



# City of Muncie, Indiana Annual Action Plan – PY2011



The CPMP Annual Action Plan includes the form SF 424 and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Annual Action Plan is due every year no less than 45 days prior to the start of the grantee's program year start date. Since the City of Muncie's program year starts June 1, the Annual Action Plan is due no later than April 15.

## Narrative Responses

### ACTION PLAN

#### ●Executive Summary 91.220(b)

1. The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

#### ◀PY 2011 Annual Action Plan Executive Summary #1 response:

In 2009, the City of Muncie partnered with Ivy Tech Community College (with funding from Ball Brothers Foundation) to develop a "pathway to the future". The resulting Muncie Action Plan (MAP), completed in June 2010, emerged with the following summary vision for Muncie:

*We seek to be a community which respects diversity, manages resources effectively and efficiently, and works together to provide an attractive, desirable place for individuals, families, and businesses.*

This vision, in conjunction with the five MAP initiatives and HUD's objective to develop "viable communities through provision of decent housing and a suitable living environment, and by expanding economic opportunities, principally for persons of low- and moderate-income", helps to guide the overall policies by which HUD-funded activities are selected and administered. The MAP initiatives that most closely align with CDBG/HOME are: 2. Fostering Collaboration, 4. Creating Attractive and Desirable Places, and 5. Managing Community Resources.

Of the 47 MAP actions contained in the initiatives, the community identified 13 top preferences that were ranked according to the number of votes received. The fourth highest votes went to Action 4.3, "Continue and expand the blight removal program", which is administered by the Community Development (CD) staff in conjunction with the City Building Commissioner staff.

Other top preferences that coincide with CDBG/HOME activities include Action 2.1, "Develop a Council of Neighborhoods to build and support the capacity of neighborhood organizations", and Action 4.9, "Promote and expand community-based neighborhood enhancement programs". Both of these actions are supported by CD's participation with the Weed and Seed Neighborhood Council and the Community Housing and Development Organization capacity-building program described below.

#### ◇ Objectives and Outcomes:

This Annual Action Plan is year two of the City's 2010-2014 Consolidated Plan, which includes primary objectives of providing decent housing and a suitable living environment, and general outcomes of availability/accessibility, affordability, and sustainability.

The availability, affordability, and accessibility of decent housing will be accomplished through rehabilitation of vacant rental units, and downpayment assistance for first-time homebuyers. Sustainability of decent housing will be accomplished through emergency repairs to single-family owner-occupied homes.

The availability and accessibility of a suitable living environment will be accomplished through public services grants to non-profits providing health care, shelter and services to crime victims, self-sufficiency education, transitional housing services, elderly daycare and recreation, and shelter and services for homeless persons.

The sustainability of a suitable living environment will be accomplished through improvements to public facilities, including electrical upgrade to the YWCA, park improvements, curbs, ADA-compliant sidewalks, and street trees.

The City will concentrate Neighborhood Stabilization Program 3 (NSP3), Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funds in a small section of Old West End neighborhood (Census Tract 6) in order to achieve the greatest impact. The 400-700 blocks of West Main Street will see rehabilitation of long-vacant multi-family buildings, construction of a single-family homeowner unit, improved facades of owner-occupied homes, and improved streetscape. This supports MAP Action 4.7, "Improve the appearance of city gateways", as the target area is a primary route leaving the downtown.

✧ Evaluation of Past Performance:

Most activities in PY2010 have been administered successfully, with expenditures being made in a timely manner and anticipated goals being met. Elaborate detail will be provided to the public in the Consolidated Annual Performance and Evaluation Report in August 2011. A brief summary of overall program performance is provided here.

Community Development staff administered public facilities improvement contracts that installed playground equipment in Cooley Park; installed a parking lot at McCulloch Park disk golf course; milled and paved streets throughout Old West End neighborhood; completed entrance improvements at the Senior Citizen Center. A CDBG-funded contract is underway to replace HVAC in the Christian Ministries facility, which houses the men's sleeping room, thrift shop, food pantry, and offices, with the work to be completed by 5/31/11. A contract to install new landscaping and signage at Heekin Park has been awarded and is scheduled to be completed by 5/31/11.

CD staff continued to administer and serve on the Unsafe Building Hearing Authority. Through UBHA action, CD staff facilitated removal of blighted structures throughout the inner city by property owners and by using Neighborhood Stabilization Program 1 (NSP1) funds in the area surrounding the downtown and CDBG funds in other areas. An increasing number of contracts were awarded for deconstruction of structures, rather than demolition, which supported the City's effort to keep demolition debris from landfills and provide opportunities to sell materials for reuse. The deconstruction contracts also supported the City's partnership with Delaware County Community Corrections by which deconstruction training programs are conducted for re-entering offenders. Deconstruction contractors are then required to hire ex-offenders to complete CD contracts.

HUD-provided consultants worked with CD staff to establish sound procedures for administering the HOME program, resulting in a new Request for Proposal process released in June 2010. Two multi-family rental rehabilitation projects have been funded to date, with a third to be funded by 3/31/11.

CD staff managed nine CDBG subrecipient contracts with non-profit agencies that provided a variety of services and provided home repairs to low- and moderate-income homeowners. Subrecipients are required to submit detailed documentation of expenditures and beneficiaries with every claim for reimbursement, most of which are monthly. This enabled CD staff to perform desk monitoring of

activities, and identify and resolve any problems. One CDBG-funded subrecipient has been monitored on-site, with remaining subrecipients scheduled for on-site monitoring by 4/30/11.

PY2009 CDBG funds are supporting rehab of a single-family home in the Emily Kimbrough Historic District by subrecipient ecoREHAB. The project is an “immersive learning” experience for Ball State University architecture and historic preservation students, who have designed the project and are gaining hands-on experience doing the actual construction work. The project has some inherent challenges, since ecoREHAB must start with a fresh group of students each semester. The historic building has yielded some surprises, like when it was discovered that there was no sanitary sewer connection, and making that connection revealed a huge sinkhole in the making under Washington Street. Nonetheless, such partnerships are important to build our non-profit capacity and train future leaders. ecoREHAB is unique in its mission to research and demonstrate sustainable strategies for rehabilitation of existing houses while preserving historic structures and providing affordable housing. Additional funds in the amount of \$15,000 were transferred to the activity in 2010 to cover the cost of custom arched storm windows to meet the Secretary of the Interior’s Standards. The construction is expected to be completed by 5/31/11, and sold to an income eligible homebuyer by 7/31/11.

Subrecipient Rebuilding Together uses volunteers and contractors to complete emergency home repairs for homeowners. The need was so high that they used all of their PY2010 funds by the end of December 2010. CD reprogrammed excess funds in the amount of \$31,743 from McCulloch Park parking lot and \$17,611 from Cooley Park playground to Rebuilding Together so they could continue to assist homeowners until the PY2011 funds were available.

The CD staff is administering a roof replacement program for elderly and/or disabled homeowners, with all projects expected to be completed by 6/30/11.

The PY2010 subrecipient contract with Thomas Park Avondale Neighborhood Association for operation of the Ross Community Center was cancelled due to a demonstrated lack of capacity to appropriately manage CDBG funds. The discovery was made prior to disbursement of funds to TPANA. The organization has since partnered with a non-profit to assist with financial management, which may make TPANA eligible for CDBG funding in the future. Funds in the amount of \$10,000 were reprogrammed in March 2011 to subrecipient, A Better Way, to assist with services for victims of domestic violence.

PY2010 funds in the amount of \$50,000 appropriated for Cooley Park Baseball Diamond Upgrade were reprogrammed in March 2011 to a new subrecipient, Christian Ministries. The funds will enable them to operate the Men’s Sleeping Room from April through September 2011, rather than closing the facility as normally occurs. The baseball diamond project was cancelled due to a misunderstanding and miscommunication between CD staff, Park Board, Park Superintendent, and volunteers regarding the scope of the project and timeline for completion. As a result, a significant part of the project was completed by volunteers prior to the HUD release of funds and in violation of procurement and labor standards requirements and thus could not be reimbursed with CDBG funds.

