



# Lead Hazard Control (LHC), and Lead Hazard Reduction Demonstration (LHRD) Grant Programs

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Revised September 2015

## Program Outline

### Introduction:

The Erie Redevelopment Authority receives funds from the U.S. Department of Housing and Urban Development (HUD) to conduct activities in compliance with the Lead-Based Paint Hazard Control Grant Program. The Erie Redevelopment Authority (ERA) is a direct recipient of funds for the LHRD and LHC Grant Programs.

Regulations for this program can be found in Section 107 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, which is Title X of the Community Development Act of 1992. Policies and procedures by the Erie Redevelopment Authority are based on current federal, state and local rules and regulations.

Additionally, the City of Erie receives Department of Housing and Urban Development (HUD) funding. Each year, the City allocates CDBG funding to be used in conjunction with funding from the Lead-Based Paint Hazard Control Grant Program. CDBG Lead Hazard Rehabilitation funding is limited and will be offered to applicants for additional lead work, accessibility renovations, and needed exterior renovations only when available.

## **Purpose of the grant:**

This funding exists solely and exclusively to reduce and ultimately eliminate lead poisoning in young children. Lead poisoning is a medical condition caused by increased levels of the heavy metal lead in the body. Lead interferes with a variety of body processes and is toxic to many organs and tissues including the heart, bones, intestines, kidneys, and reproductive and nervous systems. It interferes with the development of the nervous system and is therefore particularly toxic to children, causing potentially permanent learning and behavior disorders. Symptoms include abdominal pain, headache, anemia, irritability, and in severe cases seizures, coma, and death. Routes of exposure to lead include air, water, soil, food, and consumer products. One of the largest threats to children is lead paint that exists in many homes, especially older homes; thus children in older housing with chipping paint are at greater risk. An item as small as a paint chip can contain tens to hundreds of milligrams of lead, which presents a serious risk if ingested.

Lead Hazards are controlled by encapsulating, enclosing, or removing lead-based paint; reducing lead dust levels; and by the covering or removing of lead contaminated soil.

Lead Hazard Control is not considered to be rehabilitation or renovation. Lead hazard control is the most important step a homeowner can take to 1) lower a child's current lead levels and 2) reduce the chances of future lead poisoning of children residing or spending a substantial amount of time at a particular property.

## **Lead Hazard Control activities may include the following type of work:**

- **Exteriors** – Deteriorated lead-painted exteriors will be repaired. This may include wet scraping and painting, the application of vinyl siding or coverage with an approved encapsulate.
- **Windows** – If window sashes are deteriorated, they may be replaced with new vinyl sashes or repaired. Window troughs may be covered to create a smooth and easy-to-clean surface.
- **High-Risk Paint** – Other high-risk areas include lead-painted porches, floors, stairs, and parts of doors. Depending on their condition, these areas may be stripped, covered, replaced, or wet scraped and primed and repainted to reduce lead exposure.
- **Flooring and Dust** – Lead contaminated household dust is a major source of lead exposure and is very difficult to eliminate. The contractor may use special

equipment and techniques to thoroughly clean lead dust. Carpets may be removed and/or replaced.

- **Bare Soil** – Bare soil with high levels of lead is another source of lead exposure. The contractor may cover contaminated bare soil with wood chips, gravel, sod, or clean soil and grass seed.

**Lead blood testing of children under the age of six is strongly recommended, and may be required as part of the program. The Erie County Department of Health or your family physician can do this testing. ERA encourages all applicants to have the children tested and the results submitted with the application. A low lead blood count will not affect the processing of the application.**

### **Eligibility:**

#### **Homeowners – Owner Occupant:**

Homeowners who live in Erie County are eligible to participate in the program provided that they are income qualified, and that there is at least one child under the age of six years who resides in the property, or at least one child under the age of six years who spends at least 6 hours per week in the dwelling on at least two separate occasions.

