# Frequently Asked Questions

## Owner Occupied Rehabilitation Grant Program

- **How does the National Objective work? If my community is not 51% LMI Area by HUD census data, can I still apply?**

  The National Objective for this grant is Benefit to Low- and Moderate-Income Persons – Housing. Applicant communities must be non-entitlement, but do not have to have a specific percent of the population that is low or moderate income. However, **every homeowner** who receives funds from the OOR program must fill out an **homeowner application packet** to demonstrate that their household is low or moderate income, as defined by HUD income limits.

- **Is there a point reduction penalty for applying multiple times in a five-year window, as with other CDBG grants?**

  The points reduction policy does not apply to Owner Occupied Program. Eligible communities may reapply to receive additional OOR funding after all prior OOR grants awarded have achieved closeout. Keep in mind that towns and cities can only have three open CDBG grants at one time, and counties can only have four.

- **What is the maximum amount of funding that can be used per home?**

  The maximum grant amount of OCRA funding per home is $25,000 for any federal funding source.

  Note, All environmental costs must be incurred before proceeding to project activities. As such, one must be diligent so as not to engage in an activity that will trigger lead remediation or repair. This $25,000 cap does not include the cost of lead remediation, repair, and painting activities in the home.

  If using federal sources, keep in mind that this may introduce additional rules from other agencies.

- **What does OCRA consider as income when verifying if a household meets LMI criteria?**
  At this time, OCRA primarily uses the definition of income as used on IRS Form 1040. E.g. if it is reported on your income tax return, it should be considered income for OOR. Income eligibility resources are available on the CDBG Resources page and are updated as needed.

- **Does the HUD Notice on Addressing Radon in Environmental Review affect OOR?**

  Read the full Office of Community Planning & Development Notice here.

  Yes! Radon gas is naturally occurring and can be found in homes. At high concentrations, this can be harmful to residents. Residential buildings without an existing radon mitigation system must consider radon during environmental review according to the Notice. Because radon is so prevalent throughout Indiana, the OCRA OOR program requires that each home that will be rehabilitated through an OOR grant must test for radon prior to any repair activity. Grant and

program administrators must consider the cost of radon testing, potential mitigation, and home inspections when preparing your program budget.

- **Which type of licensed lead professional should a grantee hire?**

  OCRA recommends that grantees hire a licensed risk assessor. These assessors are qualified to conduct lead tests on painted surfaces that will be disturbed during rehab as well as perform risk assessments and clearance examinations if lead levels are found on the property. Licensing is regulated and issued by the Indiana Department of Health. Eligible professionals can be found online here: https://mylicense.in.gov/everification/Search.aspx?facility=N. More information on licensing for contractors, along with contact information for questions, can be found on the IDOH website: https://www.in.gov/health/lead-and-healthy-homes-division/radon-information-contractors/.

  Similarly, renovation, repair, and painting activities (RRP), or non-abatement activities, should be performed by lead-safe certified contractors.

- **How does the 10% Grant Administration cap affect local program administration?**

  Grant administration and program administration are separate roles in an OOR program.

  Grant Administration responsibilities may include, but are not limited to, environmental review, procurement, Release of Funds, semi-annual grant reporting, or grant monitoring. These must be completed by the certified grant administrator, and the 10% cap applies. If the grant administrator is paid more than 10% of the total CDBG funds requested, the amount over the 10% cap would be considered an ineligible cost.

  Program administration for OOR may include responsibilities such as providing application assistance to homeowners, advertising the OOR program, or day-to-day communications with contractors. Certified grant administrators may perform all of these responsibilities. **If the Grant Administrator is performing program administration duties as well, this must be included in the contract of services and thus, falls under the 10% grant administration cap.** If an applicant partners with a subrecipient to administer the day-to-day program the program management responsibility would fall under that selected subrecipient. Fees associated with program management may be included in the professional fees line item.

  A Local Unit of Government may contract with a sub-recipient to carry out the project activities. During the application phase of a project, a Subrecipient is required to submit documentation from the Internal Revenue Service, the Indiana Secretary of State's Office and the Indiana Department of Revenue verifying the Subrecipient is a not-for-profit organization in good standing with the State of Indiana. Following grant award, the Grantee and Subrecipient must finalize the Subrecipient Agreement and forward that document to Grant Services for the CDBG Director's approval.