PY2009 CDBG funds were appropriated for replacing the drainage and filtration systems at Tuhey Pool, but an engineer’s analysis of the pool determined extensive repairs were needed before the pool could be safely opened. The City obtained a bond issue to fund Phase I of an expanded pool and park project, and reprogrammed CDBG funds in March 2011 in the amount of \$83,100 to other activities in order to expend funds by July 31, 2011, including \$40,000 to Urban Forestry program for removal of 65 trees classified as dead and very bad condition in Thomas (2), McCulloch (42) and Heekin (21) Parks, and \$43,100 to the 2010 roof replacement program administered by CD staff.

PY2009 CDBG funds were also reprogrammed in March 2011 from other delayed projects. Whitely Community Council Housing Rehab project was designed to include acquisition of a single-family home through a land bank anticipated to be created with NSP1 funds. The land bank was funded

instead via Muncie Redevelopment Commission and to date has no properties to sell. Funds in the amount of \$10,000 were reprogrammed in March 2011 to a new subrecipient, Habitat for Humanity, to provide painting and fix-up for owner-occupied homes in Whitely neighborhood. The remaining \$25,000 was reprogrammed to assist with emergency repairs to McCulloch Fire Station resulting from flooding in March 2011. The fire station serves an area that includes Whitely neighborhood, thus all funds from the cancelled project will benefit the same area.

PY2010 CDBG funds were contracted for landscaping and signage at Heekin Park, scheduled for completion by May 2011. Excess funds in the amount of \$6,764 were reprogrammed in March 2011 to provide better wheelchair access at McCulloch Park and Thomas Park playgrounds that were installed with CDBG funds in 2009.

CDBG funds were set aside in PY2006-2008 to assist in building a Unity Center as part of the Muncie Housing Authority's Millennium Place. When other necessary funds did not materialize, MHA decided to purchase and rehabilitate a vacant elementary school for that purpose, with purchase completed in 2010. The CDBG funds are expected to be utilized for rehabilitation in order that the Unity Center open by July 31, 2011.

CD staff also administered two grants from Neighborhood Stabilization Program 1 (NSP1) funds and one from the CDBG-Recovery Act (CDBG-R). The entitlement NSP1 land bank activity was cancelled when officials determined that state disposition requirements conflicted with NSP1. The funds were reprogrammed to demolition of blighted structures, which has been implemented successfully, with the exception of blighted structures located in historic districts. During the 106 Review process, a group of citizens voiced objection to removal of 10 of the structures. CD staff is working with consulting parties to reach an agreement regarding the status of the structures. The third activity, acquisition/rehabilitation of Jackson-Vine and Graystone Apartments, is underway and expected to be completed on schedule.

The NSP1 grant awarded through Indiana Housing and Community Development Authority (IHCDA) is being administered by subrecipient Muncie Housing Authority. The project involves redevelopment of the old Parkview Apartments public housing site to provide 27 lease-purchase homeowner units, two duplexes, three triplexes, and one quadplex, and infuses several million dollars of private investment in the project. The Parkview buildings are currently being deconstructed and demolished.

Three activities of the CDBG-R grant were successfully completed, including upgrade of Hope House HVAC and a deconstruction training program. The third project, replacement of windows at the YWCA, has been delayed due to contractor problems with labor standards compliance, insufficient workforce, improper work practices, and delay in ordering materials. CD staff and legal counsel are working diligently to resolve the problems in order to complete the project by 9/30/11.

### ●Citizen Participation 91.200 and 91.220(b)

2. Provide a summary of the citizen participation and consultation process (including efforts to broaden public participation in the development of the plan.
  - a. Based on the jurisdiction's current citizen participation plan, provide a summary of the citizen participation process used in the development of the consolidated plan. Include a description of actions taken to encourage participation of all its residents, including the following:
    1. low- and moderate-income residents where housing and community development funds may be spent;
    2. minorities and non-English speaking persons, as well as persons with disabilities;
    3. local and regional institutions and other organizations (including businesses, developers, community and faith-based organizations);
    4. residents of public and assisted housing developments and recipients of tenant-based assistance;
    5. residents of targeted revitalization areas.

b. Identify agencies, groups, and organizations that participated in the process. This should reflect consultation requirements regarding the following:

1. General §91.100 (a)(1) - Consult with public and private agencies that provide health services, social and fair housing services (including those focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, homeless persons) during the preparation of the plan.
2. Homeless strategy §91.100 (a)(2) – Consult with public and private agencies that provide assisted housing, health services, and social services to determine what resources are available to address the needs of any persons that are chronically homeless.
3. Metropolitan planning §91.100 (a)(5) -- Consult with adjacent units of general local government, including local government agencies with metropolitan-wide planning responsibilities, particularly for problems and solutions that go beyond a single jurisdiction, i.e. transportation, workforce development, economic development, etc.
4. HOPWA §91.100 (b)-- Largest city in EMSA consult broadly to develop metropolitan-wide strategy for addressing needs of persons with HIV/AIDS and their families.
5. Public housing §91.100 (c) -- Consult with the local public housing agency concerning public housing needs, planned programs, and activities.

3. Provide a summary of citizen comments or views on the plan.
4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

**◀PY 2011 Annual Action Plan Citizen Participation #2, 3, and 4 response:**

Community Development staff has taken extraordinary measures to broaden citizen participation for PY2011. Meetings and public hearings conducted for the purpose of obtaining input regarding Muncie’s needs and viable solutions have been poorly attended for many years.

In order to better identify needs and obtain citizen input this year, CD staff used a comprehensive online and printed survey, and posted notices and other information on Facebook™. Invitations to complete the survey were emailed to more than 350 persons who live, work and play in Muncie, with instructions to forward the invitation to as many people as possible. Persons invited included representatives of public and private agencies, businesses, developers, community and faith-based organizations, minorities, residents of the NSP3 target area, and others. To ensure lower income persons were given the opportunity to participate, CD staff invited more than 100 persons waiting in line at Second Harvest Food Bank’s tailgate food distribution to complete printed surveys.

More than 600 persons completed the survey, and the results provided insight regarding perceived needs in the community. Following are respondents perceived greatest needs:

- public facilities: street and sidewalk improvements, bicycle paths, parks and recreation facilities, community centers;
- special needs population facilities: facilities for abused/neglected children, youth centers, homeless shelters, and domestic violence shelters;
- neighborhood services needs: clearance/demolition of blighted structures, cleaning/mowing abandoned lots, trash/debris removal, code enforcement, and assessment/clean-up of brownfield sites;
- housing needs: assistance with energy efficiency improvements, increased number of rental housing, home maintenance education, homeownership assistance, homeowner rehab assistance, rental rehab assistance, and increased number of affordable housing for sale.

Full analysis of the survey will be posted on the CD website by 4/15/11.

Local non-profit agencies in the Homeless Provider’s Network meet monthly to discuss common issues, such as legislation, funding opportunities, continuum of care, and best practices in serving the homeless. HPN provided information and narrative for the Homeless section below. CD staff also consulted with the Muncie Housing Authority for addressing public housing needs and activities described below.

A legal ad was published in the StarPress on 2/23/11 announcing a public meeting in the City Hall auditorium at 6:30 p.m. on 3/9/11, for the purpose of obtaining input for preparing the PY2011 Annual Action Plan. The notice invited citizens “to join a discussion of the city’s community development and housing needs and how the department may address those needs during the program year.”

The notice also included proposed reprogramming of cancelled projects and other transfers of funds as required by the citizen participation plan. According to CD’s Citizen Participation Plan, citizen participation is required when a substantial amendment is proposed to the Consolidated Plan or Annual Action Plan, defined as “activities that constitute a 100% change in an activity or a new activity not presented in the original Consolidated Plan one-year action plan submitted.”

The notice further announced that the draft Annual Action Plan would be posted on the CD webpage on 3/15/11 through 4/15/11, that copies of the plan would be made available at Muncie Public Libraries, Mayor’s office, and Community Development Department; and that comments could be submitted by email, phone, in person, by fax, or by postal service. A notice of the meeting was included in 50 emails distributed to agencies, City Council, and residents and property owners of target areas. The StarPress published an article on 3/9/11, with a reminder of the meeting. The public hearing was conducted 3/9/11 and 35 persons attended, plus four CD staff.

