CORRECTION: During the Q&A portion of the Older Adults Home Modification webinar hosted by HUD on April 14, 2021 the first question below was posed by an attendee and an incorrect response was given, the correct Q&A is below.

Question: Are Tribal Nations an eligible applicant for OAHMP funding?
Answer: No, Tribal Nations are not an eligible applicant for the OAHMP funding opportunity.

OVERVIEW: CLARIFYING COSTS
We received many questions regarding allowable costs and allocating costs across administrative and program categories. The following section will attempt to clarify applicant’s general understanding of costs allowability, allocability and relevant categories—for the purposes of OAHMP—followed by answers to some of the specific questions we have received.

Allowable Costs—A cost may be charged to a federal grant only if it is allowable. To be allowable, a cost must be reasonable; necessary to perform the program; allocable to grant as either a direct or indirect cost; consistently treated in like circumstances; adequately documented; and otherwise, consistent with the applicable Notice of Funding Availability and the terms and conditions of the award.

Direct v. Indirect Costs—All allowable costs are either direct costs or indirect costs. Direct costs are those costs that can be identified specifically with the OAHMP grant, or that can be directly assigned to the grant relatively easily with a high degree of accuracy. For the Older Adults Home Modification Program grants, direct costs consist of all program costs and all “direct administrative costs” (See “Program v. Administrative Costs,” below).

Indirect costs, on the other hand, are a sub-category of administrative costs and represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs.

Program v. Administrative Costs—Program costs are costs that directly support the grant program’s mission and services. Administrative costs, on the other hand, do not directly support the grant program’s mission and services. As described below, there are two categories of program costs: (1) home modification program costs and (2) other program costs.

Administrative costs consist of two categories of costs: (1) direct administrative costs (costs for the general management, oversight, and coordination of the grant—i.e., program administration) and (2) indirect costs.

Home modification program costs are a sub-category of direct costs. Administrative costs may be either direct costs (“direct administrative costs”) or indirect costs (with indirect costs as a sub-category of administrative costs).
Program Costs
Program costs are those costs that directly support the Older Adults Home Modification programs’ mission of making safety and functional home modifications and limited repairs to meet the needs of low-income elderly homeowners.

There are two types of program costs:

- *Home modification program costs*; and
- *Other Program Costs*

Home modification program costs are specifically related to the performance of maintenance and repair activities, as defined in Appendix B of the program NOFA. Other program costs are costs that directly support the grant program’s mission of assessing, scoping, and making safety and functional home modifications and limited repairs, but are not directly tied to maintenance and repair activities, like equipment, outreach, marketing, etc.

Administrative Costs
For the purposes of OAHMP, administrative costs are costs that do not directly support the grant program’s mission and services. There are two categories of administrative costs: (1) direct administrative costs (costs for the general management, oversight, and coordination of the grant—i.e., program administration) and (2) indirect costs. Recipients of the OAHMP grant must ensure that not more than 10 percent of the total grant will be used for administrative costs. Administrative costs incurred by the recipient, subrecipients, and consultants hired to oversee or manage specific contract or grant objectives all count towards the 10 percent administrative cost limit. For the purposes of OAHMP grants, all indirect costs and direct administrative costs count towards the 10 percent administrative cost limit.

**Question:** We want to include funding to assist with contractor insurance costs. Is this an allowable cost and if yes, do you have a guidance document we could use to go by?

**Answer:** Yes, contractor insurance costs are allowable. Covering the cost of insurance should be done in conjunction with a substantive service agreement to maximize the return on your investment. It would not be cost effective to pay for the insurance of a contractor who is completing one unit.

We do not have guidance documents to share, in part because insurance requirements vary widely by state; your response to the rating factors should detail your plan for managing contractors and any applicable agreements.

**Question:** We use a standard hourly rate to bill for construction labor. This rate includes all the costs of providing an hour of skilled labor, including fringe benefits. Will this hourly rate be sufficient to report on our work if we are awarded this grant?
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Answer: Yes, hourly rates are sufficient. The HUD_424_CBW- Detailed Budget Worksheet allows for rates to be recorded hourly per person or as a total amount under the Contractor section of the worksheet.

