



**State of Indiana
Recovery Housing Program
Action Plan
Amendment Five**

Prepared by: The Office of Community and Rural Affairs



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EXECUTIVE SUMMARY

Overview

The State of Indiana is eligible to receive Recovery Housing Program (RHP) grant funds in accordance with FR-6225-N-01 authorized by the SUPPORT for Patients and Communities Act (SUPPORT Act) passed in 2018. The U.S. Department of Housing and Urban Development (HUD) allocated funding to states, including the State of Indiana, based on an age-adjusted rate of overdose deaths above the national overdose mortality rate, as required by the SUPPORT Act. Rules for RHP follow those within the Community Development Block Grant (CDBG) Program, as modified for RHP by FR-6225-N-01. The Office of Community and Rural Affairs (OCRA) will be responsible for oversight and management of Indiana's allocation of RHP funds on behalf of the State of Indiana. Grant Services staff, from the office of Indiana's Lieutenant Governor, will be responsible for day-to-day implementation and grant administration of RHP awards.

Purpose

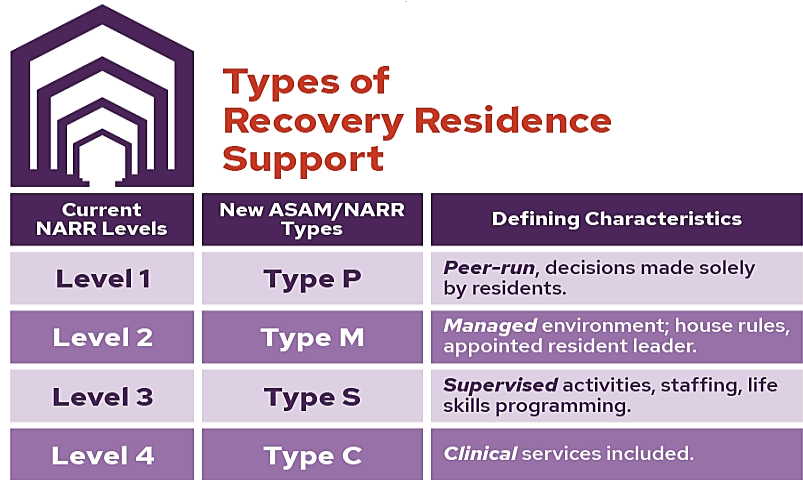
The Recovery Housing Program (RHP) supports entitlement and non-entitlement local units of government in providing individuals in recovery from substance use disorder with temporary transitional housing (up to two years) while on the path toward sober independent living.

RHP funds will be made available to local units of government (LUG) and their partnering qualified sub-recipients (if applicable) through an application process on a competitive basis. This application process will allow the state to prioritize funding for projects aimed at providing much-needed transitional recovery housing successfully and in a timely fashion. Applicants will be required to demonstrate benefit to low-to moderate-income persons through the low-to moderate-income limited clientele national objective. Local matching funds is not required for this program.

Service Level Gaps

Based on the most recent data collected by the Family and Social Service Administration (FSSA), it indicates that Indiana has 67 recovery residence providers with 137 actively certified recovery residence sites. Across the state, a total of 1,628 beds are available, an increase of 54 beds since 2025 counts. An Indiana recovery residence receives a designation level in alignment with the National Alliance of Recovery Residences (NARR) standards. Residences may range from Level One/Type P (peer-run recovery residences with no paid staff) up to Level Four/Type C (residences with supervised staff and clinical addiction treatment services).

Table 1¹: Types of Recovery Resident Support



Current NARR Levels	New ASAM/NARR Types	Defining Characteristics
Level 1	Type P	<i>Peer-run</i> , decisions made solely by residents.
Level 2	Type M	<i>Managed</i> environment; house rules, appointed resident leader.
Level 3	Type S	<i>Supervised</i> activities, staffing, life skills programming.
Level 4	Type C	<i>Clinical</i> services included.

Note: No changes in NARR level definitions were made in creating this new naming convention.

Indiana designated recovery residences are 76.64% level three (3) residences and 23.36% level (2) residences. At this time, level one residences are not tracked by the State and zero level four (4) residences were reported as of June 2026.

Indiana, a state of 92 counties, has recovery housing facilities in 40 of these counties, or 43.48%. The most prevalent area of need is the availability of recovery residences across both urban and rural areas of the state. Presently, 79.10% of recovery residences are in counties classified as metropolitan as defined by the United States Office of Management and Budget². 17.52% of total residences across the state are in Indianapolis alone. Only 21.9% of recovery residents are available in less populated and rural areas of the state.

Goals

The Recovery Housing Program aims to achieve the following goals.

Goal 1:	Goal 2:	Goal 3:
Fund at least one newly constructed transitional recovery housing residence.	Increase the number of temporary housing beds available for those recovering from substance use disorder by 1% for a total of at least 1,644 available beds in Indiana designated residences.	All RHP funds will meet the overall benefit low to moderate income people by providing access to temporary transitional housing. ³

¹ National Alliance for Recovery Residences. (2020–2025) <https://narronline.org/standards/>.

² <https://pcrd.purdue.edu/ruralindianastats/geographic-classifications.php>

³ Overall benefit to Low- and Moderate-Income Persons. Section 101(c) of the HCD Act (42 U.S.C. 5301(c)) establishes that all RHP funds must be used to support activities that benefit low- and moderate-income persons. Administrative and technical assistance expenditures are counted toward low- and moderate-income benefit in the same proportion as RHP expenditures for other activities.

RESOURCES

Table 2⁴: HUD Allocations for the Recovery Housing Program to the State of Indiana.

Fiscal Year	HUD Allocation	Remaining
2020	\$ 853,000.00	\$0.00
2021	\$ 823,604.00	\$0.00
2022	\$ 874,946.00	\$7,418.54
2023	\$ 1,145,278.00	\$149,828.00
2024	\$ 1,206,868.00	\$1,206,868.00
2025	\$909,027.00	N/A
Total	\$ 5,812,723.00	\$1,364,114.54

OCRA remains committed to leveraging available funds to support Indiana residents in need of transitional recovery housing. Resources identified are listed below.

