

To: Non-Entitlement Community Applicants and Recipients of State CDBG Funds

From: Indiana Office of Community and Rural Affairs – CDBG Division

Effective Date: September 3, 2026

Subject: CDBG Blight Clearance Program – Residential Properties Policy

A. Purpose

This notice establishes the policies and procedures governing Indiana's State Community Development Block Grant (CDBG) Blight Clearance Program (BCP) for projects involving residential properties.

B. Applicability

This policy applies to eligible non-entitlement units of local government applying for or awarded CDBG funding for BCP projects that include one or more residential properties.

BCP provides financial assistance to eliminate unsafe, deteriorated buildings that present risks to public health and safety. Eligible activities include:

- Acquisition of blighted residential properties
- Demolition of residential structures
- Clearance of unsafe or deteriorated buildings
- Environmental hazard remediation

C. National Objective

All BCP projects involving residential properties must meet the National Objective of *Prevention or Elimination of Slums or Blight on a Spot Basis* in accordance with [24 CFR 570.483\(c\)\(2\)](#).

D. Property Eligibility

There is no minimum or maximum number of residential properties allowed in a single BCP application; however, each residential property must independently meet all eligibility criteria and directly address identified conditions of blight, physical deterioration, or environmental contamination outside a designated slum or blighted area.

Each residential property included in a BCP project must:

- Be a vacant residential structure (either a single-family home or a building with up to four dwelling units).
- Meet the definition of an unsafe building under [IC 36-7-9-4](#).
- Be determined uninhabitable by local authorities due to structural damage, environmental hazards, or code violations under [IC 36-7-9](#).
- Have an active unsafe building action order under [IC 36-7-9-5](#) issued within the past two (2) years.

If an action order cannot be issued due to the absence of a local code enforcement agency, the applicant must contact OCRA's CDBG staff at cdbg@ocra.in.gov for guidance.

E. Environmental Review Requirements

Before submitting an application in the [electronic Grants Management System \(eGMS\)](#), applicants must:

- Confirm the project qualifies as a Categorical Exclusion subject to [Section 58.5](#) (CEST) under [24 CFR 58.35\(a\)\(4\)\(i\)](#).
- Complete Section 106 Historic Preservation consultation with the Indiana Department of Natural Resources Division of Historic Preservation and Archaeology and obtain concurrence.

F. Acquisition and Site Control Requirements

BCP funds may be used for acquisition of residential properties in conjunction with demolition, clearance, or remediation activities. After acquisition, all residential properties must be owned by the local government grantee or its subrecipient.

Grantees must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and all applicable requirements, including OCRA's required acquisition process. Only voluntary acquisition through donation or willing sale is permitted.

Initial notices to property owners must include the following statements:

- The unit of local government is interested in voluntary acquisition for a proposed project that may receive funding from the U.S. Department of Housing and Urban Development through the CDBG program.
- Although the unit of local government possesses eminent domain authority, **it will not be used for this acquisition.**
- If the owner is not interested in selling, or negotiations do not result in an **amicable, voluntary agreement**, the local government will **not** pursue acquisition.
- The property is **not** required for the proposed project and is **not** located within a designated project area where substantially all properties are planned for acquisition.
- Any additional voluntary acquisitions under the project will follow a fair and consistent process for all property owners.

Required notices, forms, and other acquisition documents are available on [OCRA's CDBG website](#).

For each residential property included in the BCP application, applicants must include the following documents:

- Current recorded deed
- County assessor's card with improvement data (showing year of construction)

For residential properties planned for acquisition, before application submission, applicants must obtain:

- A notarized certification from the property owner confirming:
 - The property was vacant when the owner was notified of the applicant's interest in its acquisition (including date/duration of vacancy).
 - No tenants were evicted, denied lease renewal, or otherwise displaced due to, or after the owner became aware of, the proposed acquisition.

- Third-party documentation covering the one-year period leading up to the applicant's initial notice to the property owner, corroborating the property's vacancy, such as:
 - Utility records showing no service or minimal usage (preferred)
 - Police or fire call logs
 - Code enforcement inspection logs
 - USPS vacancy data
- If any tenants occupied the property within the past year, a list of those tenants, along with documentation confirming that none were displaced due to the proposed acquisition, must be provided.

G. Property Use & Change of Use

Any property acquired or improved using BCP funds must be maintained in the designated use identified in the grant agreement for five years following grant closeout. Any proposed change of use must comply with [24 CFR 570.489](#) and OCRA's [CDBG Policy Notice 25-009](#) (Lien, Covenants & Change of Use Policy), including submission of a written request to OCRA.

To avoid repayment of CDBG funds, any new use within the five-year period must remain eligible under CDBG regulations. Ineligible repurposing may result in repayment of funds.

H. Application Requirements

Applicants must meet all requirements outlined in this notice and the CDBG Handbook. For each residential property included in a BCP application, the applicant must upload in eGMS a separate [Form BCP-002: Residential Structure Site Evaluation and Documentation Checklist](#), with all supporting documentation attached within the same file upload.

I. Effective Date

This policy is effective as of **September 3, 2026**, and will remain in effect until amended, superseded, or rescinded.