

Community Development Block Grant Program



2021

Owner Occupied Rehab Pilot Grant Program

Indiana Office of Community and Rural Affairs
CDBG Program
One North Capitol, Suite 600
Indianapolis, IN 46204

Owner Occupied Rehab Pilot Information and Application Instructions

The Office of Community and Rural Affairs (OCRA) seeks applications from eligible local units of government that would like to be considered for Owner Occupied Rehab Pilot Program funded through the state Community Development Block Grant (CDBG) program. Eligible local units of government are counties, cities, or incorporated towns not located within an entitlement community. Unincorporated areas must apply through the county in which they are located.

General Owner Occupied Rehab Grant Information

The goal of the program is to encourage communities to create a program by which low-moderate income residents can apply for funds to repair their primary residences. Communities interested in starting a program for basic rehabilitation of residential homes are encouraged to apply. To be considered, projects must demonstrate the following:

- They meet a goal of the Federal Act;
- CDBG funds may be used to assist existing homeowners with the repair, rehabilitation, or reconstruction of owner-occupied units.
- The funds granted will have a significant impact on the overall project;
- The community has demonstrated a strong commitment to the project and its sustainability; and
- The project is ready to proceed upon grant award and will be completed within 12 months after grant award.

Minimum Requirements

To be eligible for Owner Occupied Rehab Grant assistance, projects must meet the following minimum requirements:

- The lead applicant must be a non-entitlement city, county or incorporated town that possesses the legal capacity to carry out the proposed program.
- The lead applicant must have at least 3 (three) years of experience in managing a Owner Occupied Rehab within their community prior to applying for this grant.
- The proposed project must meet a national objective and be an eligible activity under Section 105 (a) of the Housing and Community Development Act of 1974. In general, the project must either:
 - Benefit homeowners who are at least 51% low- and moderate-income based on HUD Income Limits.
- If the applicant has previously received any CDBG funds through the Office of Community and Rural Affairs or the Indiana Housing and Community Development Authority (IHCDA) the applicant must **NOT** have:
 - any unresolved monitoring/audit findings;
 - any overdue grant reports or closeout documents;
- Any CDBG Program Income collected from a previous CDBG grant must be obligated for a use that has been approved by the Indiana Office of Community and Rural Affairs before another CDBG grant will be approved. Any available Program Income may be used as part of the local match for a CDBG project. Please contact the CDBG Program Director for additional information regarding Program Income.
- **Local** match must be provided by the applicant or third-party. Other state, federal or local grants can count toward the local match requirement. The local match must be in the minimum amount of 10% of the total project cost, not the grant amount being requested.
- The applicant must use the Qualification Based Selection (QBS) or Request for Qualifications (RFQ) procurement process. All documentation of the process must be attached to the application.
- Grant Administrators used for CDBG projects must have a Grant Administrator Certification issued by the Indiana Office of Community and Rural Affairs. A complete list of grant administrators who are current in this training is available [here](#). Grant Administrators must have at least 3 (three) years of demonstrated experience in administering Owner Occupied Rehab projects prior to this application.
- All maps and photographic documentation included in the application must be in full color and accompanied by captions with dates or clearly defined legends.
- Complete and submit ER Form 3 and ER Form 4 (https://www.in.gov/ocra/cdbg/files/ER_Form-4_Statutory_Worksheet_REV_Jan2021.pdf)
- Communities are not required to have full list of properties the repair prior to application

ELIGIBLE REHABILITATION ACTIVITIES

The following list identifies the general types of eligible rehabilitation activities communities may offer with their Owner Occupied Rehab Programs. The list is not all-inclusive. **Applicants should contact their Community Liaison to determine if their program activities are eligible for funding.** Eligible activities include:

1. Rehabilitation of these activities of privately own residences:
 - a. Roof repair or replacement
 - b. ADA accessibility up to the threshold of the home
 - c. Heating and cooling replacement
 - d. Lighting and electrical upgrades
 - e. Water heater replacement
2. Grant Administration

MEETING A NATIONAL OBJECTIVE OF THE FEDERAL ACT

Title I of the Housing and Community Development Act of 1974, as amended, identifies the national objectives of the CDBG program:

- Grant programs must meet the Benefit to Low-Moderate Income Housing National Objective.