Question: The proposal talks about HUD contracting for evaluation. Can we also pay for the local evaluation?
Answer: Per section II.E.1., substantial involvement from HUD includes research and evaluation of the program; therefore, we will not cover costs of individual evaluations conducted by a grantee.

Question: Regarding the 10% cap on Administrative Costs (both indirect and direct)- this seems pretty limiting given the administrative load that will be needed to comply with all requirements. Would the time of the Program Director (who will oversee the Program Manager) and the Maintenance Supervisor (who will oversee the maintenance technician doing most of the modifications work) be bill outside of the Administrative costs? Or included in the 10% cap? Also, how much of the Program Manager’s time do you all expect to be allocated to Administrative?
Answer: HUD cannot determine how costs of individual personnel should be allocated, it is the responsibility of the applicant to determine and describe the roles and duties of staff and contractors. Any staff/contractor time that can be directly tied to unit modification and the mission of OAHMP is considered program costs. A Project Director’s oversight of the Program Manager may be administrative—the duties of the PD are likely separate from the actual modification work. But the portion of a Maintenance Supervisor’s salary used to cover the supervisor’s time on this program may be program costs if the time is solely spent overseeing the modification work of the maintenance technician linked to an actual unit. Additionally, the PM’s salary may be split between both categories—administrative and direct.

Question: Can the environmental engineer be paid from the admin or unit costs or addition direct costs?
Answer: HUD cannot determine how costs of individual personnel should be allocated, it is the responsibility of the applicant to determine and describe the roles and duties of staff and contractors. Any staff/contractor time that can be directly tied to a unit is not considered administrative; if it not directly tied to a unit, the time is administrative.

Question: You mentioned the $5,000 not including the salary for the OT, so what exactly should the OT expect for conducting the assessments and developing the home mod plan?
Answer: If the OT is staff and receiving a salary, the portion of the salary used to cover the time on this program would appear as a direct cost line item. The cost of the assessments and completing home modification plans would not be broken out per unit, it would be part of their duties and covered by their salary.

Question: Can any of the Maintenance costs be Capitalized or are all costs to be Expensed?
Answer: All costs incurred must be expensed.

Question: Will there be a similar NOFA next year?
Answer: The FY 2022 Budget has not been enacted as of the issuance of this FAQ set, so we are unsure if future funding will be available for OAHMP at this time.

**Applicant Eligibility**

**Question:** If you will be a partnership do you both have to apply as an applicant and co-applicant?

**Answer:** No, if you will be in partnership only one eligible organization may apply—they will be considered the prime—and the role, relationship (e.g., subrecipient, subgrantee, etc.) and associated costs (i.e., HUD_424_CBW) for the other organization should be made clear in the application package.

**Question:** Under the OAHMP, would an agency be permitted to submit a proposal as the grantee and be a subcontractor for another agency that is also submitting a proposal?

**Answer:** Yes, it is permissible for an agency to apply for funding as a prime and be a subcontractor or subgrantee for another applicant.

**Application Format**

**Question:** Page 28 states that applicants should “Include a total budget using form HUD424CBW included in the Instructions download at Grants.gov, with supporting cost justification of up to four pages, which will cover all budget categories of the federal grant request. This information will not be counted towards the Rating Factors narrative 15-page limit. Use the budget format discussed in Rating Factor (3) section V.A.1.b below.” To clarify, does this mean that the questions associated with Rating Factor 3 on page 40 (Budget Justification Narrative and Fiscal Oversight and Financing Strategy Narrative) are limited to 4 pages and the 15-page Rating Factors narrative only encompasses Rating Factor 1 and Rating Factor 2?

**Answer:** No, the 15-page limit encompasses the narrative response to all the criteria in Rating Factors 1 through 3. The 4-page limit referenced in section…refers to the cost justification that supports your narrative response in rating factor 3 and your HUD_424_CBW.

Materials submitted in addition to the documents listed under Supporting Documents are considered optional and limited to 10 pages.

