



May 22, 2020

Elsbeth Hilton
Director of Community Services
Indiana Housing & Community Development Authority
30 S Meridian St
Indianapolis, IN 46204

Dear Ms. Hilton and IHCD staff:

Thank you for your thoughtful work in helping to respond to critical housing needs in the face of the COVID-19 pandemic through the prioritization of federal CARES Act resources as outlined in the draft 'State of Indiana 2019 Annual Action Plan for Housing and Community Development, July 1, 2019 – June 30, 2020—Amended for ESG-CV and HOPWA-CV'. Prosperity Indiana especially appreciates that the draft plan includes funding that would create a structure for emergency rental assistance to be delivered statewide to Hoosier renters most in need. Our comments below focus on that portion of the plan, and we do not object to any other proposed new activities in the amended plan, including those using HOPWA-CV resources.

Our membership, comprised of nearly 200 organizations, is dedicated to creating inclusive opportunities that build assets and improve lives throughout every region of our state. Our network is diverse, but united by a mission to transform Hoosier communities. In particular, our members are dedicated to strengthening communities that are economically distressed through comprehensive solutions in rural, urban, and suburban neighborhoods. Expanding access to safe, affordable housing and economic opportunity are at the core of that work.

Prosperity Indiana members not only meet basic human needs, such as providing food and shelter, but ensure low-income Hoosiers have the kinds of tools and resources required to attain and maintain economic sufficiency. We actively engage our membership on policy issues through a variety of mediums to identify areas where community development approaches are effective, and where they should be improved upon to be responsive to local needs. Our members have been greatly involved in the COVID-19 pandemic response and their resources strained by attempts to assist the hardest-hit Hoosiers and their communities in the ensuing economic fallout.



It is for these reasons that we are particularly appreciative that the draft amended plan includes \$9 million to be used for emergency rental assistance as well as the structure for a 'hub' that will help connect renters in need with regional providers who will distribute assistance and perhaps connect with additional supportive services as appropriate. We recognize that several key features of this plan align with [recommendations](#) that Prosperity Indiana and the Hoosier Housing Needs Coalition have issued. We are especially thankful that this hub structure is being designed to be able to adapt to additional federal, state, and/or community/philanthropic resources as they become available. This flexibility aligns with best practices that we are finding in other state and city rental assistance programs, and is particularly important given the limited reach the ESG-CV funds alone would allow.

For example, even at a rate set at the level matching Maine's [COVID-19 Rental Relief Program](#) (which is "designed to provide a one time payment of up to \$500, until the federal relief funds get to the individuals who need them"), the \$9 million in Indiana's ESG-CV funds would be able to assist just 18,000 Hoosier households for one month. This is less than half of the estimated surge of 43,800¹ newly low-income renter households that the National Low Income Housing Coalition predicts for Indiana. Even this surge pales in comparison to broad estimates that 20 percent² of the renter population (for Indiana, this would be nearly 160,000 households), as well as the newest estimates from NLIHC that a total of 258,782 low-income renters affected by the pandemic, will need emergency rental assistance in Indiana.³

¹ State-level data provided by the authors of "[The Need for Emergency Rental Assistance During the COVID-19 and Economic Crisis](#)," NLIHC, April 13, 2020.

² See 'Methodology' in "[The Price Tag for Keeping 29 Million Families in Their Homes: \\$162 Billion](#)," Urban Institute, March 27, 2020.

³ State-level data provided by the authors of "[Emergency Rental Assistance Needs for Struggling Workers due to COVID-19](#)," NLIHC, May 11, 2020.

State	Number of All Affected Renters	Number of Affected Working Renters in HUD-Subsidized Housing	Number of Affected Renters Needing Assistance (May - Sept 2020)	Monthly Cost of Assistance (May - Sept 2020)	Number of Affected Renters Needing Assistance (Oct - Dec 2020)	Monthly Cost of Assistance (Oct - Dec 2020)
Indiana	267,832	9,051	258,782	\$136,895,586	200,919	\$106,286,283

Number of Affected Renters Needing Assistance (Jan - Mar 2021)	Monthly Cost of Assistance (Jan - Mar 2021)	Number of Affected Renters Needing Assistance (Apr - Jun 2021)	Monthly Cost of Assistance (Apr - Jun 2021)	Total Need (May 2020 - June 2021)
193,518	\$102,371,140	186,069	\$98,430,446	\$1,605,741,537

This staggering level of need demonstrates not only the importance of the ‘hub’ model of this amended plan to facilitate additional funds, but it also underlines the need for Indiana to be willing to shift available funds from the CARES Act, including CDBG-CV and Coronavirus Relief Funds, to meet that need. In addition, the benefit of the ‘hub’ model is that it could allow other entities, such as HUD entitlement cities, townships, and philanthropies, to use this structure to help distribute their funds when appropriate.

We also appreciate that the proposed use of ESG funds follows eligibility guidelines and will serve Very Low Income (VLI) households, those at 50 percent or below the Area Median Income (AMI). Especially given the very limited amount of funding available from the state allocation of ESG-CV funds, compared to the estimated statewide need, this will ensure that the households in greatest need, including families who have lost all sources of income during the pandemic,



are prioritized. We hope that the flexibility in the 'hub' structure will allow potential future funds with varying eligibility requirements to be accommodated. We recommend that the triage system work when possible to use the most restricted funds first, leaving more flexible funds to be used last.

A question that was raised at the plan's hearing is how the need for assistance would be determined, since there is currently a pause on evictions through July 1. We want to make sure that an eviction filing is not the triggering event, because even if a judgement is not rendered, evictions can stay on renter's records and make housing and even credit much more difficult to obtain in the future. This process must be clearly communicated to both tenants and landlords as well as the court system.

Another question at the hearing asked about how the proposed hub and triage system would interact with local providers. We recommend, as this system is developed and implemented, that the providers who will be distributing funds and potentially providing additional services be consulted. We certainly don't want a statewide system to cause unnecessary delays for the renters who need the assistance most, but also recognize that not all parts of the state are served by equally developed networks of providers.

We sincerely hope to increasingly partner with IHCDA staff and leadership to work towards shared housing and community development goals, both during the COVID-19 response and beyond its recovery. On behalf of our dedicated membership affecting positive change in communities throughout the state, we would like to thank both OCRA and IHCDA for the opportunity to weigh in on this draft amended Plan and hope to work collaboratively with you on continued amendments and program design and prioritization for the five-year Plan.

Sincerely,

Andrew Bradley
Policy Director
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