- **Does OCRA require Lien and Restrictive Covenant on homes to aid with home repairs?**
  No! OCRA does not require local home repair programs to impose Lien and Restrictive Covenants. However, a local government may choose to establish a Lien and Restrictive Covenant requirement. **The contract is between the local unit of government and the homeowner.** OCRA is not a party to this contract. It is beneficial to consult with your community's legal counsel if creating terms and conditions for your OOR program.

- **Can I use OCRA's lien and restrictive covenant sample to draft our local lien and restrictive covenants?**
  No. The sample provided is designed to be between OCRA and the LUG, not for use within an OOR program. Consult your local counsel to develop lien and restrictive covenants with your community in mind. **If a community chooses to implement lien and restrictive covenants, how long should the repayment period be?**
  Should a community choose to implement liens/restrictive covenants, a recommended length is no longer than 3 years.

- **Are these funds available for manufactured housing?**
  Under certain conditions, yes. Rehabilitation of manufactured housing that is **part of a community's permanent housing stock** is an eligible activity with CDBG funds. For our program, the manufactured housing must be built after 1981 and also be **on land that is owned by the homeowner.**

  Manufactured housing as part of permanent housing stock must have wheels and towing chassis removed and be attached or tethered to a permanent foundation (footers or slab).

  Local OOR programs will need to collect documentation from applicants that they own both the home and the property the home is situated on.

- **Do environmental fees and administrative fees need to be separate line items in the budget?**
  Yes. Environmental fees are capped at $5,000 and Administration fees are capped at 10% of the CDBG grant request. Professional fees (e.g. licenses home inspectors) should also be its own line item.

- **Where are costs for advertising accounted for in the detailed budget?**
  These should be under administrative costs.

- **Can I have access to a previously awarded scoresheet from a grant application I prepared as a certified GA?**

Yes. For awarded communities that would like to obtain the application scoresheet, the submitting certified grant administrator must submit this request to cdbg@ocra.in.gov within 15 days of the award announcement. Beyond this 15 days, a request must be made via a Public Record Request.

- **Will the Environmental Review Forms be updated to reflect recent executive orders?**

  Yes! The level of environmental review for OOR is Categorically Excluded Subject Too (CEST). These forms are updated and may be found at CDBG Handbook and Forms.

- **Is making the front door ADA accessible an eligible activity for OOR?**
  Unfortunately, not right now. However, accessibility up to threshold of the home and select interior accessibility options are now available. These include: ADA compliant toilet, bathroom grab bars, shower seat, walk in shower.

- **Does a home have to be built after 1978 to be eligible to participate in the local OOR program?**
  No! Any home is eligible as long as it is owner-occupied and verified as a low-to moderate-income household. Houses built after 1978 simply are more likely to have less lead compliance issues than houses built prior to 1978 (due to the use of lead-based paint).

  If interested in interior ADA activities, a home must be 1) built after 1978 2) Previously tested and found to be lead free OR 3) a household with no children under the age of 6 living in the home

- **Can a home have more than one modification in subsequent rounds or within a five-year period?**

  This is for the local program to decide when developing scoring criteria for selecting homeowner participation. An applicant may reapply to the OCRA OOR program once the current OOR program has achieved close out.

- **Does a sub-recipient that is doing program administration have to be procured?**
  No, in this circumstance procurement is not required. however, a subrecipient agreement between the applicant and subrecipient must be signed.

- **A homeowner has an accessory dwelling unit (ADU) on the property, is this eligible under OOR?**
  Maybe. This will be determined at OCRA's discretion on a case-by-case basis. When considering eligibility, determine if: the property has the same address as the primary home, is assessed under the same property taxes, has the owner occupying either the ADU or the primary home, has no lease-paying tenants, the ADU is on a permanent foundation. Additionally, household income must include all adult inhabitants in the ADU and primary home.

- **My adult child lives in the home. Does their income count toward the family income in determining if our household is eligible to participate in OOR?**
  Yes, income should be included for all individuals 18+ years and older.

- **Is the IHCDA Housing Dashboard report sufficient to be considered for housing needs assessment program specific points?**
  The IHCDA Housing Dashboard is a great place to start; however, it is not all that is needed in a full housing assessment. What the assessment must include that the dashboard report doesn't provide is: assessment of data, community engagement, and clear priorities set.

- **Are homeowner applicants that receive assistance through specific state/federal programs (e.g. SNAP) automatically eligible for OOR assistance?**
  Not necessarily. All homeowner applicants must have their household income verified using the income verification process outlined in the homeowner application packet. As a reminder, HUD income limits are updated annually and can be found at: https://www.huduser.gov/portal/datasets/il.html