- **RHP funds allocated to the State of Indiana:** The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds from FY2025 RHP is \$909,027. These funds will be utilized alongside any remaining funds from previous fiscal year allocations to support the program. A breakdown of these allocations can be found in table 2.
 - **Publicly Owned Land:** The program may leverage publicly owned land. OCRA may also allow for land to be owned by the sub-recipient operating the facility.
 - **Staffing:** OCRA will provide four CDBG staff, six Grant Services staff and two financial department staff to manage and administer the Recovery Housing Program.
 - **Program Income:** OCRA does not project receiving any CDBG program income for the period covered by this Annual Action Plan. Should an RHP project generate \$35,000 or more in program income, OCRA will abide by CDBG Policy Notice 2024-004, effective June 4, 2024 (Appendix D). OCRA requires that program income generated by grantees and/or subrecipients from a CDBG grant award must be returned to OCRA if such amounts are equal to or greater than \$35,000 per calendar year in accordance with 24 CFR 570.489. This income retains its CDBG federal identity per 24 CFR 570.489.
- 1) **Other State and Federal Resources:** It is anticipated that the State will leverage SAMHSA funding through the Indiana Family and Social Services Administration’s Department of Mental Health and Addiction and opioid settlement funds through

⁴ HUD Award and Allocations <https://www.hudexchange.info/GRANTEES/ALLOCATIONS-AWARDS/?na=1840&start=93>

Indiana Department of Health. For more details refer to the Partner Coordination section within this plan.

ADMINISTRATION SUMMARY

The Office of Community and Rural Affairs, on behalf of the State of Indiana, under the Lieutenant Governor will be the primary agency responsible for the administration and allocation of the Recovery Housing Program. OCRA will oversee all aspects of program management, Action Plan and required reporting. The Lieutenant Governor's Central Business Office will ensure compliance and monitoring of any program award as well as managing financial oversight by coordinating the receipt of invoices for processing draws. A list of contact information for the staff involved in the Recovery Housing Program is provided below.

Name	Office	Job Title	Contact Information
Steve St. John	CDBG	Program Director	sstjohn@ocra.in.gov (317) 499-6563
Tanaha Peton	CDBG	Senior Program Manager	tpeton@ocra.in.gov (317) 504-5224
Quinn Kissane	CDBG	Program and Policy Manager	QKissane@ocra.in.gov (317)-409-0754
Erica Gummere	CDBG	Program Manager	ergummere@ocra.in.gov (463)-325-5920
Adam Moschell	Grant Services	Director	amoschell@lg.in.gov (317) 760-5644
Tim Parthun	Grant Services	Policy Advisor	tiparthun@lg.IN.gov (317) 639-9527
Alissa Ferguson	Grant Services	Grants Manager	aferguson@lg.in.gov (317) 502-5673
Travis Lee	Grant Services	Grants Manager	trlee@lg.IN.gov (317) 752-3422
Bryce Gorman	Grant Services	Grants Manager	bgorman@lg.in.gov (463) 245-7690
Katherine Johantges	Grant Services	Grants Manager	kajohantges@lg.in.gov (317) 695-4575
Mitzi Moss	Accounting Division	Controller	MiMoss@lg.IN.gov (317)-232-8914
Scharmaine Bryant	Accounting Division	Accountant	scbryant@lg.in.gov 317-233-3559

USE OF FUNDS

PROGRAM ADMINISTRATIVE POLICY

The State of Indiana, through the Office of Community and Rural Affairs (OCRA), assumes administrative responsibility as the primary agency in Indiana overseeing the management of Recovery Housing Funds, under the auspices of the U.S. Department of Housing and Urban Development (HUD) and Section 8071 of the SUPPORT for Patients and Communities Act, entitled Pilot Program to Help Individuals in Recovery From a Substance Use Disorder Become Stably Housed, herein referred to as the Recovery Housing Program.

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

OCRA will comply with the Recovery Housing Program requirements through the administration of the State's Recovery Housing Program including:

- 1) Funds will be used solely for allowable activities to provide individuals in recovery from substance use disorder stable, temporary housing for a period of not more than two (2) years or until the individual secures permanent housing, whichever is earlier;
- 2) The RHP Action Plan has been developed to give the maximum feasible priority to activities that will benefit low- and moderate-income individuals and families;
- 3) In accordance with the HCDA, 24 CFR 570.484, and 24 CFR 570.200(a)(3), the State certified that no less than 70% of RHP funds will principally benefit low- and moderate-income families in a manner that ensures the grant amount is expended for activities that benefit such persons.

SUBSTANTIAL AMENDMENT POLICY

In the event that a substantial change to an approved Action Plan is required, OCRA will follow its Citizens Participation Plan. The conditions for whether to amend are referred to by HUD as "Substantial Amendment Criteria." The following conditions are considered to be Substantial Amendment Criteria:

- A substantial change in the allocation of funds among program categories
- "Substantial change" shall mean a reallocation (transfer) of funds among program categories of more than twenty-five percent (25%) of the total allocation for a given program year's block-grant allocation to optimize the use and timeliness of distribution and expenditure of RHP funds, without formal amendment of this Action Plan. The twenty-five percent (25%) threshold does not include the reallocation of reverted funds.

- A change in how applicants are evaluated and scored including grant size limits and criteria selection that could significantly change how an applicant is considered for funding.

An administrative decision to reallocate all the funds allocated to an activity in the Action Plan to other activities of equal or lesser priority need level, unless the decision is a result of the following:

- There is a federal government rescission of appropriated funds, or appropriations are so much less than anticipated that the state makes an administrative decision not to fund one or more activities;
- The governor declares a state of emergency and reallocates federal funds to address the emergency; or
- A unique economic development opportunity arises wherein the state administration asks that federal grants be used to take advantage of the opportunity.

