

# Community Development Block Grant Program



## 2024 Owner Occupied Rehabilitation (OOR) Program Application Instructions

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## **Owner Occupied Rehabilitation Grant Program Information and Application Instructions**

The Office of Community and Rural Affairs (OCRA) is seeking applications from local units of government for the Owner-Occupied Rehabilitation (OOR) Grant. Eligible local units of government are counties, cities, or incorporated towns not located within an entitlement community. Unincorporated areas must apply through their county.

### **General Grant Information**

The goal of the grant is for communities to create a program for low-moderate income residents to repair their primary residences. To be considered, projects must demonstrate the following:

- They meet the *Benefit to Low- and Moderate-Income – Housing* National Objective of the Housing and Community Development Act of 1974, as amended.
- CDBG funds will be used to assist current homeowners with the repair or rehabilitation of owner-occupied units.
- The grant will have a significant impact on the overall project.
- The community has demonstrated commitment to the project and its sustainability.
- The project is ready to proceed upon grant award and will be completed within 18 months.

### **Eligibility Requirements**

To be eligible for Owner Occupied Rehabilitation Grant assistance, projects must meet the following 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. Unincorporated areas must apply through their county.
- The lead applicant may contract with a not-for-profit organization to carry out eligible project activities, if the organization can document its non-profit status with the U.S. Internal Revenue Service, the Indiana Department of Revenue, and the Indiana Secretary of State.
- 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. With the eligible activity as Low- and Moderate-Income - Housing, the project must benefit homeowners who are verified as low- and moderate-income based on HUD Income Limits.
- Applicants are required to inform their OCRA Community Liaison of their intent to apply so that they may receive technical assistance on their application. **Applicants without demonstrable Owner-Occupied Rehabilitation experience are required to have a site visit** (which may be a virtual meeting) with their Community Liaison for technical assistance prior to application submission.
- 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 (IHEDA) the applicant must not have any unresolved monitoring/audit findings or any overdue grant reports or closeout documents.

- If the applicant has previously received CDBG funds through OCRA, in accordance with [Policy Notice 24-004: Program Income Policy](#), any CDBG Program Income collected by a grantee and/or a subrecipient must be returned to OCRA if such amount is greater than \$35,000 per calendar year or the local government must first utilize any CDBG program income cash on hand on active CDBG grant(s) being administered before requesting additional CDBG funds from OCRA. Approval from OCRA is required to use available Program Income as part of the local match for a CDBG project. For approval or questions, please reach out to the [CDBG Team](#).
- For OCRA-funded OOR projects, eligible communities may reapply to receive additional OOR funding after all prior OOR grants awarded to them by OCRA have achieved closeout
- A minimum local match of 10% of the project cost is required from the applicant or a third party. Other state, federal or local grants can count toward the local match requirement.
- Grant Administrators used for CDBG projects must be certified by OCRA. A complete list of certified grant administrators is available [here](#).
- All maps and photographs included in the application must be in full color and accompanied by captions with dates or clearly defined legends.
- Communities are not required to have list of properties to repair prior to application. However, feedback from former awardees suggests that starting an interest list to determine the existing level of local need is helpful for setting program goals and meeting deadlines.

### Eligible Activities

The list below identifies the general types of eligible rehabilitation activities communities may offer through their Owner-Occupied Rehabilitation Programs. Eligible activities include:

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

### Build America Buy America Act Waiver

The Build America, Buy America Act requires infrastructure projects funded by any Federal Financial Assistance, such as CDBG, to apply a domestic procurement preference. This means that all iron, steel, manufactured products, and construction materials used in infrastructure projects must be produced in the United States, unless the federal awarding agency has issued a waiver of this domestic procurement requirement also referred to as the “Buy America Preference” (BAP).

The U.S. Department of Housing and Urban Development (HUD) has issued a waiver of public interest [De Minimis and Small Grant Waiver](#), effective through November 23, 2027, for projects whose cost from all sources does not exceed the simplified acquisition threshold value of \$250,000.

The Office of Community and Rural Affairs has determined that individual owner-occupied rehabilitation activities are covered by the [De Minimis and Small Grant Waiver](#) and do not have to comply with the Buy America Preference, since the total project costs from all sources for each activity do not exceed \$250,000. As required by HUD, record keeping should be maintained in accordance with applicable program requirements.

To ensure record keeping compliance is fully maintained, awarded grantees must complete the [BABA-01 Determination Form](#). On the form, grantees must identify the applicable waiver for this program. This form must be submitted to OCRA along with all other essential Readiness to Proceed documents including financial, engineering, permits, and site control (FEPS) for all OOR CDBG awards.