The community will need to demonstrate that it meets the required objective by providing all required documentation and answering all relevant questions:

Benefit to Low- and Moderate-Income Persons – Housing

To show that a project benefits low and moderate income people, awardees will be responsible for verification of income for each household participating in the program.

Amount of Grant Request and Local Match:

The following maximum grant awards have been established by OCRA for Owner Occupied Rehab recipients:

- \$250,000 available for the creation or funding of an Owner Occupied Rehab Program

The maximum award is not intended to serve as a target figure for requests for grant assistance. OCRA will review the level of grant assistance requested and will consider the appropriateness of the project's scope, level of demonstrated need, and the financial resources of the applicant. **If OCRA determines that a lesser amount is appropriate, it may be necessary to revise the application before it is considered for funding.**

In order to participate in the Owner Occupied Rehab program, **communities must commit at least ten percent (10%) of the total project cost** in matching funds toward the grant. For example, an applicant applying to fund a project costing a total of \$50,000 must commit at least \$5,000 or ten percent (10%) of this project cost. The grant request would then be for the amount of \$45,000.

Consultants and Grant Administration

The Community Development Block Grant (CDBG) program requires the Qualifications Based Selection (QBS) procurement method for architectural and engineering services. All other professional services must be procured using the Request for Proposals (RFP) method, if being paid with CDBG funds. More information on the QBS process can be found [here](#).

All grant administrators involved in CDBG projects must be fully accredited CDBG Grant Administrators. This certification must be current at the time of application. A list of such grant administrators is available at www.in.gov/ocra/2536.htm. Additional information on the CDBG Grant Administrator Certification Policy can be found on the OCRA website at: www.in.gov/ocra/2897.htm.

Grant Administrators must have at least 3 (three) years of demonstrated experience in administering Owner Occupied Rehab projects prior to this application.

NOTE: Private firms or non-governmental entities that perform project development and administration activities for CDBG-assisted projects (project development, environmental review, grant application preparation, procurement assistance, grant administration) will NOT be allowed to perform architectural, engineering, planning, or other related services/activities for grantees or their non-profit sub-recipients on those projects.

If paid from CDBG funds, Grant Administrators may charge up to 8% of the CDBG grant amount. If paid from non-CDBG-funds, any amount over the 8% grant administration cap will be considered an ineligible cost.

Public Hearings and Citizen Participation

Two public hearings must be held at different stages of project development. One public hearing must be held prior to the submission of the application and the second must be held after OCRA approval of the program.

Note: New public hearings must be held for each grant cycle, regardless of prior application(s).

Public hearing notice must be posted at least 10 days prior to the hearing date. **Therefore, the public hearing cannot occur until the 11th day or after.** Applicants should be aware of local newspaper deadlines for submitting advertisements. Some smaller newspapers are published weekly and will require that the advertisement is placed well in advance of the public hearing. Other methods of advertising the public hearing is also encouraged. All public hearings must be accessible to handicapped persons. Public hearings should also be made convenient to the low- and moderate-income residents who will benefit from the project.

The public hearing notice and the publisher's affidavit documenting publication dates, the dated sign-in sheet and signed minutes **must be attached to the application for the first public hearing.** Documentation for the **second public hearing will be required upon submission of the final plan** to OCRA. The affidavit is the **only** application document accepted after the due date. **The affidavits must be received within 14 days of the due date. OCRA is not responsible for reminding applicants to submit this document.**

Minutes must be signed and dated by the party that recorded them. *If a third party, such as a grant administrator, takes the minutes of the meeting, the applicant must include a document stating that the third party is acting as the applicant's representative.* It is recommended that an audio tape of the public hearing be recorded and kept until the grant is closed out. OCRA may request transcripts of the public hearings.

- Place all documents from each public hearing together in the application. Do not separate by type of documentation.
- All public hearing ads submitted with the application must be of sufficient size to be readable upon review.
- Minutes should document the topics of discussion and not simply state "there was a discussion."
- Minutes are a great source of quotes showing residential impact.