Any changes in federal funding level after the Action Plan's draft comment period has expired, and the resulting effect on the distribution of funds, will not be considered an amendment or a substantial amendment.

In the event of a substantial amendment to the Action Plan, the state will follow its citizen participation plan by providing citizens and local units of government with reasonable notice and opportunity to comment on any substantial changes to be made in the use of RHP funds for any open grant year.

OCRA will submit any Annual Action Plan or other related documents of a Substantial Amendment to HUD before the implementation of any changes and before posting a final amended Action Plan version publicly.

METHOD OF DISTRIBUTION

The Office of Community and Rural Affairs (OCRA) engaged a variety of stakeholders and considered comments from the public in developing the choice of activities on which to expend RHP funds.

OCRA will adopt an open-door process for accepting applications from any eligible entitlement, non-entitlement units of general local government, Indian tribes and their sub-recipients, as applicable. Eligible applicants must meet the requirements outlined in Appendix A. OCRA will award grants to applicants that meet the criteria outlined in the Evaluation Criteria (Appendix B). Funding decisions will be based on established criteria and rating systems used for the state's programs, contingent upon the availability of funds.

OCRA will set aside at least ninety-five Percent (95%) of Recovery Housing Funds towards eligible RHP activities and will set up to five percent (5%) aside for administrative costs of the Program (Docket No. FR-6225-N-01). Administrative costs will be used by OCRA for expenses associated with administering its program, including direct personal services and fringe benefits of applicable OCRA staff, as well as direct and indirect expenses incurred in the proper administration of the state’s program and monitoring activities respective to CDBG grants awarded to units of local government (i.e. telephone, travel, contractual services, etc.). A summary of OCRA's proposed allocations by category is presented in the table below.

It is the state's policy to prioritize the use of RHP funds for actual project costs rather than local administrative expenses. Recovery Housing funding will be allocated for local administrative expenses at no more than eight percent (8%) of the funding request.

Use of Funds: FY 2025	Amount
Recovery Housing Program	\$863,575.65
Administrative Costs (5%)	\$45,451.35
Total	\$ 909,027.00.00

National Objective

All RHP activities funded under this program must comply with the Limited Clientele National Objective as modified by Notice of FY2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program. Modifications are as listed:

- **Expansion of Limited Clientele National Objective-** HUD imposed a waiver and alternative requirement to the limited clientele national objective criteria at 24 CFR 570.208(a)(2) and 570.483(b)(2)(i)(B) to the extent necessary, the limited clientele national objective may be used for acquisition, rehabilitation, reconstruction, or new construction activities funded by RHP that provide stable, temporary housing to individuals in recovery from substance use disorder, when at least fifty-one percent (51%) of the individuals benefitting are low- or moderate-income persons. The RHP activities, when taken as a whole, must not benefit moderate-income persons to the exclusion of low-income persons.
- **Modification of Limited Clientele Presumptions-** HUD modified the requirements at 24 CFR 570.208(a)(2)(i)(A) or 570.483(b)(2)(ii)(A) to add the additional categories of persons who meet the federal poverty limits or persons insured by Medicaid to the list of group categories that are presumed to be low- and moderate-income persons, barring any evidence to the contrary.

The followings groups of people are presumed to be low- and moderate-income people.

- Persons meeting the federal poverty limits
- Persons insured by Medicaid
- Senior citizens (people who are 60 years of age or older)
- Migrant farmworkers
- Abused children
- Battered spouses
- Severely handicapped adults
- Homeless persons
- Illiterate adults
- Persons with AIDS

All RHP funds must be used to support activities that benefit low- and moderate-income persons, therefore, the Slum & Blight and Urgent Needs National Objective are not eligible for this program.

Eligible Applicants

Any entitlement and non-entitlement units of general local government or Indian tribes in the State of Indiana are eligible to receive RHP funding.

A units of general local government may choose to partner with a subrecipient to carry out RHP activities. The subrecipient must demonstrate the following to be considered.

- The organization can document its nonprofit status with the U.S. Internal Revenue Service, the Indiana Department of Revenue, and the Indiana Secretary of State
- The non-profit organization has the capacity to carry out the activities of an eligible project.
- The non-profit organization can document a valid up to date registration as a recovery residence with the State of Indiana.

Eligible applicants must meet eligibility criteria outlined in Appendix A and applicants must not be suspended from accessing funding due to irregularities with previous CDBG grants or for any other reasons that call into question an applicant's ability to be able to comply with all elements of the State's RHP program.

A unit of local government that chooses to partner with a subrecipient remains the primary administrative entity for the OCRA RHP award while the subrecipient serves as the beneficiary of the local government. A unit of local government and subrecipient will utilize the assistance of an OCRA grant administrator throughout the entire grant application process. If the grant is awarded, they will also collaborate on grant administration and project closeout.

Eligible Activities

All activities, which are eligible for federal RHP funding under Notice of FY2020 Allocations, Waivers, and Alternative Requirements for the Pilot Recovery Housing Program, are eligible for funding under the OCRA's RHP program, as modified. OCRA reserves the right to expend federal CDBG funds on activities which will produce tangible and timely results for low- and moderate-income individuals in need of temporary recovery housing and will allow the use of funds for

- Rehabilitation, expansion, or development of real property to preserve or expand recovery housing units; and
- Assist individuals with limited financial resources to pay for recovery housing through subsidies of the lease, rent, utilities, and other housing-related costs.

The activities listed below are not intended to be comprehensive. OCRA reserves the right to review the eligibility of other activities for this program

- Acquisition of real property
- Lease, rent, and utilities
- Rehabilitation and reconstruction of single or multi unit residential buildings
- Disposition of real property
- Clearance and demolition
- Administrator costs

Program Description

The Recovery Housing Program is an open door two-stage application process consisting of an intent to apply notification and submission of the final application. An eligible applicant must submit only one application at a time.