## **Environmental Review**

All OOR projects are Categorically Excluded Subject To (CEST) 58.5. The environmental review process consists of two tiers. Forms to complete the review are available on the [CDBG Forms website](#). Applicants can begin the environmental review process during the application stage by requesting an ER determination review from Grant Services. Submit the required ER forms to complete broad-level Tier 1 review, along with a project description and project area map, by email to [LGGrantServicesER@lg.IN.gov](mailto:LGGrantServicesER@lg.IN.gov). If you do not submit these items for pre-determination via email before applications close, they must be submitted to OCRA alongside the readiness to proceed documentation at FEPS, after the project is awarded. The [Grant Services ER team](#) will confirm the ER level determination and provide further instructions on Tier 2 Review for selected local awardees (homes).

## **Additional Considerations**

### **HUD Environmental Rules**

CDBG-funded housing programs must comply with the U.S. Department of Housing and Urban Development's Lead Safe Housing Rule. Please review OCRA's [Policy Notice 24-003 Lead Safe Housing Rule](#). They must also comply with HUD guidance on radon, and all homes that are selected for rehabilitation must be tested for radon. Please review OCRA's [Policy Notice 24-002 Radon Requirements](#). More information on both policies will be provided during the environmental review for awarded communities. The required forms can be located on the [CDBG Forms website](#). OOR program administrators are encouraged to communicate the radon testing and mitigation requirements with homeowners ahead of time for transparency.

### **Violence Against Women Act (VAWA)**

The Violence Against Women Act (VAWA) of 1994, as amended (42 U.S.C. 13925 and 42 U.S.C. 14043e et seq.) requires that HUD assisted housing is made available to survivors of domestic violence, dating violence, sexual assault, or stalking without penalization for reporting crimes and emergencies; or being retaliated against for seeking or exercising VAWA rights.

### **Civil Rights and Fair Housing Act**

Title VII of the Civil Rights Act of 1964, as amended prohibits discrimination in housing related assistance because of race, color, national origin, religion, sex, sexual orientation, gender identity, disability, or familial

status. Any organization that receives federal financial assistance under a HUD program shall not discriminate against a beneficiary or prospective beneficiary based on a protected class.

Grant recipients must comply with these policies as they operate a local OOR program.

### **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. For the OOR grant program, all applications must meet the Benefit to Low- and Moderate-Income - Housing National Objective.

To show that a project benefits low- and moderate-income individuals, grantees will be responsible for verifying the income for each household participating in the program. Income verification forms are a required part of the grant application.

### **Amount of Grant Request and Local Match**

The maximum grant award for Owner Occupied Rehabilitation recipients is \$350,000 for a city or town, or \$500,000 for a county to create or fund a local Owner-Occupied Rehabilitation Program. Individual grants to homeowners may not exceed \$25,000.

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 consider 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.

To participate in the Owner-Occupied Rehabilitation 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 that costs \$50,000 must commit at least \$5,000 (10%) of this project cost. The grant request would then be \$45,000.

All requests to use in-kind match must be submitted to [cdbg@ocra.in.gov](mailto:cdbg@ocra.in.gov) two weeks before the application deadline for approval from the CDBG Program Director. Eligible sources of in-kind match may include donated goods or services (valued at regular cost), force account labor, or volunteer labor (calculated at \$15.00 per hour regardless of the type of work).

In-kind match requests must include:

- A summary of the request, showing how the amount was calculated
- A letter from the chief elected official requesting the use of in-kind match and identifying the amount requested
- Supporting documentation, including a commitment letter from the donor, regarding what is being donated and the value

### **Consultants and Grant Administration**

Procurement for licensed home inspectors may use the Small Purchase Procurement method for this grant program. Other professional services procurement must use the Request for Qualifications method if using CDBG funds.

All grant administrators involved in CDBG projects must be certified Grant Administrators. This certification must be current at the time of application. A list of grant administrators is available at [www.in.gov/ocra/2536.htm](http://www.in.gov/ocra/2536.htm). Find the CDBG Grant Administrator Certification Policy on the OCRA website at [www.in.gov/ocra/2897.htm](http://www.in.gov/ocra/2897.htm).

Program Specific Points are awarded to applicants who are working with administrative entities (including subrecipients) who can demonstrate experience in construction management, rehabilitation of built structures, and/or prior CDBG OOR experience through a different funding agency.

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 before submission of the application and the second must be before project closeout.

**Note: New public hearings must be held for each grant cycle, regardless of prior applications.**

Public hearing notice must be posted at least 10 days prior to the hearing date. **Therefore, the public hearing cannot occur until the 11<sup>th</sup> 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 in advance of the public hearing. Other methods of advertising to the public are encouraged. All public hearings must be accessible to people with disabilities. Public hearings should also be made convenient to the low- and moderate-income residents who will benefit from the project.

