investment. If the homeowner wants to sell the property during the period of affordability, he/she must contact the HOME Grant Manager and provide the following information: original HUD-1, current mortgage statement, and documentation of capital improvements.

Note: The City will allow up to 80% of the documented\* value of capital improvements. The list of allowable capital improvements is as follows:

- Room addition (bedroom, bathroom, family room)
- Refurbishment/modernization of kitchens or bathrooms, limited to built-in new appliances, cabinets, or flooring
- Addition of porches or decks
- Installation of central air conditioning or new heating equipment
- Major re-plumbing or upgrading or electrical service
- Landscaping
- Sprinkler system

\*Homeowner must have itemized receipts for capital improvements. If receipts do not exist, then the costs are not eligible.

The City of Anderson will utilize the following model as an example of how to calculate the fair return to the homeowner. The MIBOR “MLS” book shall be used to determine the appreciation rate.

Original Purchase Price	\$105,000
MIBOR average appreciation rate	4.5%
Number of years of residency	3 years
Value of home based on appreciation	\$119,822

Appreciation in value during ownership	\$14,822
Owner’s principal payments	\$4,000
80% of owner’s capital improvements	\$5,000

Fair return to seller	\$23,822
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The next step is to determine the selling price. It is important to note that while the seller is guaranteed a fair return, the house must be sold to another income eligible buyer. The return to the original buyer might be reduced to make the property affordable to a new eligible home buyer.

Mortgage payoff	\$85,000
Owner's closing costs	\$4,000
Estimated realtor fees	\$6,500
Maximum return to seller	\$23,822
Potential Sales Price	\$119,822

The final step is to determine whether the potential sales price is affordable for a new buyer. This step cannot be pursued until a new income eligible buyer has been identified. The eligible buyer cannot pay more than 30% of their gross monthly income towards housing activities, including utilities. The final sales price will be determined taking in consideration the fair return to the seller and a price affordable to the new home buyer.

The resale provision will be implemented on a limited basis. Resale will only be used when no buyer subsidy exists or in certain redevelopment projects identified by the City to ensure mixed income neighborhoods. The City's primary policy is to use the recapture provision.

7. A homeowner may sell the property after the period of affordability without any restrictions or regulations.

### C. Guidelines for Subordinating the City's Loan

The City of Anderson will consider subordinating its' mortgage only if the new mortgage will reduce the homebuyers monthly payment and remains affordable to the homebuyer. The new mortgage payment shall not exceed 30% of the owner's gross monthly income. The City's investment must be secured by the appraised value of the property less all other debts and liens against the property.

The city also plans to continue its efforts to identify and work with housing providers in the private and nonprofit sectors to leverage funds and maximize outcomes.

In addition to the affordability requirement, each recipient or subrecipient must certify they will adhere to the following Affirmatively Marketing Procedures and Certifications for all HOME-assisted units.

***Outcomes 91.220(e)***

Housing Needs

Anderson Goal	Anderson Strategy	HUD Outcome/Objective	Consolidated Plan Goal	2014 Goal
Expand affordable housing	Fund rehabilitation of senior housing units	Availability/Accessability	25	5
Preserve homeownership	Provide emergency home repair grants to low income homeowners	Sustainability of Decent Housing	75	15
Increase availability of safe, decent, affordable housing	Increase community partnerships and leverage funds associated with rehab development	Affordability of Decent Housing	5	1
Promote decent, safe, sanitary housing	Promote city-wide clean up local agencies	Sustainability of Suitable Living Environment	5	City-wide
Provision of decent, safe, sanitary housing	Demolish unsafe structures	Sustainability of Suitable Living Environment	225	20
Increase availability of safe, decent, affordable housing	Rental rehab grants scattered site units with AHA	Availability/Accessability of decent housing	20	4 units

*PUBLIC HOUSING 91.220(h)*

Public and Assisted Housing

Public housing, established by the federal government, provides decent and safe rental housing for eligible low-income families, the elderly and persons with disabilities. The Anderson Housing Authority (AHA) is the public housing agency that's legal jurisdiction serves the City of Anderson and all areas within a five-

mile radius of the City of Anderson's city limits. A Board of Commissioners governs the AHA. The Board of Commissioners consists of seven members, all of which are appointed by the Mayor of Anderson. In addition, one of the members appointed must include a public housing resident. As the Public Housing Agency, AHA owns public housing units and manages the Section 8 Housing Choice Voucher Program. The Anderson Housing Authority serves as the Management Agent for Westwood Estates, L.P. Westwood Estates is a Low-Income Tax Credit Program which consists of 49 3 BR single family homes. Nineteen (19) of the homes are scattered site with thirty (30) in one development known as Village in the Woods.