**Question:** Where do we address the Section 3 questions outlined under “Other Factors” on page 45 of the NOFA? Does this count as part of the 15-page limit for the Rating Factors narrative?

**Answer:** Per section IV.B.1.a., any information you wish to be considered in scoring of the application must be provided under the appropriate rating factor response (i.e., Other Factors). Yes, Section 3 is part of your scored narrative response and it counts towards the 15-page limit.

**Question:** Is it permissible to include a table of contents with our Rating Factors narrative? Will a TOC count towards the 15-page limit for the Rating Factors narrative?
Answer: Applicants may submit a table of contents with their application, it will not count as part of the 15-page limit for the rating factors narrative.

Question: Does HUD expect to see a written response addressing how bidders plan to meet the program requirements on pages 15 – 25? If so, where in our responses should bidders include this content?
Answer: No, applicants are not expected to provide a written response to the Program-Specific Requirements in Section III.F. of the NOFA.

Question: Page 28 states that bidders should include supporting materials including the completed table from Appendix A, resumes of key personnel, organizational chart, letters of commitment, and list of references cited. Is it permissible for bidders to include supporting materials beyond those listed on page 28?
Answer: Yes, applicants may submit materials beyond those listed as Supporting Materials. However, per Section IV.B.1.a, Additional Information. Any additional, optional materials must not exceed 10 pages.

Question: To clarify, if a grantee already employs contractors who are qualified to complete home modification projects under this grant, should the grantee include their fees, etc., in the Personnel/Direct Labor section of the budget form?
Answer: Fees of all persons being paid from grant funds should be included in your budget. Contractor’s labor costs should be included in the contract’s amount on your form HUD_424_CBW. These costs might be placed differently on the contractor’s HUD_424_CBW—required if they are receiving 10% or more of the federal budget request.

Question: Will sub-grantees or sub-recipients be required to attach the SF424family of forms or any of the other forms, such as the SF-LLL form?
Answer: No, you do not have to attach SF-424 or the SF-LLL for sub-grantees or sub-recipients. You must submit a separate form HUD_424_CBW-Detailed Budget Worksheet for all entities receiving 10% or more of the federal budget request.

**Occupational Therapist (OT), OT Assistants, Certified Aging-In-Place Specialist (CAPS)**

Question: Is it allowable for an OT or OT Assistant to conduct the home environment assessment by remotely via telehealth?
Answer: HUD prefers that the home assessment be conducted in person, if possible. This question should be discussed with a grantee’s Government Technical Representative (GTR) following award of a grant.

Question: The Certified Aging in Place Specialist (CAPS) certification by NAHB requires payment annually to maintain certification. Is it sufficient to have completed the training
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program (but not pay the annual fee to NAHB)? Is there another program that would also qualify, such as the USC Executive Certification in Home Modification?


Question: The NOFA mentions that a Certified Aging in Place Specialist could work under an OT's supervision. Is this the CAPS the only allowable certification to work under the OT? For example, there are other similar certifications such as Certified Environmental Access Consultant (C.E.A.C.).

Answer: HUD will consider other certifications on a case-by-case basis. Grantees should consult with their Government Technical Representatives following award.

Question: Can a staff member with a nursing license serve as OT?

Answer: Yes, if the licensed nurse is also a licensed Occupational Therapist A licensed nurse who is also a CAPS can conduct the assessments and prepare them for OT review and approval, although HUD believes that it is best for the OT to do the client-focused assessment. Research has demonstrated that program models in which an OT performs the assessment were found to be effective in preventing falls and reducing disability as compared to models in which OTs did not perform the assessment, which were not.

Question: The April 12, 2021, NOFO, Section III.F.14.c, now allows a CAPS (overseen by OT) to do the initial assessment, but the follow-up assessment still needs to be done by an OT. Does this mean neither a CAPS nor an OTA can perform the follow-up assessment?

Answer: It is permissible for CAPS and OTAs to also perform the follow-up assessment.

Maintenance Repair Professionals and Licensed Contractors

Question: When we say licensed contractor, what type of licenses HUD is looking for?