CD staff are currently updating the Citizen Participation Plan, which has been static for many years, to provide specific criteria for determining the need for citizen input and an improved strategy for notifying citizens regarding opportunities for involvement in identifying needs and activities, and monitoring progress, particularly in light of ever-increasing social networking media and diminishing newspaper circulation. The revised CP Plan will be presented to the public for comment.

**•Resources 91.220(c)(1) and (c)(2)**

5. Identify the federal, state, and local resources (including program income) the jurisdiction expects to receive to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.
6. Explain how federal funds will leverage resources from private and non-federal public sources.

**◀PY 2011 Annual Action Plan #5 and 6 response:**

The City expects to receive the following resources:

Community Development Block Grant	1,573,841
HUD HOME	671,117
Neighborhood Stabilization Program 3	1,148,363

Section 8 funds are awarded to and administered by the Muncie Housing Authority; various funding sources, such as low income housing tax credits, are utilized in projects partially funded by the City of Muncie, but awards are made to developers of the projects, not directly to the City of Muncie.

The City of Muncie makes every effort to use CDBG and HOME funds to leverage resources from private and non-federal public sources. Estimated leverages for PY2011 are summarized below. HOME leveraged amounts are estimated, as private and non-federal funds will be determined as development contracts are awarded during PY2011.

Subrecipient Projects	CDBG/ HOME	Other Federal	State	Local Gov't	Private	Fees, Dues, etc.	Total	% CDBG/ HOME
A Better Way	15,000	0	332,435	2,500	196,209	18,900	565,044	3%
Alpha Center	16,000	27,000	35,000	27,000	1,055	85,048	191,103	8%
Bridges Community Service	45,000	398,043	62,945	0	92,000	105,616	703,604	6%
Christian Ministries	25,000	0	3,600	0	20,170	2,250	51,020	28%
Gateway Health Clinic	20,000	2150	0	0	78,178	0	100,328	20%
MPD/Victim Advocate	18,000	0	47,111	26,000	0	0	91,111	19%
Pathstone Housing Counseling	16,323	0	0	50,000	42,500	0	108,823	15%
Rebuilding Together	90,000	0	0	0	45,000	0	135,000	67%
Senior Citizen Center	40,000	0	0	0	11,040	0	51,040	78%
TEAMwork Circles™	28,461	0	0	0	57,855	0	86,316	33%
Total CDBG	313,784	427,193	481,091	105,500	544,007	211,814	2,068,389	49%
Downpayment Assistance	100,000	0	0	0	566,667	0	666,667	15%
CHDO Projects	150,668	0	0	0	37,668	0	188,336	75%
Rental Development	319,782	0	0	0	319,782	0	639,564	50%
Total HOME	570,450	0	0	0	1,786,021	0	2,356,471	24%

**•Annual Objectives 91.220(c)(3)**

*\*If not using the CPMP Tool: Complete and submit Table 3A. \*If using the CPMP Tool: Complete and submit the Summary of Specific Annual Objectives Worksheets or Summaries.xls*

**Goals and objectives to be carried out during the action plan period are indicated by placing a check in the following boxes.**

<input checked="" type="checkbox"/> Objective Category Decent Housing Which includes:	<input checked="" type="checkbox"/> Objective Category: Suitable Living Environment Which includes:	<input type="checkbox"/> Objective Category: Expanded Economic Opportunities Which includes:
<input type="checkbox"/> assisting homeless persons obtain affordable housing	<input checked="" type="checkbox"/> improving the safety and livability of neighborhoods	<input type="checkbox"/> job creation and retention
<input type="checkbox"/> assisting persons at risk of becoming homeless	<input checked="" type="checkbox"/> eliminating blighting influences and the deterioration of property and facilities	<input type="checkbox"/> establishment, stabilization and expansion of small business (including micro-businesses)
<input checked="" type="checkbox"/> retaining the affordable housing stock	<input checked="" type="checkbox"/> increasing the access to quality public and private facilities	<input type="checkbox"/> the provision of public services concerned with employment
<input checked="" type="checkbox"/> increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability	<input checked="" type="checkbox"/> reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods	<input type="checkbox"/> the provision of jobs to low-income persons living in areas affected by those programs and activities under programs covered by the plan
<input type="checkbox"/> increasing the supply of supportive housing which includes structural	<input checked="" type="checkbox"/> restoring and preserving properties of special	<input type="checkbox"/> availability of mortgage financing for low income persons

	features and services to enable persons with special needs (including persons with HIV/ADOS) to live in dignity and independence		historic, architectural, or aesthetic value		at reasonable rates using non-discriminatory lending practices
<input type="checkbox"/>	providing affordable housing that is accessible to job opportunities	<input type="checkbox"/>	conserving energy resources and use of renewable energy sources	<input type="checkbox"/>	access to capital and credit for development activities that promote the long-term economic social viability of the community

7. Provide a summary of specific objectives that will be addressed during the program year.

**◀PY 2011 Annual Action Plan Specific Objectives #7 response:**

The City expects to work toward achieving the primary objectives as itemized below and in tables in Appendix D. Detailed annual PY2011 specific objectives and outcomes include:

Objective	Strategy	1-year goal
Improve access to affordable owner housing	Provide downpayment assistance to qualified first-time homebuyers	20 households
Increase supply of affordable rental housing	Provide funds to leverage private investment for rehab of existing vacant residential properties and/or converting vacant non-residential properties to residential	12 housing units
Improve quality of owner housing	Preserve owner-occupied homes via roof replacement & other repairs	78 housing units
Improve services for low/mod persons	Provide funds to non-profits for addressing homelessness, poverty, & neighborhood stabilization	15,392 people
Improve quality of neighborhood facilities for lower income persons	Improve City parks by installing new playground equipment, & improving recreation & parking areas	1 park facility
Improve quality of public improvements for lower income persons	Mill & pave deteriorated neighborhood streets, replace curbs & install ADA compliant sidewalks	615 people
Remove slum & blight	Revitalize neighborhoods & improve property values by removing vacant, abandoned, blighted structures	15 structures

**•Description of Activities 91.220(d) and (e)**

*\*If not using the CPMP Tool: Complete and submit Table 3. \* If using the CPMP Tool: Complete and submit the Projects Worksheets*

8. Provide a summary of the eligible programs or activities that will take place during the program year to address the priority needs and specific objectives identified in the strategic plan. Describe the outcome measures for activities in accordance with Federal Register Notice dated March 7, 2006, i.e., general objective category (decent housing, suitable living environment, economic opportunity) and general outcome category (availability/accessibility, affordability, sustainability).

**◀PY 2011 Annual Action Plan Description of Activities #8 response:**

Please see Projects Worksheets in Appendix C and Summary of Specific Annual Objectives Worksheets in Appendix D.

●**Geographic Distribution/Allocation Priorities 91.220(d) and (f)**

9. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.
10. Describe the reasons for the allocation priorities, the rationale for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) during the next year, and identify any obstacles to addressing underserved needs.

◀**PY 2011 Annual Action Plan Geographic Distribution #9 and 10 response:**

CDBG and HOME activities allocated to a specific geographic area are in support of the NSP3 target area, which is the 400-700 blocks of West Main Street in Census Tract 6, block group 1, part of Old West End neighborhood. Block Group 1 includes 72.2% low/mod; Census Tract 6 is 14.1% minority. Activities targeted there include:

Sidewalks, curbs, trees	\$142,625	CDBG
Homeowner curb appeal	30,000	CDBG
Rental rehab	50,000	HOME

Although in a different census tract, Tuhey Playground is across the river from Old West End, and will be funded with \$200,000 in CDBG funds.

The NSP3 target area is based upon the high percentage of foreclosures, a high percentage of homes with high cost mortgages, and a high vacancy rate. Local considerations for selecting the area of greatest need included the proximity to mass transportation, educational and recreational facilities, and myriad other amenities. For example, the target area is within four blocks of the downtown, which has seen major investment of CDBG and private funds for facade restoration and substantial rehab of commercial buildings in recent years. This has precipitated the resurgence of the downtown as an entertainment, dining, arts and cultural destination.