Application Process

Stage 1.-Intent to Apply

Eligible applicants must contact their regional Community Liaison and cdbg@ocra.in.gov to express their interest in the program. Notification must be provided in writing via email or mailed to the Office of Community and Rural Affairs at One North Capitol, Suite 600 Indianapolis, IN 46204. After submitting an intent to apply, OCRA, in coordination with Grant Services and DHMA, as applicable, will provide technical assistance to the communities in the development of applications.

OCRA reserves the right to conduct a site visit to verify project eligibility and provide technical assistance before application submission. At the discretion of OCRA, projects may not be invited to submit an application if there is significant doubt in community's ability to meet eligibility criteria, state and/or federal compliance issues, financial risk concerns, or other substantial concerns.

Stage 2-Application Submission

The final submitted application will be reviewed and evaluated for fundability based on the established Grant Evaluation Criteria. OCRA reserves the right to deny applications lacking credible readiness to proceed.

Maximum Award per Beneficiary: The maximum grant amount for RHP is \$750,000. OCRA has waived the required \$5,000 cost per beneficiary for this program.

Match Requirement: Local matching funds are not required for this program. However, OCRA recommends local units of government to leverage additional funds towards an application.

Other Requirements- While administrative responsibility for the Recovery Housing Program has been assumed by the State of Indiana, the State is still bound by the statutory requirements of the applicable legislation passed by Congress as well as federal regulations promulgated by the U. S. Department of Housing and Urban Development (HUD) respective to the State's CDBG program as codified under Title 24 of the Code of the Federal Register, and with consideration to non-regulatory guidance from HUD. The State is required to provide adequate evidence to HUD that it is carrying out its legal responsibilities under these statutes. The following requirements must be followed by all RHP grantees:

a) Displacement Plan Requirements

As a result of the Federal Act, applicants who receive funds through OCRA's selection process will be required to maintain a plan for minimizing displacement of persons as a result of activities assisted with CDBG funds and to assist persons actually displaced as a result of such activities. Applicants are required to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the use of assistance under this program to acquire or substantially rehabilitate property. The State has adopted standards for determining reasonable relocation benefits in accordance with HUD regulations.

b) Program Income Requirements

OCRA will follow HUD regulations set forth under 24 CFR 570.489(e) respective to the definition and expenditure of CDBG Program Income. OCRA's Program Income policy in its entirety may be found in Appendix C.

c) Subrecipient Monitoring

All statutory requirements will become the responsibility of the recipient as part of the terms and conditions of grant award. Assurances relative to specific statutory requirements will be required as part of the application package and funding agreement. Grant recipients will be required to secure and retain certain information, provide reports and document actions as a condition to receive funds from the program. If a grantee

partners with a subrecipient, the grantee retains ultimate accountability for administering and monitoring their RHP award, even when delegating responsibilities of delivery service to a subrecipient. The Federal Act does not permit a grantee to relinquish this responsibility. A grantee must monitor subrecipients involved in a funded project including overseeing a subrecipient's administration, program delivery and fiscal aspects. Grant management techniques and program requirements are explained in the OCRA's CDBG Handbook, which is posted on the Office's website.

d) Citizens Participation Requirements

Revisions to the Federal Act have mandated additional citizen participation requirements for the State and its grantees. The State has adopted a written Citizen Participation Plan which is available for interested citizens to review on OCRA's website. Applicants must certify to the State that they are following a detailed Citizen Participation Plan which meets Title I requirements. Technical assistance will be provided by the Office of Community and Rural Affairs to assist program applicants in meeting citizen participation requirements.

e) Affirmatively Furthering Fair Housing Requirements

The State requires that each applicant for RHP funds certify that it has identified its housing and community development needs, including those of low and moderate income persons and the activities to be undertaken to meet those needs.

ACTIVITIES CARRIED OUT DIRECTLY

The Office of Community and Rural Affairs will not allocate any portion of its RHP funds for activities to be carried out directly.

ENTITIES OF GREATEST NEED

In Indiana, a significant challenge persists in the realm of recovery housing, particularly in its rural counties. Out of the 92 counties in the state, over 50 lack any Indiana designated transitional recovery housing residences, leaving many individuals and families disconnected from essential support services. These rural communities often grapple with limited resources and accessibility, making it difficult for those in recovery to find safe and stable housing options. Finding recovery housing is especially challenging for women, single parents with children, and families with children. This underscores the pressing demand for more inclusive and flexible housing solutions. OCRA's revised selection criteria and evaluation parameters aims to address these high demands that have the greatest need for financial assistance by incentivizing focus on creating pathways that foster recovery and unity for families during these critical times in rural communities.

ENTITIES WITH THE ABILITY TO DELIVER EFFECTIVE AND TIMELY ASSISTANCE

The National Alliance of Recovery Residences (NARR) establishes important standards for recovery housing, with Levels Two through Four indicating residences that are equipped to provide effective and timely assistance to individuals seeking transitional recovery support.

In Indiana, recovery residences that have received designation from the State through the Division of Mental Health and Addiction (DMHA) not only meet these crucial NARR standards but also benefit from additional resources and support. This combination enhances their capacity to address the needs of those in recovery, ensuring that residents receive the assistance necessary for successful transitions. OCRA's revised evaluation criteria seeks to evaluate applicants performance regarding previous federal awards and collaboration with other federal programs, including those from DHMA's HHS programs, with the goal of incentivizing facilities to become "Designated Indiana Recovery Residences". OCRA will also explore potential partnership with prior RHP grantees to support ongoing needs to maintain the service levels.

DEFINITIONS

FR-6225-N-01 requires that the State establish definitions for "Individual in Recovery" and "Substance Use Disorder." These definitions must be inclusive and should not omit individuals facing various substance issues or co-occurring disabilities, nor should they focus exclusively on one specific type of substance use disorder. The Office of Community and Rural Affairs aims to ensure consistency with other publicly funded programs that support recovery from substance use disorders. The Office of Community and Rural Affairs has adopted the following definitions from the SMHSA program.