Answer: If the state or the local jurisdiction licenses contractors to do renovation, maintenance, rehabilitation, or repair work, the applicable type of licensing that would cover work under this program would be required. In such a case, a business license would not be sufficient.

Program Requirements

Question: Should the Program Manager be a full-time employee of the PHA, or can they be a Consultant/Contractor of a PHA?

Answer: The Program Manager is not required to be a full-time employee of an organization, but only staff of the prime recipient will be given access to the grant payment system. Thus, the grantee must designate a staff person to fulfill associated responsibilities.

Question: Our plan is to apply for a target area consisting of multiple counties that covers the entire state. For our area median income eligibility, would we be required to go by each county
individually, or the state as a whole? Or is it discretionary for our program administration? 
Answer: Per Section III.G. Criteria for Beneficiaries. The area median income low-income
determination is based on the jurisdiction in which the residence is located, family income and
family size. You are required to determine income limits for each jurisdiction and residence
enrolled. The income limits for this grant program are not based on state median incomes, but
only, as the NOFO describes, area median incomes.

Question: Can you share a sample reporting document? We would like to know exactly what we
need to track for these reports if awarded this grant.
Answer: We will be discussing reporting guidance with grantees in more detail than is in the
NOFO, at the New Grantee Orientation.

Question: Are the 120 close-out days part of the 36-month period of performance?
Answer: No, the 120-day close-out period begins after the 36-month OAHMP period of
performance.

Question: Does the grant require the diagnosis of an occupational therapist in order to participate
in the program?
Answer: Beneficiaries are not required to have an existing OT assessment completed prior to
enrollment.

An assessment must be conducted in the home of an eligible beneficiary and approved by a
licensed OT before home modification work begins. If such an assessment has been completed
recently (within the past six months), a new one need not be conducted.

Question: Does a homeowner have to apply for the loan before they can receive the grant?
Answer: Per Rating Factor 3(b), Fiscal Oversight and Financing Strategy Narrative, applicants
should discuss their home modification financing strategy (i.e., the type of assistance - grants,
deferred/forgivable loans), including verification of income eligibility requirements, terms,
conditions, and dollar limits of the home modification work. HUD OAHMP does not dictate how
applicants should structure their program’s financing strategy.

Question: Are any liens attached to the property, because of the grant?
Answer: Liens are not attached to the property of beneficiaries by HUD as a condition of
receiving grant funds for home modifications. One or more of the contractors working on the
home may attach a contractor’s, construction, or mechanic’s lien, if allowed by state law; that is
outside of HUD’s jurisdiction.

Question: Is procurement process required for the purchase of supplies for the modification such
as grab bars, light fixtures?
Answer: Per Section III.F.24. Procurement Requirements. All goods and services must be
procured through a competitive process. Recipients must follow federal procurement
requirements as defined in 2 CFR §§ 200.317 – 200.326, as applicable. An entity designated as a
subrecipient or contractor must follow program policies and 2 CFR 200.330.
Question: Can a unit be assessed by a healthy home specialist and his/her recommendations may be reviewed by the OT?
Answer: A healthy homes specialist could only conduct the home assessment (reviewed and approved by an OT) if they are also a Certified Aging-in-Place Specialist. We strongly encourage programs to use an OT to conduct a client-focused assessment, as supported by published research on fall prevention and home modifications for aging-in-place (see the Background section I.A.1 of the NOFO, which describes this research).

Question: Is there a prescribed method of recruitment for enrollment of these projects?
Answer: HUD does not have a prescribed method of recruitment. Per Rating Factor 2(b), Program Strategy, you must describe your reasoning for selecting the community which you are targeting for services and your recruitment strategy and the expected number of housing units to receive program services.

Question: Are you setting the amount of income allowed for someone to qualify?
Answer: Per Section III.G. Criteria for Beneficiaries, the beneficiary must be low income—family income less than or equal to 80% of local area median income (AMI) (see below). Because the AMI low income determination under criterion 3 above is based on the jurisdiction in which the residence is located, family income and family size, (see https://www.huduser.gov/portal/datasets/il/il21/Medians-Methodology-FY21.pdf (and later editions in subsequent years – check the Income Limits home page at https://www.huduser.gov/portal/datasets/il.html), the total family income, not just the income of the homeowner(s), will be used to determine the low income eligibility.