Muncie Indiana Transit System bus depot is within three blocks of the target area, providing easy access to all parts of the city. Ivy Tech Community College has located its culinary education facility in a restored downtown building, and has renovated another building for information technology and other classes. The target area is within walking distance to several parks and green spaces, the Cardinal Greenway, and White River recreational trails. The downtown and surrounding area also include health services, day care, YWCA and YMCA, a year 'round farm stand, art galleries, restaurants, and County and City government centers. CDBG funds will assist in making the target area more walkable by replacing deteriorated curbs and walks, including ADA-compliant curb cuts.

●**Annual Affordable Housing Goals 91.220(g)**

*\*If not using the CPMP Tool: Complete and submit Table 3B Annual Housing Completion Goals.*

*\* If using the CPMP Tool: Complete and submit the Table 3B Annual Housing Completion Goals.*

11. Describe the one-year goals for the number of homeless, non-homeless, and special-needs households to be provided affordable housing using funds made available to the jurisdiction and one-year goals for the number of households to be provided affordable housing through activities that provide rental assistance, production of new units, rehabilitation of existing units, or acquisition of existing units using funds made available to the jurisdiction. The term affordable housing shall be defined in 24 CFR 92.252 for rental housing and 24 CFR 92.254 for homeownership.

◀**PY 2011 Annual Action Plan #11 response:**

Please see Tables in Appendix D.

## ●Public Housing 91.220(h)

12. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.
13. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

### ◀PY 2011 Annual Action Plan Public Housing #12 and 13 response:

✧ *Number of PHA units in the city:* 423

✧ *Physical Conditions:* Sound, meet all UPCS, QHWRA and HUD REAC inspection standards.

✧ *Revitalization needs:* Revitalization needs were identified during the last two REAC inspections. All observed deficiencies have been remediated or are in the process through Capital Funding projects and the ARRA Stimulus grant (force account labor). Recent improvements to properties include new exterior doors, weather-stripping, window glass, curb and gutter, siding repair, gutters and downspouts, sidewalks, patio and porch – concrete repair and replacement and extensive landscape and site improvements. The expected completion date of revitalization needs is September, 2011.

✧ *Number of people on PH waiting list:* 380

✧ *PHA Strategy for serving the needs of those served by public housing:*

*Strategy 1:* Maximize the number of affordable units available to the PHA within its current resources by:

- Employ effective maintenance and management policies to minimize the number of public housing units off-line. New policies went into effect October 2010
- Reduce turnover time for vacated public housing units by outsourcing vacant unit maintenance to private contractors. MHA procured two (2) contractors to participate in its "Key-To-Key" Unit Turnover program funded by Capital funds in July of 2010.
- Reduce time to renovate public housing units. Renovation time is greatly reduced by private contractors completing 100% of all renovation projects.
- Maintain or increase Section 8 lease up rate by establishing payment standards that will enable families to rent throughout the jurisdiction. The MHA Board of Commissioners recently revised its policies to improve tenant retention.
- Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required.
- Implement Section 8 lottery system to streamline application process to allow applicants to apply on-line and to assure compliance with Fair Housing Act. The placement order for HCV applicants can be accessed via the new MHA website [www.muncieha.com](http://www.muncieha.com).

*Strategy 2:* Increase the number of affordable housing units by:

- Apply for additional Section 8 units should they become available. In November 2010, the MHA Board of Commissioners established a preference for forty-two (42) residents of Parkview Apartments that would be displaced due to agency plans for demolition and disposition of the 64 unit apartment complex. MHA is in the process of applying for 42 new Housing Choice Vouchers to replace them.
- Leverage affordable housing resources in the community through the creation of mixed-finance housing. MHA has applied for rental housing tax credits with the Indian Housing & Community Development Authority (IHCDA). MHA has plans to develop a mixed finance project to the west of its HOPE VI redevelopment project Millennium Place. MHA contemplates 64 units of new replacement housing for Parkview Apartments.
- Pursue housing resources other than public housing or Section 8 tenant based assistance.

*Need:* Specific Family Types: Families at or below 30% of median.

*Strategy 1:* Target available assistance to families at or below 30% AMI by:

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based Section 8 assistance.
- Employ admission preferences aimed at families with economic hardships.
- MHA has adjusted its utility allowance to compensate for the rising costs of electric and gas.
- Seventy-Five percent (75%) of MHA's new HCV issues will be targeted to families at or below 30% AMI

*Need:* Specific Family Types: Families at or below 50% median:

*Strategy 1:* Target available assistance to families at or below 50% AMI by:

- Employ admissions preferences aimed at families who are working.
- Employ admissions preferences aimed at families who are enrolled in school.

*Need:* Specific Family Types: Families with Disabilities or Elderly

*Strategy 1:* Target available assistance to elderly or families with disabilities by:

- Affirmatively market to non-profit agencies that assist elderly and families with disabilities.

*Need:* Specific Family Types: Races or ethnicities with disproportionate housing needs

*Strategy 1:* Conduct activities to affirmatively further fair housing by:

- Counseling Section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units.
- MHA is utilizing a targeted marketing strategy to achieve a racial balance in all of its housing facilities. African-American households are still disproportionately housed at two of its complexes.

The Muncie Housing Authority (MHA) Board of Commissioners has established a Resident Relations Subcommittee that is lead by one of its full-time commissioners. The Board and the Executive Director require all site managers to convene quarterly meetings with residents to provide information, hear complaints and deal with environmental, health and safety issues. The MHA Family Services Department acts as resident liaison for community resources and self-sufficiency programs. Case management and other services are provided for all public housing residents and Section 8 tenants.

MHA is currently working with the Muncie Home Ownership and Development Center (MHODC) to complete the last phase of its HOPE VI Revitalization Plan – the development of 20 single-family affordable new homes. MHA also receives ROSS Family & Home Ownership Grant funds and will collaborate with MHODC to provide counseling, financial literacy and educational services to prospective home buyers. Six homes have been built – one is a model for prospective buyers to view and to enhance marketing and sales.

MHODC is a HUD Certified Counseling Agency, with more than 10 years of experience in providing homebuyer education to prospective home purchasers. Major activities of MHODC include pre- and post-purchase homebuyer counseling, fair housing assistance, mortgage delinquency counseling and predatory lending advocacy.

The MHA Family Services Department will provide ongoing case management services to former residents of Munsyana, even after they purchase a home. The MHA will provide services such as child care, education, job training, and other counseling to help households remain self-sufficient.

## ●Homeless and Special Needs 91.220(i)

14. Describe, briefly, the jurisdiction's plan for the investment and use of available resources and describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness.
15. Describe specific action steps to address the needs of persons that are not homeless identified in accordance with 91.215(e).
16. Homelessness Prevention—Describe planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.

**◀PY 2011 Annual Action Plan Homeless and Special Needs #14, 15, and 16 response:**

HUD defines a chronically homeless person as “either (1) an unaccompanied homeless individual with a disabling condition who has been continuously homeless for a year or more, OR (2) an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past three years.”

The Muncie area Homeless Providers Network, which includes Muncie Mission, Meridian Services Drop-In Center, Christian Ministries, A Better Way, YWCA and Bridges Community Services, currently handles the chronically homeless in the following manner. When it is determined that a person is “chronically homeless”, they are referred to Meridian Services, which provides three types of permanent housing, including Shelter Plus Care. The referring agency, in the meanwhile, provides case management services and refers the client to mainstream services available in the community, including, but not limited to, addictions counseling and application for permanent housing resources.

The base plan is to provide a continuum beginning at the emergency shelter level and ending with permanent housing, ideally from Section 8 and project-based housing, with the needed level of support services. The HPN believes the process takes approximately two to four years to bring the client to stabilization. At the current time, the level of available supportive housing appears to be adequate. However, it is unknown whether the impact of the economic situation of the area will lend itself to an increased demand for such activities.