The AHA is responsible for assuring compliance with program rules and regulations such as, but not limited to: leasing, performing annual certifications of tenants continued eligibility, managing over/under crowding of rental units, terminating leases when necessary and maintaining the housing in a decent, safe and sanitary condition. Public Housing Agencies receive funding from the U. S. Department of Housing and Urban Development (HUD) to assist in the operations of public housing developments and to provide capital and modernization improvements.

The AHA owns 136 public housing units, and does not anticipate losing any of these units over the next five years. (Bedroom distribution is as follows: one bedroom = 12 units, two bedrooms = 48, third bedrooms = 72, and four bedrooms = 4 units.)

HUD assesses Public Housing Agencies through the Public Housing Assessment System on the prescribed set of Indicators:

- ▶ Management Operations Assessment
- ▶ Resident Assessment
- ▶ Physical Assessment
- ▶ Financial Assessment

The Anderson Housing Authority is classified under the Small Public Housing Authority Deregulation which required to be assessed on Indicators of Management, Physical and Resident every other year. The Anderson Housing Authority's current PHAS Designation is "Standard Performer". .

The AHA has not received a "troubled" designation; and therefore, is not on HUD's listing of troubled public housing agencies.

The Anderson Housing Authority has received a "passing score" on the Physical Assessment Inspection for FY 2009. This score reflects the continued uncontrollable maintenance issues with some of the large single family homes. As a result of the "aging" of large single family homes and the financial burden in regarding to maintenance and affordability to the resident in relationship to utilities costs, the Anderson Housing Authority goal is to sell and/or demolition of targeted large single family homes and replace with new construction energy efficient homes over a period of time upon HUD approval.

## AHA CAPITAL FUND GRANTS

The Anderson Housing Authority receives an annual Capital Grant of approximately \$200,000.00. These funds will be utilized to update and maintain their single-family properties. The AHA will partner with Community Development in achieving the goal of providing safe, decent, sanitary and affordable housing to the community.

The projected goal of the Anderson Housing Authority in future grant funding is to attempt to continue to replace financially burdened large single family homes, subject to HUD's approval, with energy efficient homes.

In addition to public housing, the AHA manages 1153 vouchers within the Section 8 Housing Voucher Program. The Section 8 program is very similar to public housing in that tenants pay 30 percent of their income toward rent. The primary difference is that Section 8 units are privately owned and managed, while public housing units are owned by public housing agencies. Under the Section 8 program, housing assistance is provided on behalf of the family or individual. The family or individual is issued a housing voucher that pays a portion of the rent. Through the Section 8 program, the participating family is required to pay 30 percent of its monthly-adjusted gross income for rent and utilities. A housing subsidy is paid to the landlord directly by the public housing agency on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

The family or individual that is issued a housing voucher is responsible for finding a suitable housing unit of their choice where the owner agrees to rent under the Section 8 program. Rental units must meet minimum standards of health and safety, as determined by the AHA. The following table includes properties that accept Section 8 in Anderson.

PROPERTY	TYPE	NUMBER OF BEDROOMS
Madison Gardens	Family	One, Two & Three
Applecreek	Family	One, Two & Three
Courtyard	Family	One & Two
Autumn Ridge	Family	Two & Three
Hoosier Woods	Family	Two & Three
The Oaks	Family	One, Two & Three
Steeple Chase	Family	One & Two
Crystal Glen	Family	One & Two
Arbor Village	Family	One & Two
Lincolnshire	Family	One
Fairview Parks	Family	One, Two, Three & Four
Pendleton Place	Family	One & Two
Tower Apts.	Elderly	One
Hickory Knoll	Elderly	One & Two
Senior Cottages	Elderly	One

The AHA currently has a Public Housing Waiting List with approximately 500 families and a Section 8 Waiting List, which has been closed since 2007, of approximately 400 families. Due to the decrease in funding and because approximately 90% of participants being assisted are extremely low income for the Section 8 Program, the Anderson Housing Authority can only financially afford to lease up on the average of 95 % of the total allocation of 1153 vouchers. This is a nation-wide problem with the Section 8 Program.