For the latter part of fiscal year 2021 (starting April 1) and the first part of fiscal year 2022, the income limits for low-income households are shown for each part of the country at https://www.huduser.gov/portal/datasets/il/il21/Section8-FY21.xlsx (this is updated from the link in the NOFO, which was published before the income limits for FY 2021 were published), and are based on the number of persons in the household. For determining income eligibility in subsequent years, see HUD’s Income limits website (as of the publication of this NOFA, at www.huduser.gov/portal/datasets/il.html), which will list the income limits and the income limits methodology for that year.

Question: Do you have to partner with a sub-recipient/sub-grantee?
Answer: No, you are not required to partner with a sub-recipient or sub-grantee.

Leveraging Other Funds

Question: Does the $5,000 limit on home mods count HUD funds or all available funds that could be part of paying for the mods and equipment?
Answer: The $5,000 average per home applies to OAHMP funding; an organization may leverage other funding sources to cover additional repair and improvement work on a home.

Section III.F.11.a, which establishes the $5,000 per housing unit cap (unless specific HUD approval is provided in advance of work), says that,
“The cost of home modifications per housing unit that is inclusive of labor, contractor services, materials and supplies associated with structural modifications and adaptive equipment, is capped at $5,000. If the cost is expected to be above the capped amount, HUD approval is required ….”

The cap pertains to the grant, and, thus, to the grant funds. If other funds, such as for rehabilitation (say, from HUD’s Community Planning and Development) or weatherization (say, from the Department of Energy), are used for improving the home, those are not home modifications under the grant, and those amounts are not included in the calculation of grant funds to determine whether the cap for this program has been exceeded.

Home Assessments & Eligible Home Modifications

Question: What documentation is required of the OT for each home?
Answer: At minimum, the OT should ensure the documents outlined in Section III.F.14.d. Program Services Model has been collected for each home. The responsibility to verify eligibility and collect the associated documentation may be the responsibility of personnel other than the OT.

Question: Would bed bug elimination be included in these impacts? Many social service organizations are refusing to serve their elderly clients if they hear that bed bugs are in the home.
Answer: This would be an acceptable expense. Information on bed bug control can be obtained from the HUD-supported StopPests program at: www.stoppests.org.

Question: Are durable medical equipment needs included with the home modification funds?
Answer: Equipment is allowable if it is adaptive equipment, as defined in the NOFO. Other medical equipment, such as portable oxygen concentrators, would not be eligible.

Question: Is it possible to do multiple home modifications for a homeowner during the 3-year grant duration? If yes, do all the modifications over multiple years have to be under the $5,000 cap? In other words, is the $5,000 cap per household over the 3 years or could we do a $2,000 modification one year and then the next year the same homeowner has a different need, and we can spend $5,000 for that job?
Answer: The $5,000 cap is per household over the 3 years. It is not the intent of this program to treat the same home more than once during the project period; each home can only be counted once as part of your overall program goal of housing units treated.

Question: How will you address the cost of asbestos removal? Most older homeowners have homes that may contain asbestos and removal will exceed the total cost of the grant.
Answer: Asbestos removal is beyond the scope of this scope program. Per Rating Factor 2.(e), Addressing Additional Needs of Clients, applicants should discuss their policies and procedures when they encounter clients whose homes are in need of major repairs. This could include developing internal expertise and capacity (e.g., licensed, or certified social worker) to connect clients directly to case managers or emergency services. It could mean building out the local
referral network to include home care agencies, social service agencies, non-profits and other organizations that can provide home modifications beyond the scope of the OAHMP.

**Question:** What is considered a standardized assessment? Who will provide the assessment?

**Answer:** Per Section I.A.4. Program Definitions. A *standardized assessment* is a set of structured questions that elicit client information. The term “standardized” means that the tool has been developed empirically, has adequate norms, definite instructions for administration, and evidence of reliability and validity.