In PY2011, the CD Director will continue to participate in meetings and discussions with HPN agencies and other entities, such as Delaware County Community Corrections, which will include regularly reassessing needs of the chronically homeless and special needs population, identifying housing and service delivery priorities and gaps, and determining the appropriate type and level of CDBG and HOME funds that could be leveraged with other funds during the remaining years of the Consolidated Plan period to expand existing programs as needed to meet increased demand.

***Homelessness***

The City of Muncie, and Delaware County, currently subscribe to the McKinney-Vento Continuum of Care approach in order to serve homeless persons. The local Homeless Providers Network is very active both locally and regionally (Indiana Region 6) to ensure that a comprehensive network of services is available to the homeless population. The strategy includes components of prevention, outreach, intake assessment, emergency shelter, transitional shelter, permanent housing, and supportive services. Those issues are identified in the priority needs table as prescribed by HUD, located below.

It appears that the Muncie community’s array of support services and housing is sufficient to encourage homeless persons to become permanently housed. The Homeless Providers Network, (HPN), which includes participation of the City of Muncie Community Development Director, has identified gaps in the current services. Those gaps and needs were prioritized based upon 1) whether the need - housing or supportive service- is currently being met, and 2) whether a need - housing or supportive service- is adequate to meet the current and future demand of the local homeless population. The gaps have been identified for individuals and permanent housing for those with disabilities, particularly those suffering from mental health problems and addictions.

In January 2010, a Point-In-Time count was conducted with a count of 411, a 100% increase over 2009. The HPN stated that part of the reason for increase was more sophisticated counting procedures.

2010 Point-in-Time Count			
Sheltered		Unsheltered	
Bridges Community Services	95	Soup Kitchen	45
YWCA	77	Muncie Mission meal site	33
Muncie Mission	73	Meridian Drop-in Center	14
Passage Way	32	on the street	3
Christian Ministries	32		
Stepping Stones	6		
A Better Way	5		

The Point-In-Time number of homeless persons by race and ethnicity as collected by the Housing Provider Network, compared with the city as a whole, is as follows:

Race/Ethnicity	Population	% of Population	No. of Homeless	% of Total Homeless
White	52,774	84.5%	283	68.8%
Black/African American	6,203	9.9%	107	26%
American Indian & Alaska Native	250	.4%	10	2.4%
Asian	416	.7%	2	.5%
Native Hawaiian/Other Pacific Islander	0	0	0	0
Some other race or two or more races	638	1%	9	2.2%
Hispanic or Latino (of any race)	1,027	1.6%	8	1.9%

The 2010 count indicates a disproportionate number of homeless persons identified as Black/African American and as being of two or more races. However, of the persons counted above, 67 are being assisted with HPRP funds, but according to HUD guidelines, they are counted as homeless until that assistance ends for them. Of those 67 persons, 21 (31.3%) are Black/African American, and 5 (7.4%) are some other race/two or more races, demonstrating a higher percentage (38.7%) of assistance to minorities.

### **Emergency Shelter Needs**

Emergency shelter needs are addressed for several sub-populations. Women victims of domestic violence and their children are referred to A Better Way; single men are referred to Muncie Mission; single women are referred to Wayside Mission or YWCA; and any person or family may be referred to Christian Ministries' Sleeping Room, the latter two are very limited on space. In order to meet demand, both Muncie Mission and Christian Ministries have expanded their capacity. It is determined that there is still not adequate emergency shelter for single women and single women with children. PY2010 funds in the amount of \$50,000 and PY2011 in the amount of \$25,000 will assist Christian Ministries remain open during April-September 2011 and 2012. PY2010 funds in the amount of \$10,000 and PY2011 funds in the amount of \$15,000 will assist A Better Way.

The emerging need, for unaccompanied single women, with or without children, is now being addressed by the local HPN group. It has been determined that to adequately serve those needing services, the group would need to develop approximately 15-20 beds, particularly during the winter months. The hope is to attempt development of these beds by the winter of 2011.

Many of the shelters operating in the community do so with Emergency Shelter Grant funding through the State of Indiana, local CDBG funds, as well as local dollars. CDBG funds are being used to replace the old boiler heating system at Christian Ministries with an energy efficient HVAC system, improving living conditions in the Men's Sleeping Room, as well as in areas serving low-income persons, including the food pantry, office, and Treasure Shop. Plans for 2011 include Phase 1 of replacement of electrical and alarm systems in the YWCA.

Following are supportive services provided:

<b>Individuals</b>	<b>Persons in Families with Children</b>
Job Training	Transitional Housing
Case Management	Permanent Housing
Housing Placement	Job Training
Life Skills Training	Case Management
Education	Child Care
Supportive Permanent Housing	Education
Permanent Housing	Housing Placement
	Life Skills Training
	Permanent Housing

***Transitional Housing***

Transitional housing is offered at three agencies inside the city limits, with 96 units in all; Passage Ways for domestic violence victims and the Bridges Second Wind Program for families with children, in addition to single women living at the YWCA. A Better Way and Bridges programs operate with McKinney-Vento SHP funding and Emergency Shelter Grant funds through the State of Indiana, Emergency, Food and Shelter (FEMA) funds, and local funding. Bridges will be supported in PY2011 with CDBG public service funds in the amount of \$45,000. The YWCA operates with independent resources, at this time. There are no expansion plans for transitional housing in the community. All providers offer a wide array of support services.

***Permanent Housing with Supportive Services***

Currently, there are no providers of this service; however the Point-In-Time Count reflects a need for such service. Meridian Services has attended the Indiana Supportive Housing Institute to bring the skills needed to develop a project to the community. Unfortunately, they have not been able develop a project yet.

***Meeting the Need and Filling the Gaps***

The local Homeless Providers Network decided to steer the Permanent Housing for Persons with Disabilities toward Meridian Services, operator of a Shelter Plus Care Program. With help from Indiana Housing and Community Development Authority, funds were awarded in 2010 for their project to expand. Residents will be able to access a myriad of services offered at the agency. Additional services are also needed to accommodate single women with children on an emergency basis. The HPN will continue to seek a feasible, sustainable solution for this population.

The Muncie Housing Authority (MHA) offers permanent housing opportunities for those coming from the shelter/transitional programs via Section 8 Housing Choice Vouchers and Public Housing units.

**•Barriers to Affordable Housing 91.220(j)**

17. Describe the actions that will take place during the next year to remove barriers to affordable housing.

**◀PY 2011 Annual Action Plan Barriers to Affordable Housing #17 response:**

As described in the five-year consolidated plan, the City has no obvious policies that serve as barriers to affordable housing. Delaware County (which includes the city of Muncie) land use controls and zoning ordinance are fairly inclusive and flexible, City building code provisions are standard, and permit fees and charges are not excessive and do not present a barrier at this point.

Furthermore, there are policies and programs in place that helps to prevent barriers to affordable housing, such as a three-year tax abatement available for new construction of single-family homes in the city, and energy assistance. The Delaware County Community Assistance Program, funded by the Indiana Housing and Community Development Authority, provides energy assistance to income-eligible households, thus making their housing more affordable.

The City will continue to use CDBG and HOME funds to partner with non-profit and for-profit housing developers to construct and rehabilitate affordable housing units, make home repairs, and construct ramps and make other accessibility improvements for the homes of disabled persons. HOME funds for housing development are only provided for units in the inner city where there is ready access to public transportation and other amenities.

The City partners with HUD-approved Housing Counseling agencies Pathstone and MHODC to provide downpayment assistance, with the requirement that homebuyers receive at least 8 hours of counseling for prior to purchase. CDBG funds also provide funds to Pathstone for homebuyer orientation classes. Both the counseling sessions and classes include information about avoiding predatory lending, repairing credit, financial literacy, and home maintenance.

CD will continue to partner with the Muncie Human Rights Commission in support of fair housing education and outreach to local lenders, realtors, apartment owners, property managers, housing providers, and citizens.