- **Individual in Recovery:** A process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential.
- **Substance Use Disorder:** Substance use disorders occur when the recurrent use of alcohol and/or drugs causes clinically significant impairment, including health problems, disability, and failure to meet responsibilities at work, school, or home.

ANTICIPATED OUTCOMES & EXPENDITURES

EXPENDITURE PLAN

OCRA will utilize an open application method and anticipates that 100% of available RHP funds will be extended by the period of performance. OCRA understands that at least 30% of RHP funds

must be expended within one year of the execution of the grant agreement with HUD. OCRA will award funds from previous funding years first. This should allow the state to satisfy both the requirement of expending at least thirty percent (30%) of any newly allocated RHP funds within one year of obligation and expending one hundred percent (100%) of its total RHP funds before the end of the period of performance. OCRA will expend no more than five percent (5%) of RHP grant funds for its own administrative costs.

ANTICIPATED OUTCOMES

The following are the outcomes that were met from the 2023 FY allocation

ACTUAL OUTCOMES:

- 2 houses with 10 beds each currently under construction
- 2,200 square foot recovery housing facility with 13 beds currently under construction
- 20 individuals assisted in RHP housing from the most recent program allocations.
- 100% or 20 individuals were able to transition to permanent housing through RHP-assisted temporary housing from the most recent program allocations.
- 12 individuals assisted in RHP housing from 2022 and 2023 program allocations
- 3 houses have provided RHP housing to 50 individuals
20 individuals assisted in RHP housing from 2022 and 2023 program allocations

It is anticipated that these funds will fund a variety of temporary recovery housing facilities or activities. The program aims to finance both the development of new recovery housing and the renovation of existing properties to provide temporary accommodation for individuals recovering from substance use disorders. OCRA intends to offer support to help sustain the operations of recovery housing facilities. The following are the anticipated outcomes for the 2025 FY allocation

ANTICIPATED OUTCOMES:

- Fund at least two newly constructed or rehabilitated recovery housing facilities in need of expansion
- At least 50 new individuals will directly benefit from RHP projects upon the opening of the facilities.
- All funded facilities will remain operational for a minimum of five years, ensuring the continuation of recovery services for a greater number of individuals in need.
- At least 70% of beneficiaries of recovery housing will transition to permanent housing.

CITIZEN PARTICIPATION SUMMARY

The Recovery Housing Program will follow the Indiana Citizen Participation Plan (CPP), available

on [OCRA's website](#). The CPP was developed in accordance with Sections 91.110 and 91.115 of the U.S. Department of Housing and Urban Development (HUD)'s Consolidated Plan regulations and in accordance with best practices to maximize input from low to moderate income residents and residents living in predominantly low to moderate income areas. The plan is also designed to facilitate input from residents of Indiana for whom traditional avenues of engagement can be difficult. As such, OCRA offers a variety of ways to participate, including holding meetings in hybrid (virtual plus in-person) settings and offering recordings of meetings.

The State of Indiana, through OCRA, will provide the opportunity for a 30-day public comment period on the draft of the RHP action plan. During public comment periods, the RHP Action Plan is available for public inspection prior to its submission. Members of the public are invited to review the action plan or amendment during the hours of 8:30am to 5:00pm ET, at the Indiana Office of Community and Rural Affairs, One North Capitol, Suite 600, Indianapolis, IN 46204.

The RHP Action Plan draft or its draft Amendments are also made available on [OCRA's website](#). Two public hearings will be held in addition to the public comment period.

OCRA will respond to comments received in accordance with its Citizen Participation Plan. OCRA will consider and summarize public comments received in its RHP Action Plan, including any comments not accepted and the reasons, therefore.

Previous public hearings, public comment periods, public comments received, and overall citizen engagement efforts are documented in the chart below.

ACTION PLAN	PURPOSE	PUBLIC HEARING DATE	PUBLIC HEARING FORMAT	PUBLIC COMMENT PERIOD	PUBLIC COMMENTS RECEIVED
2020 ACTION PLAN	Initial submission	May 18, 2021, 4:00 pm	Virtual	May 10, 2021-June 8, 2021	No comments received.
2020 ACTION PLAN AMENDMENT ONE	Combine FY2020 and FY 2021 allocations	March 21, 2022 10:00am and 4:00pm	Virtual	March 4, 2022-April 6, 2022	No comments received.
2020 ACTION PLAN AMENDMENT TWO	Combine FY2020, FY 2021, and FY2023 allocations	May 17, 2023 at 2:00pm and 4:00pm	Virtually and in-person	May 1, 2023-May 31, 2023	No comments received.

2020 ACTION PLAN AMENDMENT THREE	Combine FY 2020, FY 2021, and FY2023 allocations	November 20,2023 at 9:00am and 4:00pm	Virtual and in-person	November 8,2023- December 8,2023	One public comment was received during the hearing inquiring about when the funding will be made available.
2020 ACTION PLAN AMENDMENT FOUR	Combine FY 2020, FY 2021, FY2023, and FY2024 allocations	July 9, 2025 and July 11, 2025 at 4:00pm	Virtual and in-person	July 8, 2025- August 8, 2025	No comments received.
2020 ACTION PLAN AMENDMENT FIVE	Combine FY 2020, FY 2021, FY2023, , FY2024 and FY 2025 allocations	July 13, 2026 at 12:00pm and July 15 at 4:00pm	Virtual and in-person	July 6, 2026- August 7, 2026	Comments to be included at the end of the public comment period.

PARTNER COORDINATION

To maximize and leverage its resources, OCRA will partner with the Family and Social Services Administration’s (FSSA) Department of Mental Health and Addiction (DMHA) and will explore additional partnership opportunities with the Indiana Housing and Community Development Authority and the Indiana Department of Health (IDOH)

OCRA will partner with the following entities to maximize resources available to those in need of temporary recovery housing.