When applications for the Waiting List(s) are opened, to apply for assistance from AHA, applicants are required to complete a “preliminary” application to be placed on one or both waiting lists. They will be placed by date and time. Once it is determined funding and/or a unit is available, the applicant will be notified and schedule to make a “full” application which will include verifying eligibility regarding family composition, income, criminal background check and past participation on any assisted housing program, if applicable.

#### ***HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES 91.220(i)***

A partnership with CMH/Aspire has been developed that will utilize their expertise in assisting those living with serious mental illness. The city will continue to collaborate efforts to address this population.

According to local homelessness specialists, specific action steps to end chronic homelessness must include more HUD funding targeted to transitional housing.

The City of Anderson does not have a current discharge policy for the entire community however each institution has an established policy for discharge of persons from their publicly funded institutions or system of care. Community and Economic Development staff actively participate with the local Homeless Services Task Force, which is in the process of developing a community-wide policy to ensure that people are not discharged into homelessness. The City will continue to work with and support this initiative to ensure successful implementation.

## Lead Based Paint Hazards

Lead-based paint is a hazard to families with children under the age of six years. Children with blood lead levels in excess of 10ug/dL (micrograms/deciliter of blood) can suffer from developmental issues, including behavioral changes and slower learning processes. Children over the age of six are affected less by elevated blood lead levels, because children of that age can expel the lead from their systems. The City of Anderson raised this issue to the community and educate the public on the dangers of lead paint hazards and continues to partner with the Madison County Lead Task Force.

Lead-based paint hazards and dust can be created from chipping and peeling paint and then be circulated through the home in the heating and cooling systems. This is an issue for housing units built before 1978, the point at which the federal government established a law preventing the use of lead as an ingredient in paint. According to the 2005-2007 American Community Survey, there are 22,750 housing units built before 1979 in Anderson.

Considering the fact that 95% of the homes rehabilitated were built before 1978, it will be imperative to incorporate LBP safe rehabilitation standards into all work.

As of April 1, 2010, HUD has mandated that every housing rehabilitation project, regardless of end use will be required to have LBP certified contractors and be rehabilitated with lead free standard practices. This will assure every property is in compliance with the most stringent regulations requiring all jurisdictions to bring their LBP standards up to HUD standards. The city will continue to work with JobSource and other local entities to ensure these standards are maintained.

In regard to other entities within the jurisdiction, the Anderson Housing Authority inspects every Section 8 property and every property owned by the Housing Authority to protect families living with low incomes from these hazards in addition to educating the public. All of the Housing Authority owned units have been certified as lead-frees. More than 135 housing units are inspected yearly. The housing authority will repair their own units for all maintenance issues, or sanction the privately held units until repairs are completed.

Additionally, the department will remain in the information loop by staying connected to the Madison County Health Department, the primary source for LBP data and statistics within the County and the City.

## Anti-Poverty Strategy

Currently, the State of Indiana does not have a formally adopted State wide anti-poverty strategy. However, the State of Indiana's Consolidated Plan states that in a holistic sense, the entirety of the document is anti-poverty related because a stable living environment is also a service delivery platform. This department concurs with their concept. It should be noted that many of the strategies developed for the Five-Year Plan directly assist individuals who are living in poverty.

Included as a part of the mission and commitment to supporting the diverse community interests in economic development throughout Madison County, the Madison County Council of Governments provides a number of programs and services capable of fitting most any need.

The MCCOG staff is experienced in grant writing and tax abatement, offering assistance to communities through revolving loan funds as well as food and beverage funds. They strive to provide policy makers, public and private economic development professionals, planning officials, and the general public with the

knowledge and vision necessary to promote economic development while sustaining the county's heritage and natural resources. The Department of Community Development will continue to work in partnership on various projects to create or enhance availability of program for those living with low incomes in Anderson.

The resources and combined knowledge within the two departments has the potential to create innovative and effective projects that can reduce poverty within the community. Most recently, the city is working in partnership with the county to implement a new transit hub located in downtown Anderson. The long term goal for this project will be to connect Anderson and other cities in central Indiana to light rail, furthering economic development.

An emphasis on creating employment opportunities is central to a strategy to reduce poverty by providing households below the poverty level with a means of gaining sustainable employment. The department will partner with ED, CED and State to plan for business development along the areas of MLK Blvd. and Madison Avenue. This will be done as an extension to the NRS area 120.1 which would finalize the work there creating a more holistic comprehensive community development project.