### ●Other Actions 91.220(k)

18. Describe the actions that will take place during the next year to address obstacles to meeting underserved needs, foster and maintain affordable housing, evaluate and reduce the number of housing units containing lead-based paint hazards, reduce the number of poverty-level families, develop institutional structure, enhance coordination between public and private agencies (see 91.215(a), (b), (i), (j), (k), and (l)).
19. Describe the actions to coordinate its housing strategy with local and regional transportation planning strategies to ensure to the extent practicable that residents of affordable housing have access to public transportation.

### ◀PY 2011 Annual Action Plan #18 and 19 response:

✧ Actions to address obstacles to meeting underserved needs:

The City works closely with disability advocates, meeting bi-monthly, to ensure that City buildings, streets and sidewalks are in compliance with Americans with Disabilities Act requirements. CDBG-funded sidewalks on West Main Street will include 14 ADA-compliant curb cuts.

Proposals submitted for HOME funds will be given preference if they include development of units that will accommodate persons with special needs.

✧ Actions to foster and maintain affordable housing:

Annual Affordable Rental Housing: HOME funds will rehabilitate 12 existing vacant rental housing units, at least one of which will be completed by a CHDO. The incomes of tenants occupying HOME-assisted rental units may not exceed 60% of the Area Median Income (AMI) based on the household size, and projects with five or more HOME-assisted units must reserve 20% of the units for very-low income households at or below 50% AMI; therefore all units are expected to serve renters between 30-50% of AMI.

Annual Affordable Owner Housing: Subrecipient Rebuilding Together will help maintain owner-occupied homes by completing various minor and emergency repairs to 72 owner-occupied units,

with expectation that all households will be between 30-50% of AMI, of which 58 households will be elderly and 14 households will be small related.

Neighborhood Stabilization Program 3 (NSP3) funds will assist Habitat for Humanity build at least one single-family home in the 600 block of West Main Street, which will be sold to a household at or below 60% AMI.

CD staff will administer a "curb appeal" program for homeowners in the 600 and 700 blocks of West Main Street in conjunction with NSP3 activities, providing grants to at least six income eligible homeowners for paint, landscaping, porch and sidewalk improvements. CD hopes to collaborate with Ball State University Landscape Architecture students to assist homeowners visualize and select appropriate improvements.

Homebuyer assistance will be provided with HOME funds to a minimum of 20 low- and moderate-income households through partners Muncie Home Ownership and Development Center (10 households) and Pathstone (10 households). Applicant household income must be between 40-80% AMI. All applicants for the program must complete homebuyer education courses provided by the administering agencies, and must invest \$500 of their own funds toward the home purchase. Recipients will receive a maximum of \$5,000 in assistance, with the specific amount of assistance based on established housing-to-income and debt-to-income ratios. Recipients will be given a five-year forgivable loan, with 20% forgiven per year.

◇ Actions to evaluate and reduce the number of housing units containing lead-based paint hazards:

In compliance with the requirements of 24 CFR Part 35, Lead Hazard Reduction Program, the City of Muncie notifies owners and tenants of CDBG- and HOME-assisted target housing constructed prior to 1978 about the hazards, symptoms, and treatment of lead-based paint, and the precautions to be taken to avoid lead-based paint poisoning. The notice includes the HUD pamphlet, *Protect Your Family From Lead in Your Home*.

Lead-based paint testing is not conducted in minor rehabilitation or emergency home repair projects, as these projects are determined to be exempt projects, but when the City brings housing units into full compliance with all housing, health and building codes, staff inspects the unit for lead-based paint hazards. HOME-assisted housing units and CDBG Housing Rehab projects will be assessed for lead-based paint hazards prior to renovation. After rehab, all units will receive Lead Based Paint Clearance by conducting a dust sampling clearance and sending samples to an accredited laboratory for testing, after which the licensed inspector will evaluate the report prior to issuing a Lead Based Paint Clearance for the project.

The City has staff certified by the Indiana State Department of Health to conduct lead risk assessments, and lead clearance inspections necessary to comply with regulations. If a child who is age six or under and living in a HUD-assisted unit is found to have elevated blood lead levels, the case will be given to the Delaware County Health Department, and the housing will be tested for lead-based paint. The Health Department then ensures that the property owner removes the lead-based paint hazard.

The Delaware County Health Department offers lead testing to children referred by physicians or WIC, requested by parent/guardian, and as follow-up for children with elevated lead results. The Health Department manages cases for all Delaware County children with elevated lead results that are referred to them by the Indiana State Department of Health, involving follow-up testing, home visits, medical referrals, and reports to the Indiana State Department of Health.

The Delaware County Health Department's Environmental Division provides environmental evaluations. Most of the identified lead-based paint is located on the exterior surfaces of housing units, which is scraped and repainted and in some cases wrapped or covered with vinyl or aluminum

materials. Soil that is suspected of lead contamination from peeling paint is sent for testing to the Indiana State Board of Health laboratory. If lead contamination is found, the hazard is corrected by replacing the top six inches of soil.

HUD requires that EPA (Environmental Protection Agency) rules be used with added requirements. On or after April 22, 2010, "Lead Safety for Renovation, Repair, and Painting" (The RRP Rule) becomes the standard for all firms working in pre-1978 homes and child-occupied facilities and the firms must be certified and use lead-safe work practices during renovations. On this date, all covered renovations must be performed by Certified Firms, using Certified Renovators and other trained workers. HUD requires that all workers be Certified Renovators or Supervised by a certified abatement supervisor (who, under the RRP Rule, must also be a Certified Renovator).

✧ Actions to reduce the number of poverty-level families:

The City's overall antipoverty strategy is to fund activities that will focus on improving the quality of life for those living in poverty and assisting individuals and families achieve economic independence. While CDBG and HOME funds may not reduce the number of persons living in poverty, program funds will repair their homes, increase the number of decent, affordable housing units, and provide other assistance that conserves household resources. CDBG funds will provide direct benefit to low-income persons as described in this section.

Non-profit TEAMwork for Quality Living, supported by CDBG funds, brings together persons living in poverty with those who may have better resources to address basic needs, establishing Circles of Support™ and the Getting Ahead programs. In a nutshell, a "Circle" consists of a Captain (a person/family living in poverty), who is surrounded by Allies (friends not living in poverty). The Captain attends Getting Ahead classes to improve life skills, and Circles meet weekly to plan, discuss, and implement the steps that will lead to the Captain's economic and social stability.

TEAMwork is utilizing programs developed by the Move the Mountain™ Leadership Center, which was "founded in 1992 to inspire and equip communities to end poverty. Our vision is that all American families will have the education, economic opportunity and community support they need in order to thrive. Move the Mountain™ Leadership Center provides training, technical assistance, consulting, and coaching to leaders and communities who are focused on ending poverty."

Since the early 2000's, local agencies have tried to improve public awareness of the plight of people living in poverty. TEAMwork for Quality Living, has hosted seminars based on Ruby Payne's book, *Bridges Out of Poverty*, which defines the culture of poverty and how it differs from the culture of wealth and of middle-class. TEAMwork conducts poverty simulations to demonstrate via role-playing the difficulties faced by low-income persons seeking help, many of which are institutional barriers. Public awareness is the first step in developing solutions to a better economic situation, which supports MAP Action 1.8, "Conduct a community-wide poverty awareness campaign".

Bridges Community Services will provide transitional housing services for individuals working toward self-sufficiency as described on page 13.

The City of Muncie is partnering with Delaware County Community Corrections and the Weed and Seed program to train former prisoners in deconstructing blighted structures. The first two training sessions used CDBG-Recovery Act funds to provide a consultant to train workers and future trainers, one of whom established a deconstruction business and hired trained DCCC workers. Pay for the workers has been subsidized by the local Work One office.

The Muncie Housing Authority opened a Neighborhood Networks Center in 2010 in one of its non-dwelling facilities. The Center provides free computer training and internet access for low-income public housing residents. Residents also receive assistance with job training and life-skills. All programs at the Center are designed to help residents transition from public assistance into "living

wage” jobs. Assistance is also provided to school-age children and youth with homework and after-school care, healthcare information, and greater access to free public services.