1) Indiana Family and Social Services Administration

a. Department of Mental Health and Addiction (DMHA)

- i. The Indiana Family and Social Services Administration (FSSA), through its Department of Mental Health and Addiction (DMHA), supports integrated and accessible systems for mental health and substance use disorder prevention, treatment, and recovery. This is achieved by establishing care standards, certifying providers, and funding services for those in need.

OCRA and DMHA will utilize funding from the Substance Abuse and Mental Health Services Administration (SAMHSA) to assist individuals requiring

recovery housing by covering accommodation costs. DMHA offers room and board for \$15 a day if all food is donated, or \$20 a day if at least one meal is provided by the residence. Additionally, DMHA allocates \$6-\$8 per day for a staff member to be present at the residence. Annually, \$25 million in SAMHSA funding is available for recovery residences that meet NARR Levels II through IV through the mental health and addiction forensic treatment fund, known as Recovery Works.

OCRA has collaborated with DMHA to gather data on the current state of housing in Indiana, identifying areas of need and barriers to accessing recovery programs in rural communities. Their communication teams will work together to promote the Recovery Housing Program through a social media awareness campaign, as well as other related initiatives. Through the Recovery Housing Program, OCRA aims to encourage residents to obtain designation as Indiana recovery residences. This designation not only provides access to SAMHSA funding but also ensures adherence to state and federal regulations.

- b. Indiana Alliance of Recovery Residences (INARR)/Mental Health of America-Indiana.** The Indiana Alliance of Recovery Residences provides technical support to Indiana designated recovery residence operators. OCRA has coordinated with INARR to distribute funding opportunities as well as promote the Recovery Housing program through social media and other communication platforms.
- 2) Indiana Housing and Community Development Authority (IHCDA)**

To enhance the effectiveness of wraparound services, the DMHA, in collaboration with the Indiana Housing and Community Development Authority (IHCDA), has established the landlord reserve mitigation fund. This fund offers landlords up to three months' rent and covers damages to incentivize them to provide permanent housing for individuals post-recovery. Currently, there is limited coordination between the IHCDA and Continuum of Care programs, particularly in relation to those seeking temporary recovery housing. OCRA has reached out to explore cross-sector partnerships that could leverage existing IHCDA programming. These programs may align with efforts to provide rental assistance, short-term rentals, or funding for shelter operators and affordable housing initiatives, as well as administer temporary rental assistance and supportive services aimed at ending homelessness. OCRA expects to leverage this partnership for the FY 2025 allocation.

3) National Opioid Settlement

The RHP program will also leverage National Opioid Settlement Funds. The Office of Drug Prevention, Treatment, and Enforcement, in partnership with the Indiana Family and Social Services Administration - Division of Mental Health and Addiction and the Indiana Department of Health developed a framework for how the State of Indiana plans to use

the state's 35% appropriation for abatement from the National Opioid Settlement with distributors McKesson, Cardinal Health and AmerisourceBergen and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson. House Enrolled Act 1193, passed by the Indiana General Assembly and signed by Governor Eric J. Holcomb in March 2022, created a 50/50 state and local split and defined the intensity metrics on how much money each locality received. The State Budget Committee approved Indiana's plan for the 35% appropriated for abatement to the Indiana Family and Social Services Administration in December 2022. Local subdivisions received their first payments in December 2022.

As part of the National Opioid Settlement, the Indiana Family and Social Services Administration – Division of Mental Health and Addiction (DMHA) is also making available a one-time funding opportunity available to local units of government to support evidence-based prevention, treatment, recovery, harm reduction, behavioral health workforce, enforcement, jail treatment, recovery residences, and other services and initiatives across the state. Respondents must provide match funds. Match funds may come from any source, including local distributions from the National Opioid Settlement, Federal American Rescue Plan (ARP) funds, local general funds, private contributions, or philanthropy dollars. The total funding amount available for Indiana's Matching Program is \$25,000,000.

SUBRECIPIENT MANAGEMENT AND MONITORING

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

- **Desk monitoring** is conducted by staff for non-construction projects. Desk monitoring confirms compliance with national objectives, eligible activities, procurement, and financial management.
- **On-site monitoring** is a structured review conducted by OCRA staff at the locations where project activities are being carried out or project records are being maintained. One on-site monitoring visit is normally conducted during a project unless determined otherwise by OCRA staff.
- **Subrecipients monitoring** Grants utilizing a subrecipient to carry out eligible activities are monitored on-site annually during the 5-year reporting period to confirm continued compliance with a national objective and eligible activity requirements. In addition, if there are findings at the monitoring, the grantee is sent a letter within 3 to 5 days of the monitoring visit and is given 30 days to resolve it.

PRE-AWARD/PRE-AGREEMENT COSTS

In line with the current State of Indiana and OCRA CDBG policies and procedures, RHP funds will not be used to cover costs that are incurred by grantees or, if applicable, their subrecipient, prior to the execution of the grant agreement between OCRA and the grantee

APPENDIX A: GENERAL SELECTION CRITERIA

The Office of Community and Rural Affairs (OCRA) will assess applications based on the general selection criteria and criteria for evaluation outlined below. There are three steps to an application's selection and evaluation.

1. **Intent to Apply**-Upon review, potential applicants will be notified of any issues identified regarding eligibility criteria, state and/or federal compliance issues, financial risk concerns, or other substantial concerns. At OCRA's discretion, a site visit may be conducted to provide additional technical assistance in the development of a final application. OCRA reserves the right to invite or exclude an applicant from submitting a final application.
2. **Threshold Review**-After an application is submitted, it will be evaluated for threshold criteria, ensuring each submission demonstrates a sufficient level of readiness to proceed upon grant approval.
3. **Application Evaluation**-The application will be assessed based on the criteria outlined below and criteria for evaluation detailed in Appendix B.