All questions regarding Limited English Proficiency must be answered on the Citizen Participation page. Please attach the Four Factor Analysis and Language Access Plan as required.

For more information, please refer to the [CDBG Handbook](#).

APPLICATION PROCESS & DEADLINES

The application must be submitted via the Indiana Electronic Grants Management System (INEGMS) by a certified Grant Administrator. The system is accessed via the main CDBG webpage at www.in.gov/ocra/cdbg.htm. Community members can also access the system but are not able to submit.

The application MUST be submitted by 11:59 PM ET on Friday, August 27, 2021. Failure to comply with submission requirements could render an application ineligible.

The following process must be followed:

1. Communication with Community Liaison (CL):

The applicant must contact their CL to notify the Office of their intention to submit an application and must collaborate on technical assistance with developing the application and advice on the application process. A map of community liaison districts can be found [here](#).

Please answer all questions completely. Be sure to reference the page number of each piece of supporting documentation that has been attached, and do not include attachments that are not discussed and referenced in the narrative unless federal or state policy requires those attachments.

2. Procurement:

The applicant must use Qualifications Based Selection (QBS) or Request for Qualifications (RFQ) process for administrative services, as laid out in the CDBG Handbook. This process should begin after the application has been awarded.

3. Design Program Parameters:

Design how your community will administer the Owner Occupied Rehab Program and submit those parameters to OCRA for review.

A minimum of sixty (60) days should be allowed for the initial review by OCRA. Please note, however, that the sixty days does not allow any time for revisions that may be necessary, as well as administrative close-out of the grant. Therefore, it is highly recommended that the plan be submitted as soon as possible prior to the deadline of the grant. Upon confirmation that OCRA's technical specifications for that plan type have been met and all necessary components were included, the plan will be formally approved by OCRA.

4. OOR Project Completion:

After approval by OCRA of the draft document, a **second public hearing must be held to solicit public comment on the draft program. The draft must be made available to the public at the time of the hearing notice publication. At this second hearing, the lead applicant must approve the program by resolution. A sample resolution can be found on the OCRA website (see Sample local Resolution Approving Program).** This hearing must follow all of the same guidelines discussed above in the Public Hearings and Citizen Participation section of this application packet. A copy of the second public hearing notice, the publisher(s) affidavit, sign-in sheet, minutes, and the resolution approving the plan at the local level shall be forwarded to the CDBG Program Director. Receipt of these documents and approval of the document must occur prior to the submission of the request for final draw down of funds, or the draw request will be denied. ***Note: if a third party, such as a grant administrator, takes the minutes of the meeting, the applicant must include a document stating that the third party is acting as its representative.***

GRANT EVALUATION CRITERIA 700 POINTS TOTAL

Applications must achieve a minimum score of **450 points** to be eligible for award.

COMMUNITY DISTRESS FACTORS (175 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:

Percentage of Households with Income under Poverty Level	Median Home Value
Median Household Income	Unemployment Rate
Percent of Housing Units that are Vacant	Labor Force Participation

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu/.

LOCAL MATCH CONTRIBUTION (75 POINTS):

A maximum of 75 points based on the percentage of local funds devoted to the project. This total is determined as follows:

$$\text{Total Match Points} = \% \text{ Eligible Local Match} \times 1$$

The points total is capped at 75 points or 75% match, i.e., a project with 75% match or greater will receive 75 points. Below 75% match, the formula calculation will apply. Eligible local match can be local cash or debt sources. Federal, state, and local government grants are considered eligible match.

PROJECT DESIGN FACTORS (400 POINTS):

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

- Project Description** – Is the project clearly defined as to determine eligibility? – 50 points
- Project Need** - Is the community need for this project documented and compelling? – 125 points
- Financial Impact** - Why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA Scoring Committee when evaluating the projects. **Applicants should refer to the application packet and address all questions present.** Applicants should work with their OCRA Community Liaison to identify ways to increase their project’s competitiveness in these areas.