Per Section III.F.14.d. Program Services Model. At least one standardized assessment tool shall be used to collect information before and after the home modification intervention. At a minimum, the assessment tool(s) shall cover the functional abilities of the client and/or the safety and hazards in the home. OTs are also trained to conduct client-focused assessments that consider the client’s functional abilities and goals.

The grantee may use their preferred assessment, but HUD reserves the right to require the use of one or more standardized tools as part of the evaluation process.

**Environmental Review Requirements**

**Question:** Is the required environmental review done "desk top" or in person by the HUD staff?

**Answer:** The Environmental Reviews, both Tier 1 and Tier 2, are done “desk top” or remotely from the project site. The grantee will be required to provide information and documents on the proposed project which the HUD Environmental Officer will use to enter information into the HUD Environmental Review Online System (HEROS) for each site-specific Tier 2 environmental review. The OLHCHH Environmental Officer works with the grantee to assure the documentation provided by the grantee properly complies with the requirements. This may require some back-and-forth communications to correct any deficiencies. Monitoring by the GTR for program performance, including Environmental Reviews, may be performed in person or remotely.

**Question:** Does the Grantee require any specific training or expertise in order to provide the information & materials to the Office of Lead Hazard Control and Healthy Homes’ Program Environmental Clearance Officer, Karen Griego, in order to perform the Environmental Reviews?

**Answer:** HUD does not “require” training or expertise regarding environmental review requirements, but it is highly recommended. There are myriad resources, archived training, etc., on the [HUD Exchange Environmental](https://www.hudexchange.info) website. The laws/authorities HUD’s review will be focusing on are: floodplain management, flood insurance, historic preservation, contamination/toxics, noise, wetlands. Guidance and Partner Worksheets for each are located at: [https://www.hudexchange.info/programs/environmental-review/federal-related-laws-and-authorities/](https://www.hudexchange.info/programs/environmental-review/federal-related-laws-and-authorities/)

**Other Applicable Laws & Regulations**
Question: Does expending >$5,000.00 trigger the lead safe housing rule?
Answer: Per Section IV.G.2. Lead Based Paint Requirements. When providing housing assistance funding of any amount for purchase, lease, support services, operation, or work that may disturb painted surfaces of pre-1978 housing, you must comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)). A lead risk assessment of the home for lead-based paint hazards is required for a Home Modification project exceeding $5,000, but it is not a required part of the development of a project of $5,000 or less. In those lower-cost projects, only paint testing for lead of paint that will be disturbed by the project is required. Paint that is found to be lead-based paint and will be disturbed must be dealt with using lead-safe work practices and repaired after the disturbance. If the amount of disturbance is more than the minimal amounts in the Lead Safe Housing Rule (2 square feet per room inside, or 20 square feet outside, or 10% of small areas, such as windowsills), the paint-disturbing work must be done by an EPA- or State-certified lead renovator, and the project must pass lead clearance before the family can reoccupy the area.

Question: Do Davis Bacon requirements apply to this funding? Will repairs over $2,000 will trigger Davis Bacon?
Answer: The Davis-Bacon wage rates are not applicable to these programs. However, if you use grant funds in conjunction with other federal programs, Davis-Bacon requirements may apply to the extent required under the other federal programs.

Question: Is a Tribally Designated Housing Entity (TDHE) an eligible applicant for OAHMP funding?
Answer: Only if the TDHE is a 501(c)(3) nonprofit organization and meets other eligibility requirements.

Question: Can a home of an elderly occupant that is on a tribal reservation or on tribal land be eligible for enrolling under an OAHMP grant?
Answer: If the home is owned by the occupant (rather than by the Tribe, the Tribally Designated Housing Entity, or another person or entity), it may be enrolled, otherwise not.

Question: Can a home of an elderly tribal member that is not on a tribal reservation or tribal land be eligible for enrolling under an OAHMP grant?
Answer: Yes, if the home is owned by the occupant (rather than by another person or entity).