✧ Actions to develop institutional structure:

### **Non-profit Capacity-building**

The City is a partner in the implementation phase of the Muncie Action Plan (described on page 1), which now has a coordinator, as well as task force leaders for each of the five initiatives. More than 800 volunteers are currently involved in carrying out the 47 actions identified in MAP, which is fostering neighborhood organization and participation in community revitalization and government processes. Capacity-building efforts of the Council of Neighborhoods and the HOME-funded CHDO Technical Assistance Program are described elsewhere in this Action Plan.

### **Coordination of Economic Development Strategy**

The City’s economic development strategy is focused primarily on attracting businesses to the community. Muncie’s Mayor McShurley works closely with the Muncie-Delaware County, Indiana Economic Development Alliance, whose primary goals include expansion and retention of existing businesses; attracting new businesses and expanding the tax base; marketing and recruiting tech/knowledge-based businesses; marketing and promoting the local medical community and agri-business; downtown development; coordinating community and regional resources to generate economic growth; promoting internally and externally a positive “quality of life” image of Muncie-Delaware County; and strengthening workforce education.

The City is assisting in economic development efforts by revitalizing the city’s physical environment, with the City’s Public Works and Community Development Departments, the Muncie Sanitary District, and the Muncie Redevelopment Commission coordinating infrastructure improvements, including streets, curbs, sidewalks, and sanitary and storm sewers with utility companies in making improvements in the same neighborhoods, such as Old West End in PY2010.

CDBG funds are continuing to improve City parks with new playground equipment and upgrades to streets, parking facilities, landscaping, and recreational features. PY2011 funds will install new playground at Tuhey Park in conjunction with the City’s \$2.2 mil renovation of Tuhey Pool. CDBG, NSP and HOME funds are rehabilitating existing residential and other structures, thus improving the quality and appearance of the built environment. CDBG and NSP funds are removing blighted structures in target areas, which will improve neighborhood aesthetics and property values, and provide green space for community gardens and pocket parks.

CDBG funds continue to make the annual bond payment for the Façade Restoration Program that renovated 11 downtown properties in 2004, which has subsequently generated approximately \$11 million of private investment in other downtown properties. The work boosted economic development by transforming the central city into an entertainment, retail, and cultural destination.

✧ Actions to enhance coordination between public and private agencies:

The City of Muncie will continue ongoing collaborative relationships with local public and private housing and social service agencies through active participation of City staff serving on boards, committees, and coalitions (often by Mayoral appointment) working to improve the community in the areas of health, housing, and social services.

In 2010, the City will continue to partner with Ball State University by utilizing student interns in various departments and by participating in immersive learning projects when possible.

The City will continue to partner with Muncie Housing Authority and non-profit Affordable Housing and Development Corporation to complete the Parkview Redevelopment project described above.

The Community Development Director will continue to meet quarterly with the Funders' Forum to ensure that funding from local sources is coordinated and leveraged for the greatest impact throughout the community.

✧ Actions to actions to coordinate housing strategy with local and regional transportation planning strategies:

Part of the City's housing strategy is to fund development only in the inner city where public transportation is readily available via Muncie Indiana Transit System, and to improve sidewalks near such development, ensuring all are ADA-compliant.

## PROGRAM SPECIFIC REQUIREMENTS

### ●CDBG 91.220(I)(1)

1. Identify program income expected to be received during the program year, including:
  - amount expected to be generated by and deposited to revolving loan funds;
  - total amount expected to be received from each new float-funded activity included in this plan; **Not applicable to City of Muncie**
  - amount expected to be received during the current program year from a float-funded activity described in a prior statement or plan. **Not applicable to City of Muncie**
2. Program income received in the preceding program year that has not been included in a statement or plan. **Not applicable to City of Muncie**
3. Proceeds from Section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in its strategic plan. **Not applicable to City of Muncie**
4. Surplus funds from any urban renewal settlement for community development and housing activities. **Not applicable to City of Muncie**
5. Any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan. **Not applicable to City of Muncie**
6. Income from float-funded activities. **Not applicable to City of Muncie**
7. Urgent need activities, only if the jurisdiction certifies. **Not applicable to City of Muncie**
8. Estimated amount of CDBG funds that will be used for activities that benefit persons of low- and moderate income.

### ◀PY 2011 Annual Action Plan CDBG #8 response:

Following is the CDBG budget with activities benefiting persons of low- and moderate income identified in the left column with LMC, LMH, and LMA (codes are described below the budget). The percent benefiting low/moderate income persons is calculated by first subtracting the amount set aside for planning and administration to arrive at the total subject to low/mod benefit (activity total).

Project Categories & Activities			
Nat. Obj.*		CDBG PY2011	% of Activity Total
	<b>- Public Facilities -</b>		42%
LMA	Sidewalks/curbs/trees: 400-700 West Main Street	142,625.00	
LMA	Tuhey Park Playground Improvements	204,124.00	
LMC	YWCA Electrical/Alarm System Upgrade (Phase I)	188,154.00	
	<b>- Housing Rehabilitation -</b>		10%
	Single-family Owner Occupied:		

LMH	Rebuilding Together Emergency Repairs	90,000.00	
LMH	West Main Street Curb Appeal	30,000.00	
LMH	Rehab delivery costs	10,286.00	
	<b>- Public Services -</b>		18%
LMC	9 Subrecipient Activities	223,784.00	
	<b>- Slum/Blight Removal -</b>		30%
SBS	Clearance/Demolition/Deconstruction	135,424.76	
	Clearance/Demolition delivery costs	54,196.00	
SBA	Façade Restoration Bond Payment	187,464.24	
	<b>Activity Total (not including Planning/Admin)</b>		1,266,058
N/A	<b>- Planning/Administration -</b>		19.56%
	Historic Preservation Grant Match	7,164.00	
	General Administration & Planning	300,619.00	
	<b>Total</b>	1,573,841.00	

\*Key to National Objectives codes above:

LMA = Low/Mod Area – Census data at the block group level provides number of persons that are low- and moderate income

LMC = Low/Mod Client – Income level is verified for individuals receiving CDBG-funded services

LMH = Low/Mod Housing - Income level is verified for households receiving housing assistance

SBS = Slum & Blight Removal on Spot Basis – blighted structures are removed from scattered sites

SBA = Slum & Blight Removal on Area Basis – blighted structures are removed from identified slum and blight area

●**HOME 91.220(I)(1)**

1. Describe other forms of investment. (See Section 92.205) If grantee (PJ) plans to use HOME funds for homebuyers, did they state the guidelines of resale or recapture, as required in 92.254.

◀**PY 2011 Annual Action Plan HOME #1 response:**

Developers typically use various combinations of Low Income Housing Tax Credits, Historic Tax Credits, Indiana Housing and Community Development Authority Trust Funds, Indiana Housing and Community Development Authority Development Funds and private funds.

The City's HOME program uses recapture as detailed in item 3 below.

2. If grantee (PJ) plans to use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds, state its refinancing guidelines required under 24 CFR 92.206(b).

◀**PY 2011 Annual Action Plan HOME #2 response:**

*Not applicable to City of Muncie*

3. Resale Provisions -- For homeownership activities, describe its resale or recapture guidelines that ensure the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4).

**◀PY 2011 Annual Action Plan HOME #3 response:**

**HOME Recapture Guidelines** (Revised July 31, 1998)

In accordance with the HOME investment Partnerships Program, 24 CFR Part 92, and pursuant to Section 92.254 of the Final Rule, the City of Muncie (hereafter "City") has established the following recapture guidelines. These guidelines apply only to projects in which HOME funds assist with the purchase (with or without rehabilitation) of a property as the principal residence of the eligible homebuyer. This assistance will only be provided in a manner which permits recapture of a percentage of those funds if, at any time during the period of affordability, the assisted property is no longer the principal residence of the buyer. The following calculations will be applied only in the event the net proceeds from the sale of the property are not sufficient to pay the balance of HOME funds due and payable.

The HOME amount subject to recapture is based on the amount of HOME assistance that enabled the homeowner to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from the fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value (development subsidy).