The public hearing notice, the publisher's affidavit documenting publication dates, the dated sign-in sheet, and signed minutes from the first public hearing must be attached to the application. Documentation for the second public hearing will be required before project closeout. Public hearings are useful for collecting resident input during project development, and are also helpful for collecting testimony, feedback, and support at the end of a project for future funding applications.

Hearing minutes must be signed and dated by the party that recorded them. If a third party, such as a grant administrator, takes the minutes, 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. The Four Factor Analysis and Language Access Plan is required. For more information, please refer to the [CDBG Handbook](#).

### **Application Process and Deadlines**

The application must be submitted via the Indiana Electronic Grants Management System (eGMS) by an OCRA certified Grant Administrator. Access eGMS via the CDBG webpage at [www.in.gov/ocra/cdbg.htm](http://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, November 15, 2024.** Failure to comply with submission requirements could make an application ineligible. Requests for optional pre-approvals, such as for in-kind match, must be submitted by 11:59 PM ET on Friday, November 1.

#### **Application Process:**

**1. Communicate with Community Liaison (CL):**

The applicant must notify their CL of their intent to apply and is encouraged to collaborate on technical assistance when developing the application. Applicants without demonstrable Owner-Occupied Rehabilitation experience are required to have a site visit (which may be a virtual meeting) with their Community Liaison for technical assistance prior to application submission. Find a map of community liaison districts [here](#).

**2. Conduct the First Public Hearing:**

A public hearing is required to collect community input on the proposed program. Public hearing notice must be posted at least 10 days prior to the hearing date. All public hearings must be accessible to people with disabilities. Public hearings should also be made convenient to the low- and moderate-income residents who will benefit from the project.

**3. Define Program Parameters:**

Establish how your community will administer and promote participation in the Owner-Occupied Rehabilitation Program and include those supporting documents in your application. Materials to submit include a program promotion plan, a template homeowner application and income verification form, local grant agreements for homeowners, and relevant program policies.

**4. Submit the Application:**

Answer all questions completely. Be sure to label uploaded files clearly, 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 them. Review each section for accuracy and use line breaks to separate paragraphs in the narrative.

**5. Application Evaluation:**



Awarded communities will be contacted after application evaluation to start the next steps in the granting process. Communities who are not selected will have a feedback meeting with their CL for technical assistance.

**6. Procurement:**

The applicant must use the Request for Qualifications (RFQ) or Small Purchase Procurement with direct approval from Grant Services for professional services such as licensed home inspectors. This process should begin after the grant has been awarded.

**7. OOR Project Completion:**

As part of grant administration closeout, a second public hearing must be held to solicit public comment on the final outcomes of the program. This hearing can be used to measure impact and collect feedback. The hearing must follow the same guidelines discussed above in the Public Hearings and Citizen Participation section of this application packet.

Submit a copy of the second public hearing notice, the publisher(s) affidavit, sign-in sheet, and minutes prior to the request for final draw down of funds. **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.**

CDBG awardees must report certain outcomes quarterly, semi-annually, or annually. The Grant Agreement will indicate submission due dates and activity completion benchmarks for the project.

## GRANT EVALUATION CRITERIA 700 POINTS TOTAL

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

### National Objective (100 Points)

The National Objective for OOR Grants is Benefit to Low- and Moderate-Income – Housing. To show that a project will benefit low- and moderate-income people, awardees will be responsible for verification of income for each household participating in the program. Submit the income verification form that will be used in the program for a total of 100 points. Income verification forms must inquire about the age and income of all members of the home.

### Community Distress Factors (175 Points)

Various factors are used to determine the distress of a community. OCRA partners 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
- Non-Seasonal Housing Vacancy Rate
- Housing Cost Burden
- Unemployment Rate
- Population Change (10-year % Change)

Find local government scores, which are updated and published annually, at [www.stats.indiana.edu/](http://www.stats.indiana.edu/).

### Local Match Contribution (75 Points)

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

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

This category 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 (300 Points)

A maximum of 300 points may be awarded for project design in three areas:

**Project Description** – Is the project clearly defined for OCRA 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

**Draft Program Materials** – Applications should include templates of homeowner applications and income verification forms, a program promotion plan or materials, and program policies & procedures including local award review criteria.

The points in these categories are awarded by an OCRA Scoring Committee. Applicants may work with their OCRA Community Liaison to identify ways to increase their project's competitiveness in these areas.

### **Program Specific Points (50 Points)**

**Targeted Populations:** A maximum of 25 points will be awarded to applicants whose program design prioritizes funding assistance to households that belong to at least one of the population groups listed below:

- **Individuals with Disabilities:** Households with at least one individual living in the home with a disability using the Fair Housing definition of disabled as defined by HUD.
- **Aging in Place:** Households with at least one elderly individual, as defined by HUD Glossary, living in the home. Repairs made to the home must address accessibility and/or livability.
- **Veterans:** Households with at least one veteran individual, as defined in HUD, living in the home.
- **Single Parent Head of Household:** Households with a single parent, grandparent, or guardian head of household.