GENERAL SELECTION CRITERIA

- The applicant must be a legally recognized entitlement, non-entitlement local unit of government and Indiana Tribes in the State of Indiana.
- The applicant must have the legal capacity to implement the proposed program.
- If the applicant partners with a non-profit to conduct eligible project activities, that organization must be able to provide documentation of its non-profit status from the U.S. Internal Revenue Service, the Indiana Department of Revenue, and the Indiana Secretary of State.
- At the time of application submission, the applicant must not have any overdue or outstanding semi-annual reports, closeout reports, State Board of Accounts audit findings, or unresolved monitoring issues from OCRA/IHCDA. The determination of what constitutes "overdue" is entirely at the discretion of the Indiana Office of Community and Rural Affairs.
- The applicant must clearly demonstrate how the proposed project will fulfill with the LMI-Limited Clientele National Objective, as modified by the [Federal Register Notice \(FR-6225-N-01\)](#)
- The applicant must use funds for activities described in the [Federal Register Notice \(FR-6225-N-01\)](#), which are CDBG-eligible activities consistent with the purpose of RHP to provide stable, temporary housing for individuals in recovery from a substance use disorder.

- The applicant must show that the proposed project is an eligible activity under Title 1 of the Housing and Community Development Act of 1974 and meets the requirements of the SUPPORT Act.
- The applicant must first encumber/expend all CDBG program income receipts before applying for additional grant funds from the Office of Community and Rural Affairs.
- The applicant may only submit one application per round per program. Counties may submit either for their own project or an “on-behalf-of” application for projects of other eligible applicants within the county. However, no application will be invited from an applicant where the purpose is clearly to circumvent the “one application per round” requirement for other eligible applicants
- There is no limit on open CDBG grants or pending awards for the Recovery Housing Program.
- If an applicant has any pending applications awaiting a “Notice of Release of Funds” or has not yet received approval for a final plan, these will not be considered when determining an applicant eligibility.
- To be eligible to apply at the time of application submission, an applicant must not have any unresolved complaints filed against the applying party with the Indiana Civil Rights Commission or any other local human relations commission with jurisdiction (collectively “Commissions”).
- The cost/beneficiary ratio is waived for this program.
- If an applicant includes leveraged funds in their application, the Indiana Office of Community and Rural Affairs will assess the appropriateness and eligibility of those funds. Although matching or leveraged funds are not a program requirement, their inclusion is strongly encouraged
- The application must be completed and submitted by the announced deadline.

APPENDIX B: CRITERIA FOR EVALUATION

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

NATIONAL OBJECTIVE SCORE (100 POINTS) – The National Objective for RHP grants is Benefit to low-and moderate-income-limited clientele. To show that a project will benefit individuals who are generally presumed to be principally low- to moderate-income, awardees will submit transitional recovery housing program admission criteria addressing the following items. A total of 100 total points is available for this section. The following questions must be addressed in the application

1. Who will use the proposed facility?
2. Are the beneficiaries in a group presumed to be low- and moderate-income (see list of limited clientele groups)? If yes, identify the qualifying limited clientele group(s).
3. Will any beneficiaries be qualified based on income?
 - a. If the facility is to be used on an income-eligible basis, how will income and family size information of users be documented? How was the percentage of low- to moderate-income users determined or estimated?
 - b. The benefit to low- and moderate-income people must be documented by an income verification process and should include at least three (3) months of data.
4. Submit Income Verification Document to be used.
5. Income data for people served at the facility must be provided if using more than 51% LMI.

COMMUNITY DISTRESS FACTORS (150 POINTS) - Various factors are used to determine the distress of a community. OCRA has partnered with Stats Indiana, an Indiana University entity, to analyze and calculate the distress of Indiana’s small cities, towns, counties, and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

Poverty Rate
Median Household Income
Unemployment Rate
Non-seasonal Housing Vacancy Rate
Housing Cost Burden
Population Change (10-year % Change)

LOCAL MATCH CONTRIBUTION (25 Points) A maximum of 25 points may be awarded based on the percentage of local funds devoted to the project. This category is capped at 25 points or 25% match, i.e., a project with 25% match or greater will receive 25 points. Below 25% match, the following formula will apply.

Total Match Points = % Eligible Local Match X 1

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

INDIANA RECOVERY RESIDENCE DESIGNATION (20 POINTS) - A maximum of 20 points based on the level of recovery residence that the facility will seek from FSSA DMHA or has already been designated by FSSA. Certificate of designation or required documentation must be submitted with application. Total points are determined as follows:

Level II Designation-5 points

Level III Designation-10 points

Level IV Designation-20 points

FEASIBILITY STUDY (15 POINTS)- A maximum of 15 points will be awarded to applicants who have completed an assessment of the practicality and viability of the proposed project. The study must have been completed within the last 12 months from the program opening.

OVERDOSE DEATH RATE (25 POINTS)-A maximum of 25 points will be awarded to applicants that fall within the boundaries of the counties identified by the [Department of Health](#) as having the highest rate of deaths due to overdose in 2025.

PROJECT DESIGN FACTORS (300 POINTS) – These points are awarded by an OCRA Scoring Committee. Scoring questions for these categories are defined for each round and are provided to applicants that submit a proposal at the site visit. The questions are subject to change each round. Applicants should work with their OCRA Community Liaison to address these questions competitively. Applicants should also refer to the application packet, scoring guide and other resources to address all questions present.

A maximum of 300 points are awarded according to the evaluation in four areas:

1. **Project Description** – Is the project clearly defined as to determine eligibility?
2. **Project Need** - Is the community need for this project documented and compelling?
3. **Financial Impact** - Why is grant assistance necessary to complete this project?
4. **SUPPORT Act Goal**- What policies and procedures are in place for the facilities, and do they comply with all applicable federal regulations, including non-discrimination requirements?

PROGRAM SPECIFIC POINTS (65 POINTS)

- Non-Entitlement Communities (10 points) – A maximum of 10 points will be awarded to applicants that are a non-entitlement.
- Beds Available to Pregnant Women or Women with Dependent Children (15 points)–A maximum of 1 point per new bed that is provided by the facility and made available to pregnant women or women with dependents will be awarded up to 15 points.