The City has adopted the following method for calculating the amount of HOME funds to be recaptured. This method allows the amount subject to recapture to be further reduced in proportion to the length of time the homebuyer has occupied the home relative to the term of the HOME assistance (period of affordability). This method also allows that if net proceeds are not sufficient to recapture the full amount of the HOME investment plus recover the amount of the homeowner's investment in the property, the City will share the net proceeds with the homeowner. The net proceeds amount is determined by: sales price minus loan repayment of the mortgage(s) for the purchase of the house (other than HOME funds), owner investment, and closing costs. HOME funds to be recaptured will not exceed the adjusted HOME investment subject to recapture.

In the calculation for net proceeds, the City will only consider the balance of mortgage(s) that actually purchased the house and/or improved the property. Consolidation of personal debt will not be included in this calculation. Owner investment shall include downpayment, initial closing costs, payment to mortgage principal, and any documented capital improvements made by the owner since purchase. Capital improvements must be verified with receipts and shall not include personal labor of the family.

On the following page is the recapture calculation worksheet.

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**HOME Amount Subject to Recapture:**

1. **Reduction in Price from HOME Subsidy:**  
 a. Market Value at Purchase   
 b. Less Sale Price to Initial Homebuyer   
 c. Amount of Resulting Price Reduction  (1a – 1b)

2. **Direct Subsidy to Homebuyer:**  
 a. Downpayment Assistance   
 b. Closing Cost Assistance   
 c. Loan(s)   
 d. Total  (2a + 2b + 2c)

3. **HOME Amount Subject to Recapture** (1c + 2d)  \$

4. **Reduction for Homeowner Tenure**  
 Pro-rate the amount subject to recapture by the length of occupancy  
 a. Number of months of occupancy   
 b. HOME Affordability Period (\_\_\_\_ yr x 12 = \_\_\_\_ months)   
 c. Homeowner tenure  (3a / 3 b) %  
 d. Recapture %  (100% - 3 c) %

5. **HOME Investment Subject to Recapture** (3 x 4d)  \$

6. **Homeowner Investment**  
 a. Down payment   
 b. Initial closing costs   
 c. Payment to principal   
 d. Capital improvements (verified by receipts)   
 e. Total homeowner investment  (6a+6b+6c+6d) \$

7. **Net Sale Proceeds**  
 a. Total sale price of property   
 b. Outstanding Mortgage Balance   
 c. Closing Costs to Seller   
 d. Total Investment (5 + 6e)   
 e. Net Proceeds from Sale  (7a-7b-7c-7d) \$

8. **Distribution of Proceeds**  
**HOME Funds to be Recaptured**  

$$\frac{\text{HOME Investment Subject to Recapture (5)}}{\text{Total Investment (7d)}} \rightarrow \frac{\$}{\$} = \boxed{\phantom{000}} \times (7e) = \$ \phantom{000}$$

**Amount to Homeowner**  

$$\frac{\text{Total Homeowner Investment (6e)}}{\text{Total Investment (7d)}} \rightarrow \frac{\$}{\$} = \boxed{\phantom{000}} \times (7e) = \$ \phantom{000}$$

- HOME Tenant-Based Rental Assistance -- Describe the local market conditions that led to the use of HOME funds for tenant based rental assistance program. If the tenant based rental assistance program is targeted to or provides a preference for a special needs group, that group must be identified in the Consolidated Plan as having an unmet need and show the preference is needed to narrow the gap in benefits and services received by this population.

**◀PY 2011 Annual Action Plan HOME #4 response:**

*Not applicable to City of Muncie*

- If a participating jurisdiction intends to use forms of investment other than those described in 24 CFR 92.205(b), describe these forms of investment.

**◀PY 2011 Annual Action Plan HOME #5 response:**

*Not applicable to City of Muncie*

- Describe the policy and procedures it will follow to affirmatively market housing containing five or more HOME-assisted units.

**◀PY 2011 Annual Action Plan HOME #6 response:**

Muncie has adopted an affirmative marketing policy included in the HOME Procedures Manual and development contracts for rental and homebuyer projects containing five or more HOME-assisted units. The contract requires the project owner to outreach to groups least likely to be aware of the HOME-assisted housing project when units are available for rent. CD's HOME Coordinator has primary responsibility for ensuring that CD complies with the affirmative marketing policy. As part of the monitoring process, if the development has more than five HOME-assisted units, the owner is required to document such efforts, which may include fliers distributed to community centers and libraries, particularly in low/mod income areas. All such printed materials must include the equal housing opportunity logo.

- Describe actions taken to establish and oversee a minority outreach program within its jurisdiction to ensure inclusion, to the maximum extent possible, of minority and women, and entities owned by minorities and women, including without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts, entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing under the HOME program or any other Federal housing law applicable to such jurisdiction.

**◀PY 2011 Annual Action Plan HOME #7 response:**

When the City releases a Request for Proposal for HOME-funded projects, notices are published in the StarPress and on the Community Development Department website, with special outreach directly to minority- and women-owned businesses (MBE/WBEs), which are defined as businesses at least fifty-one percent (51%) owned and controlled by minority group members or women.

All Community Development contracts for projects using federal funds include a requirement for contractors to use their best efforts to afford minority/woman-owned business enterprises the maximum practicable opportunity to participate in the planning and completion of the project agreement; their efforts are reviewed during program monitoring.

At the request of CD staff in 2010, the Muncie Chamber of Commerce developed a list of women- and minority-owned businesses, which is provided, along with the State of Indiana's list of certified

MBE/WBEs, to developers and subrecipients under contract with the City. The local list is not yet comprehensive, and the State of Indiana's list of certified MBE/WBEs includes only eight Muncie businesses, but the City will encourage local MBE/WBEs to register with the State and Chamber.

8. If a jurisdiction intends to use HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds, state its financing guidelines required under 24 CFR 92.206(b).

**◀PY 2011 Annual Action Plan HOME #8 response:**

*Not applicable to City of Muncie*

**• PY2011 Action Plan HOME Budget Summary •**

<b>Nat.</b>		<b>HOME</b>
<b>Obj.*</b>		<b>PY2011</b>
	<b>- Housing Rehabilitation -</b>	
LMH	Single or Multi-family Rental Rehab	269,781.90
LMH	West Main Street Rental Rehab	50,000.00
	<b>- Community Housing Dev. Org. -</b>	
LMH	CHDO Set-aside (15%)	100,667.55
LMH	CHDO Admin (5%)	33,555.85
LMH	CHDO TA for Rental Rehab Project	50,000.00
	Downpayment Assistance:	
LMH	Pathstone	50,000.00
LMH	Muncie Home Ownership & Dev Ctr	50,000.00
	<b>- HOME Administration (10%) -</b>	<b>67,111.70</b>
	<b>Total</b>	<b>671,117.00</b>

\*Key to National Objectives codes above:

LMH = Low/Mod Housing - Income level is verified for households receiving housing assistance

**•HOPWA 91.220(I)(3)**

1. One year goals for the number of households to be provided housing through the use of HOPWA activities for: short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family, tenant-based rental assistance, units provided in housing facilities that are being developed, leased, or operated. **Not applicable to City of Muncie**

**OTHER NARRATIVES AND ATTACHMENTS**

Include any action plan information that was not covered by a narrative in any other section. If optional tables are not used, provide comparable information that is required by consolidated plan regulations.

**◀PY 2011 Annual Action Plan Other Narratives and Attachments response:**

*Historic Structures Survey*

The City plans to provide \$7,164 as the 30% match for a Historic Preservation Fund (HPF) grant to fund a new historic structures inventory. The HPF grant is from the Department of the Interior, administered by the Indiana State Historic Preservation office and is being sought by the Ball State University Center for Historic Preservation. This is the first of two phases in the State's new process for completing surveys, which includes digital data collection. The Center will perform the work and identify historic structures and potential historic districts throughout Delaware County. The City's match will apply only to the work within the City limits. The prior survey was completed in 1984. There are, therefore, 27 years' worth of construction that have now reached 50 years of age and are potentially historic. The City relies on the survey for many things, but especially for meeting its responsibilities for Section 106 review under the National Historic Preservation Act, which is in turn a part of the environmental review responsibilities under the National Environmental Policy Act for all HUD-funded projects. The new survey will provide improved accuracy and efficiency in meeting these requirements.