Other efforts are also needed to combat poverty. Many of the strategies outlined in the Consolidated Plan are directed at providing services and shelter to those in need. Once a person has some stability in a housing situation, it becomes easier to address related issues of poverty and provide resources such as childcare, transportation and job training to enable individuals to enter the workforce.

The department will also continue to aggressively pursue work with local churches by development of partnerships that will allow for a “pool” of skill sets to be made available within the community from the churches; increasing leveraging and resources and decreasing the burden on social services thereby, reducing poverty by huge proportions.

Additionally, Anderson’s social service agencies are frontline anti-poverty service providers. They work in close cooperation with local, State, and Federal agencies to administer a variety of State and federal programs.

***OTHER PROGRAM SPECIFIC REQUIREMENTS 91.220(l)***

In the appendices, the “One year Action Plan table” specifies that the total amount of funds allocated, equals the amount of the grant plus program income and carry over funds. The plan also specifies that at least 70% of the allocated funding will be used for the benefit of persons living with low incomes. The table 3C documents in Appendix B specifies these activities.

**AFFIRMATIVE MARKETING PLAN**

The City of Anderson will inform the public, owners and potential tenants of HOME assisted dwelling units by the use of Equal Housing Opportunity logo or slogan in press releases and solicitations to owners, and in written communications to fair housing and other groups. Furthermore, the City will require the owners all HOME and/or NSP assisted properties implement the City's affirmative marketing goal to assure that individuals who normally might not apply for the vacant HOME assisted units because of their race, color, religion, age, sex, handicap, ethnicity or familial status: Know about the vacancies; Feel welcome to apply; and Have the opportunity to rent the units.

The owners of properties with NSP or HOME assisted housing units will be required to carry out the following procedures:

1. Informing the public, potential tenants, existing tenants and owners about Federal Fair Housing Laws and Affirmative Marketing policies. Owners of HOME assisted projects will be required to post signs with the HUD Equal Housing Opportunity logo in each project building.
2. The City of Anderson requires HOME property owners to sign Deed Restrictions which remain in effect for the same number of years during which the project shall remain affordable to low income persons, based on the level of HOME subsidy per unit. For rehabilitated units with a total HOME assistance subsidy (acquisition and rehab) of under \$15,000, the affirmative marketing requirement shall remain in effect for five (5) years, from \$15,000 to \$40,000, ten (10) years; over \$40,000, fifteen (15) years. For new construction or the acquisition of newly constructed housing, the affirmative marketing requirement shall remain in effect for twenty (20) years.

These Deed Restrictions will require the owner to market HOME assisted units in an affirmative manner in order to attract tenants, regardless of sex, of all minority and majority groups. In soliciting tenants, the owner agrees to: a) use the Equal Housing Opportunity logo, slogan or statement in all advertising; b) where appropriate to advertise, use media, including minority outlets and senior citizen newsletters, likely to reach persons least likely to apply for the housing (those least likely to apply for this housing are the elderly); c) use of community contacts; d) display of Fair Housing poster.

In the event that it becomes necessary to advertise these vacancies in area newspapers, information will be included in such advertisements including the nature of program, the subsidies available for the project (if applicable) and the Equal Opportunity Housing logo. Records of such actions will be retained in HOME files.

3. In order to document the Affirmative Marketing activities that have been carried out, the City will meet record keeping requirements per 24 CFR 92.508(a)(5)(I) & (ii) and 92.351 concerning racial, ethnic, and gender characteristics, and maintain records as follows:
  - A. Preconstruction and Completion Forms with complete tenant information.
  - B. Sign-off document by land owner/applicant of acknowledgment of fair housing notice and laws.
  - C. Record of contact with current tenants by owners.
  - D. Record of contact of current tenants by Community Development.
  - E. Notice to Anderson Housing Authority of project and vacancies.
  - F. Copy of notices to area community organizations, places of worship, employment centers, fair housing groups and housing counseling agencies concerning availability of vacant units.
  
4. Effectiveness of the affirmative marketing efforts will be assessed as follows:
  - A. To determine if good faith efforts have been made, CD staff will compare the information contained in the records with actions that were taken to carry out the affirmative marketing efforts.
  - B. To determine results, CD staff will examine whether or not persons from all racial and ethnic groups in the community applied for or became tenants of units that were affirmatively marketed. If a property owner is determined by CD to not be affirmatively marketing vacancies, then CD will require a conference to correct the problem. If, after consultation, further problems persist, CD shall seek an injunction mandating the owner to fulfill the affirmative marketing requirements of the HOME program as identified in the applicable Deed Restrictions. All of the above shall be reflected in the contract between the project owner and CD.