Household(s) must be the primary residence for qualifying individual(s). Individuals or households that meet the criteria for two or more categories (i.e. a veteran with a disability or a single parent household with a child with a disability) may only be counted for one of the categories in which they qualify.

**Administrator Experience:** A maximum of 25 points will be awarded to applicants who are working with administering entities who can demonstrate prior experience in construction management, rehabilitation of built structures, and/or prior CDBG OOR experience through a different funding agency. Applicants must provide a narrative explaining previous experience and a third-party reference of experience in the above-mentioned fields to receive these points.

- Less than 3 years – 10 Points
- Between 3 to 5 years – 15 points
- Greater than 5 years – 25 Points

### **Bonus Points Policy (25 Points)**

It is OCRA's policy to encourage regional coordination among rural communities. A grant application that is included in a regional plan will be awarded 25 bonus points. Bonus points require verification of the regional plan from the CDBG Team no later than 2 weeks prior to the application deadline.

### **Points Reduction Policy**

The Office of Community and Rural Affairs has amended the 2023 and 2024 CDBG Action Plan to exclude the OOR program from the points reduction policy. The points reduction policy will not apply to OOR applications, but communities should keep in mind that a city/town may only have three open and a county four open CDBG grants at the time of application.

<b>2024 Project Design Scoring – OOR</b>	
<b>Minimum Score Needed: 450</b>	
<b>Project Description:</b>	
<b>Program Description</b>	
Is there a detailed, easy to understand description of the program? Are there clear and measurable outcomes addressed by the proposed program?	
<b>Scope of Work</b>	
Are the program’s selection criteria for local awards clearly defined and assessable? Are the terms of the local grants clearly defined? Was public input on the terms considered? (As an example, terms may include liens or restrictive covenants for grant recipients.)	
<b>Project Support</b>	
Is the history of the program summarized with key dates identified? If the program is new, is there a clear, documented summary of the development process? (Include Who, What, How, and When components.)	
<b>Project Description TOTAL</b>	<b>50</b>
<b>Project Need:</b>	
<b>Priority</b>	
Is there a summary and documentation of a 3–5-year history of issues this program would address? (Documentation may include local data, residential anecdotes, newspaper articles related to the issue, etc.) Is frequency/prevalence of the issue(s) this program would address compelling? Is adequate documentation included? Is there a risk of the issue(s) this program would address having a significant impact on residents? Is adequate documentation included? Is this program a priority to both residents and local unit of government? Is adequate documentation included? Are survey results, public input, and other data related to the issue(s) this program would address included to adequately describe the need? (Photos are not considered data.)	
<b>Current Conditions</b>	
Are the current community conditions well explained and documented? (Documentation might include, but is not limited to, average age of homes, resident demographic information, area blight declarations, or unsafe building code listing history.)	
<b>Residential Impact</b>	
Is the residential impact of the proposed program explained and documented? Are potential impacts on residents, if the program is not funded, summarized? Is residential support/need for the program outlined and documented?	
<b>Health and Safety</b>	
Are health and safety issue(s) this plan would address explained in detail? Are potential health risks if project is not completed outlined and supported? Are health and safety issue(s) this plan would address documented? (Documentation could include health code violations, reports of blighted homes, fire run data, or unsafe building code listing history.)	
<b>Project Need TOTAL</b>	<b>125</b>

<b>Financial Impact:</b>	
<b>Previous Efforts</b>	
Have there been previous efforts to address the issue(s) this program would cover by the community? Is supporting documentation included to explain past efforts, including partnerships, expenditures, and labor hours?	
<b>Program Management</b>	
Is there an overview and timeline of how the program will be managed? (Include Who, What, and How elements.) Have management processes been defined? Are they logical? (This may include methods for homeowner application assistance, local award criteria and processes, and procedures for communicating with homeowners.) Are the roles for the community and program manager clearly defined? Is there an outreach plan for the program? (This may include promoting the program to homeowners in an accessible way and/or building relationships with contractors who would perform the rehabilitation activities.)	
<b>Financial Management</b>	
Does the community outline how funds will be managed? If CDBG funds are not awarded, will the project move forward?	
<b>Draft Program Materials</b>	
Did the community provide the required draft materials? Were the materials logical? (This includes homeowner applications and income verification, local grant agreements for homeowners, program promotional materials, and program policies & procedures including local award criteria.) Were the materials logical?	
<b>Fund Balances</b>	
Are the fund balances and relevant documentation for the applicant and sub-recipient adequately explained? Are all discretionary fund balances accounted for and explained?	
<b>Financial Impact Total</b>	<b>125</b>
<b>Project Design Total</b>	<b>300</b>