PROGRAM SPECIFIC POINTS (50 POINTS):

Documentation of Previous Years Running OOR Program

- **Community Experience:**
 - **3 -5 Years – 25 Points**
 - **5+ Years – 50 Points**

BONUS POINTS POLICY:

It is OCRA’s policy to encourage and support regional coordination amongst rural communities. As such, a grant application that is included in a regional plan will be awarded 25 bonus points. To receive these bonus points requires verification of the regional plan from the CDBG Program Director approximately 1 week prior to application submission.

Bonus Points for Regional Planning – 25 points

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one plan or component of a single plan type in different funding rounds. This applies to all plan types, although it is particularly relevant to utility plans. If a community needs to phase a plan in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a plan, OCRA will take into account previously awarded plans for the same plan type. A community that has previously been awarded a grant for the same plan type will likely not be competitive and will be subject to the follow point reduction.

0 – 5 years since previous funding – (-50 points)

Example: Community submits and receives a Planning grant in 2015 to conduct an environmental assessment for a particular site. When applying for a Planning grant in 2020 to do an environmental assessment for a different site, they would be subject to a point reduction of 50 pts. They would have no point reduction in 2021.

2021 Scoring - OOR	
Minimum Score Needed: 450	
PROJECT DESCRIPTION:	
A detailed description, in non-technical terms, of the proposed project and desired outcomes at the conclusion of the grant period.	25
Is there a detailed easy to understand description of the program overview and selection process?	15
Are there clear and measurable desired outcomes addressed by the program?	10
Scope of Work	30
Are the program's selection criteria clearly defined and consist of both objective and subjective factors?	15
Are the terms of the grants clearly defined? Was public input on the terms considered?	15
Project Support	20
Is the history of the program summarized with key dates identified? If the program is new, is there a clear summary of the development process?	20
Project Description TOTAL 75	
PROJECT NEED: (consider main PDIs and PDIs listed by project type if applicable)	
Priority	60
Is there documentation of a 3-5 year history of issues this program would address?	10
Is frequency/prevalence of the issue(s) this program would address compelling? Is adequate documentation included?	10
Is there a risk of the issue(s) this program would address having a significant impact on residents? Is adequate documentation included?	10
Is this program a community priority? Is adequate documentation included?	20
Are survey results and other data related to the issue(s) this program would address included to adequately describe the need? (Photos are not considered data.)	10
Current Conditions	30
Are the current community conditions well explained and documented?	20
Are high-quality color pictures showing conditions within the past 5 years included? Does every picture have a caption and date stamp? If no pictures, are reasons provided?	10
Residential Impact	45
Is the residential impact of the issues being addressed by the program explained and documented? What are potential impacts on residents if this program is not funded?	25
Is residential support/need for the program outlined and documented?	20
Health and Safety	40
Are health and safety issue(s) this plan would address explained in detail? What are potential health risks if project is not completed?	20
Are health and safety issue(s) this plan would address well documented?	20
Project Need TOTAL 175	

FINANCIAL IMPACT:	
Previous Efforts	50
Have there been previous efforts to address the issue(s) this program would cover by the community?	30
Is supporting documentation included explaining past efforts, including partnerships, expenditures and labor hours?	20
Program Management	30
Is there an overview of how the program will be managed?	10
Are the roles for the community and program manager defined?	10
Have any management processes been defined?	10
Financial Management and Stability	30
Does the community outline how funds will be managed?	10
Is there a sustainability and growth plan for the program?	10
If CDBG funds are not awarded, will the project move forward?	10
Draft Program Materials	15
Did the community provide the required draft materials? Were the materials logical?	15
Fund Balances	25
Are the fund balances and relevant documentation for the applicant and sub-recipient adequately explained?	15
Are all discretionary fund balances accounted for and explained?	10
Financial Impact TOTAL	150

Application Checklist

Place the information in the application in the following order so OCRA staff can review the information efficiently. Forms and resources on OCRA's website have been hyperlinked. Please use those links to ensure you are using the most current version of those resources. All CDBG resources can be found at <http://in.gov/ocra/2575.htm>.