### ***Minority and Women Business Participation***

Minority-owned and women-owned business enterprises (MBE/WBE's) shall have the maximum feasible opportunity to participate in the performance of contracts under federal award programs. Award recipients shall exercise their "best efforts" to ensure that MBE/WBE's are given the opportunity to participate in HOME -funded contracts, including contracts for services, supplies and construction activities. Indiana has adopted a goal of 10% aggregate participation for minority- and/or women-owned business enterprises in HOME -funded projects.

A minority-or women-owned business enterprise is defined for this program as *a business which has been established for at least one year and is 51% owned, operated and controlled by minorities or women.* Corporation or partnerships formed merely to qualify as an MBE or WBE for purposes of this program will not be considered minority or women-owned business enterprises.

Award recipients are required to maintain documentation supporting their "best efforts" to achieve the participation of minority and/or women-owned business enterprise participation on each HOME -funded project. To document "best efforts: to attain this goal, the following steps should be taken to solicit bids form and encourage participation by minority- or women-owned business enterprises:

1. Where a legal notice is required by law, include language notifying bidders of the goal for MBE/WBE participation goal on the project.
2. Contact COACDD or the City of Anderson Human Relations Department for a referral list of firms in the categories of work needed for the project, including professional services, supply, and construction services.
3. Contact at least two (2) MBE/WBE firms from the referral list, notifying them of the impending bidding opportunity and how to participate.
4. If award recipients anticipate the use of subcontractors or additional purchasing contracts for supplies, then the referral list of qualified minority- and women-owned businesses should be disbursed to all prime contractors at this conference. Award recipients should supply a copy of the plans and specifications as well as a list of the organizations that will have plans and specification on file

Award recipients must maintain documentation supporting their "best efforts" for monitoring and auditing purposes.

Award recipients must document solicitation of MBE/WBE firms through one of the following methods:

- a. Certified Mail receipts: maintain a United States Post Office Certified Mail Receipt on file. This is often referred to as the "green card" and demonstrates whether or not the contractor received your solicitation.

- b. Certificates of Mailing: maintain a United States Post Office Certificate of Mailing on file. This demonstrates that the document was mailed through the USPS.
- c. Hand-delivery of notices: maintain a statement signed by a member of the company/contractor that you are soliciting.
- d. E-mail: maintain a copy of the e-mail that was submitted to the company/contractor that you were soliciting. Additionally, you must use a “delivery receipt” and/or “read receipt” function on the e-mail and maintain a copy of the verification the e-mail was delivered/opened.

The HOME match component will be tracked by the Community Development Administrator within a log that reflects amount of HOME funds expended in relation to the amount of match leveraged, the type of match, the value of the match, the date the match was recognized, and the amount of match liability that was incurred.

### ***MONITORING (91.230)***

Monitoring for program compliance will continue to be an ongoing process of planning, implementation, communication and follow-up. Monitoring will occur throughout the life of a funded activity, from initial project planning to the end of long-term compliance periods.

Requests for funding must be supported with an application to be reviewed for allocation recommendation. Applications include specific information regarding design of project, cost of project and beneficiaries. In addition, all applicants must submit a copy of their most recent agency audit and/or financial statements to ensure compliance as well as capacity to operate the proposed project/activity. During the application process, Community Development Staff will meet with potential applicants to ensure that all proposed activities and costs are eligible for funding under program regulations and meet program objectives.

Successfully funded applicants are required to sign a funding agreement outlining all of the requirements, regulations and standards. Funding agreements for all real property activities shall specify the acceptable use of the property, the length of the restrictive period, and disposition requirements.

### ***Ongoing Review of Project Compliance***

Community Development Staff will conduct on-site monitoring on each funded project annually at a minimum. Project files will be reviewed to determine if subrecipient agencies are collecting and maintaining documentation as required by program regulations and written agreements as well as beneficiary compliance. In addition to on-site monitoring, recipient agencies will be required to submit quarterly progress reports to ensure project goals and program requirements continue to be met.

All claims for reimbursement are reviewed by the program administrator to ensure eligibility and compliance. Copies with appropriate documentation are maintained in the project file as well as with the finance officer.

The City of Anderson program activities generally do not include program income to the sub-recipient/contractor. If this does occur, all program income shall be returned to the City for appropriate use and reporting except in those limited situations that are authorized by the City.