- Individuals with Justice Involvement (10 points) - A maximum of 1 point will be awarded per new bed that is provided by the facility and made available to people involved in court ordered rehabilitation up to 10 points.
- Beds Available to Veterans (15 points)-A maximum of 1 point will be awarded per new bed that is provided by the facility and made available to veterans up to 15 points.
- Project Sustainability (15 points) - A maximum of 15 points will be awarded for documentation of National Opioid Settlement Funds being used as project match.

BONUS POINTS (25 POINTS)

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

- Applications that include policies written in a manner to encourage and support use of medications including, but not limited to, nicotine replacement, long acting injectables and daily medication for substance use disorder, and
- Trauma informed care approach incorporated into practices and policies

APPENDIX C: PROGRAM INCOME POLICY

CDBG Policy Notice 2024-004

From: CDBG Division

Effective date: June 4th, 2024

RE: CDBG Program Income

This Policy Notice outlines the requirements set by the Office of Community and Rural Affairs for implementing the Program Income Policy included in the 2023 & 2024 Action Plan submission for approval by the U.S. Department of Housing and Urban Development.

A. Applicability

These requirements apply to CDBG grantees who generate program income from a project funded by the OCRA’s CDBG program(s).

B. Exemptions

The requirements outlined in Section B of this Policy Notice do not apply to the following:

- a) Housing-related grants made to applicants by the Indiana Housing & Community Development Authority (IHCD), a separate agency, using CDBG funds allocated to IHCD by OCRA.
- b) In accordance with 24 CFR 570.489(e)(2), program income does not cover funds generated by grantees and/or subrecipients from CDBG grants awarded by OCRA that are

\$35,000 or less during a calendar year. In such cases, OCRA may allow local governments to keep the funding that doesn't exceed the \$35,000 threshold established by this policy.

- c) Program income generated by locally administered revolving loan funds to carry out specific activities. Grantees are not required to use the program income generated before drawing down grant funds awarded by OCRA for a different CDBG funded activities. However, program income in the revolving loan fund must be used before drawing down additional grant funds for other revolving fund activities in accordance with 24 CFR 570.489(f).
- d) Any interest earned, above the threshold in accordance 24 CFR 570.489(e)(2)(iv)(C), on a deposit of CDBG grant funds before disbursement of those funds for an eligible CDBG activity will be considered CDBG program income by OCRA. Interest earned should subsequently be used as a credit toward additional claims submitted, reducing the payment of a future claim by the amount of interest earned.

C. Program Income Generated by a Units of General Local Government

Program income generated by grantees and/or subrecipients from a CDBG grant(s) award must be returned to OCRA if such amounts are equal to or greater than \$35,000 per calendar year in accordance with 24 CFR 570.489. This income retains its CDBG federal identity per 24 CFR 570.489.

All obligations of CDBG program income by a grantee require prior approval by OCRA. This includes the use of program income as matching funds for CDBG-funded grants from IHEDA.

Applicable local governments must contact the CDBG Program Director for guidance on the use of program income before obligating program income funds to other activities. Local governments that have been approved to use their program income to fund at least one project in the previous twelve (12) months will be considered active. Local governments that have been inactive in using their program income are required to return their program income to OCRA.

The U.S Department of Treasury regulations require that CDBG program income cash on hand balances be expended on any active CDBG grant(s) being administered by a grantee before additional federal CDBG funds can be requested from OCRA. These regulations apply to projects funded both by IHEDA and OCRA.

Eligible applicants with CDBG program income should strive to close out all active grant projects presently being administered before seeking additional CDBG assistance from the OCRA or IHEDA.

D. Revolving Loan Fund Program Income by a Units of General Local Government.

The Program income collected as part of a locally established revolving loan fund is defined as the repayment of CDBG funds received by borrowers, including the principal and any interest earned, regardless of the amount collected.

If OCRA authorizes Units of General Local Government to create locally administered revolving loan funds for specific activities in line with 24 CFR 570.489 (f), the local revolving fund balances must be held in an interest-bearing account in accordance with 24 CFR 570.500(b).

Program income collected by grantees should only be maintained in a local revolving loan fund account for a short period of time before they are awarded back out to new local applicants. Units of General Local Government must ensure any revolving loan fund held are revolved in order for the account to be considered active by OCRA in accordance with 24 CFR 570.489(f).

It is OCRA's policy that grantees with local revolving loan funds must report on any program income earned and the revolving loan fund's activity on a quarterly basis. This report should be governed by guidelines provided by OCRA to its grantees in order to ensure the timely and proper reporting of any revolving loan fund program income generated.

Local governments who do not forgive loans issued as part of a CDBG program will continue to generate program income and must continue to report on in perpetuity on each loan made until all payments have been paid in-full, forgiven, or written off.

E. Transfer of Program Income Generated by Other HUD Funded Awards

At closeout of a U.S. Department of Housing and Urban Development funded award including, but not limited to, CDBG, CDBG Disaster Recovery (CDBG-DR), CDBG Cares Act (CDBG-CV), and the Neighborhood Stabilization Program (NSP), program income on hand or subsequently received by a grantee or subrecipient generated by that award may become program income of OCRA's CDBG formula grant program.

Grantees may transfer any amount of program income collected to OCRA. Program income generated by a grantee or its subrecipients that is transferred to OCRA continues to be subject to all CDBG requirements as outlined in 24 CFR 570.504(b)(3), even after closeout is achieved, until all program income is fully expended.

The transfer of program income generated by other HUD funded awards must comply with CPD 14- 02:Closeout Instructions for Community Development Block Grant (CDBG) Programs Grant. OCRA will assess the best use of any program income transferred to CDBG based on current needs and any applicable

HUD guidance. Grantees must maintain an inventory of acquired real property and equipment and must properly report any new program income generated as instructed by HUD.

Effective Date

This policy is effective as of June 4th, 2024, and will remain in effect until amended, superseded, or rescinded.