DO NOT INCLUDE THIS CHECK LIST OR ANY OF THE PRECEDING PAGES IN THE SUBMISSION.

- Applicant Information**
 - First page of the application
 - All blanks completed
 - Local match meets program requirements
 - Updated W-9 Form

- Table of Contents**

- Project Narrative**
 - Project Description
 - Project Need
 - Fiscal Impact
 - All sections are completed and are no more than three (3) pages in length
 - Infrastructure Information (for Utility Plans, Comprehensive Plans, ED Plans only)

- National Objective**
 - Appropriate National Objective indicated
 - All questions answered
 - For LMI, Census data is provided. If an Income Survey is used, justification of the difference between survey results and Census data is required.

- Beneficiaries**
 - Numbers correspond to Income Survey results or Census data
 - Grant amount requested divided by the total number of beneficiaries does not exceed \$5,000/beneficiary limit
 - Numbers are added correctly and consistent throughout application

- Budget**
 - Amounts must be rounded to the nearest dollar
 - Summary Project Budget
 - Detailed Itemized Budget
 - All sections completed
 - All calculations are correct (errors may result in rejection of submission)
 - If applicable, approval of in-kind match from CDBG Program Director

- Citizen Participation**
 - All public hearing documentation
 - Documentation for the first public hearing
 - Copy of the published Notice for the first public hearing from the publisher/publication
 - Copy of publisher's affidavit
 - Public hearing occurred on or after the 11th day from publication
 - Sign-in sheet from first hearing included
 - Signed Minutes from first public hearing
 - Copy of response(s) to comments and/or complaints
 - Four Factor Analysis worksheet
 - Copy of Language Access Plan (if required)

- Documentation of third-party authorization to take minutes
- If applicable, multi-jurisdictional
 - Citizen participation for each jurisdiction
 - One hearing held within each jurisdiction
 - Separate documentation for all public hearings

Legal

- Displacement
 - Displacement Assessment
 - Displacement Plan
- Form 6.6 Federal Funding Transparency Form (FFATA)
- Form 1 Disclosure Report
- Copy of Fair Housing Ordinance (only the actual ordinance language; should reflect updated federal language requirements)
- Copy of Drug Free Workplace Policy
- Civil Rights Certification
- Assurances & Certification
- Authorization of Submission
- If applicable, Cooperation Agreements
- If applicable, Multi-jurisdictional
 - Inter-local Cooperation Agreement
 - Resolution for each jurisdiction

Appendix A: National Objective Information

- Maps (in color)
 - Boundaries of jurisdiction shown
 - Project area shown as well as service area
 - Detailed map of service area (including street names)
 - Service area corresponds to survey area
 - Floodplain map if located in 100-year flood plain
- Income Survey Information (if applicable)
 - Detailed description of survey methodology
 - Copy of sample survey form
 - Copies of written survey material
 - Map of survey area
 - Survey results analysis form
 - Certification form
 - Certification letter

Appendix B: Project Description Documentation

- Scope of Work

Appendix C: Project Need Documentation

- Relevant letters of need and other evidence of community need (Limited to seven letters; no page limit on the letters)
- Photos in color with dates and captions explaining relevancy
- Letter of justification for repeated plan type (if applicable)

Appendix D: Fiscal Impact Documentation

- Applicant fiscal impact documentation
 - Cash & Investment Combined Statement
 - Tax sheet

- Clerk/Treasurer's Debt Report
- Ending balances of discretionary funds with explanations of the future use of those funds
- If applicable, sub-recipient fiscal documentation
 - Income & Expenses Report
 - Annual operating budget

Appendix E: Readiness Information

- Environmental Review Form 1 (no supplementary letter required)
- Municipal resolution authorized by governing body committing the total amount of local match, indicating source and amount of match
- Written statement from Chief Financial Officer stating funds are available and dedicated to project
- Correspondence from bank, not-for-profit or other funding source (If applicable- Must be with original signature on letterhead)

Appendix F: Infrastructure Documentation

- Copy of most recent water and sewer rate ordinance (Utility Plans only)