

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 or Households – Housing. Applicant communities do not have to have a specific percent of the population who is low or moderate income. However, **every homeowner** who receives funds from the OOR program must fill out an **income verification form** to demonstrate that their household is low or moderate income, 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. This cap does not include the cost of lead renovation, repair, and painting activities in the home.

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

- **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. We advise grant and program administrators to 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 8% 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 8% cap applies. If the grant administrator is paid more than 8% of the total CDBG funds requested, the amount over the 8% 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 an applicant partners with a subrecipient to administer the day-to-day program the program management responsibility would follow under that selected subrecipient.

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. A homeowner seeking to get the Lien and Restrictive Covenant removed must seek assistance from their local government.

- **What if a local home repair program chooses to establish Lien and Restrictive Covenants?**

The Lien and Restrictive Covenant sample contract must be submitted with the Subrecipient Agreement. That form requires that all signatures be notarized prior to submission to Grant Services. After approval and the notarized signature of the CDBG Program Director, the fully executed Subrecipient Agreement with the Lien and Restrictive Covenant will be returned to the Grantee for recording with the County Recorder. Proof that the document was recorded must be provided at release of funds. A copy of the first page of the document showing the Recorder's stamp is sufficient for that purpose.

- **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 8% 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 via cdbg@ocra.in.gov within 15 days of the award announcement. If after this date, a request must be made via a [Public Record Request](#).

- **What is the “Format 2 Equivalency”?**

This is a form verifying that a homeowner automatically qualifies for OOR as a result of currently qualifying for programs such as SNAP, SIS, TANH, etc. This is currently being clarified on an updated income eligibility sources resource to be found on the [OOR webpage](#).

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

Yes! They are currently in the process of being updated and will be uploaded the week of program opening.

- **Is making the front door ADA accessible an eligible activity for OOR?**

Unfortunately, not right now. But we are currently working to expand ADA accessibility activities for OOR in the near future!