#### **Homeowner - Non Owner Occupant:**

Landlords who own property in the geographic target area (Erie County) are eligible to participate in the program provided that their tenants are income qualified (low income), and that there is at least one child under the age of six years who resides in the property, or at least one child under the age of six years who spends at least six hours per week in the dwelling on at least two separate occasions.

Landlords with vacant units are not eligible to participate in the program. They must first provide proof (signed lease agreement) that they rent to income qualified tenants, and make a documented effort to find tenants with at least one child under the age of six.

Landlords **must also agree** not to raise their tenant's rent more than **5% per year for 3 years** after the lead reduction work has been accomplished.

Note: Erie Redevelopment Authority **does require** updated tenant information (which includes income verification and birth certificates) if there is turnover in a unit.

## **Relocation:**

### **Rental Units**

Lead Hazard Control work will require the tenants of occupied units to be temporarily relocated at no cost to the occupants (within certain parameters), to protect them from lead exposure during the construction period. Relocation **may be** for up to 12 days. Although The Erie Redevelopment Authority will work with the occupants to find suitable temporary housing, the occupant, and not ERA or the contractor will be responsible for finding a safe place for pets.

Occupants that are required to relocate may receive a daily meal and expense allowance that will be paid to the **occupant 20-30 days after the job is completed.**

### **Owner Occupied Units**

According to HUD Guidelines, ERA **cannot** guarantee relocation for single family owner occupied units. The occupants must make efforts to stay with family or friends while the work is being performed and will only be allowed to permanently re-occupy the premises after the clearance test.

### **Criteria for the Selection of Properties**

- All residents must be income qualified and all units must have a child less than six years of age residing in the household **or** a child under six years of age that regularly visits the property at least 6 hours per week on two separate occasions for at least 3 hours per visit. Units housing children under 6 years of age who have an elevated blood lead level (EBL) will receive priority consideration;
- In the opinion of the Erie Redevelopment Authority, the structure must be habitable and structurally sound;
- Owner occupant or tenant's gross income must be verified to be low to moderate according to HUD Income Guidelines;
- Property taxes must be current and the dwelling must be insured;
- Lead hazard control work is within the program's scope and budget;
- Tenant applicant(s) agree to participate in the program and provide all necessary documentation to ERA;

## **Funding and property liens:**

The funds for the lead hazard elimination work come from the Dept of Housing and Urban Development (HUD). For owner occupied dwellings, the grant pays for 100% of the cost of eliminating lead hazards to an upper limit, and the owner pays only the administrative fees for processing. For non-owner occupied dwellings, 80% of the cost of eliminating lead hazards is paid through the grant. The other 20% of the cost is paid by the landlord/property owner. The landlord/homeowner must also be responsible to pay for the filing fee if applicable.

Grant money utilized for lead hazard control work is treated as a 36 month forgivable loan from The Erie Redevelopment Authority to the property owner, meaning that repayment of the loan is deferred for 3 years. ERA will **ONLY** place a 3 year lien on the Landlord's property for the total paid to contractor. Owner occupied properties will not have a lien filed unless **City of Erie funding is included in the property**. If the program requirements are met for the 3 year period, the mortgage will be considered satisfied, the lien will be released, and the loan will be forgiven.

If the program requirements are not met, the lien can remain on the property until such time that all requirements are met. Landlords must obtain and keep documentation of all new tenants to ensure that they meet eligibility requirements. ***ERA cannot satisfy mortgages or release liens from properties unless it is documented that all program requirements have been met for 3 years.***

## **Fees**

All single family owner applicants are required to pay a \$100 service fee for proper application processing. For all units that are not owner-occupied, the property owner must contribute 20% of the cost of the lead work upon signing of the mortgage documents prior to the commencement of the work.

## **Land Contracts**

Individual(s) purchasing units by a land contract will be considered as owner-occupant(s) provided that the following conditions are met:

- The unit must be the principal residence of the individual(s);

- There must be a written land contract properly recorded in the Erie County Recorder of Deeds Office;
- The individual(s) must have made payments for at least six consecutive months or for 10% or more of the contract amount. If all of the above conditions have not been met, the individual(s) will be treated as tenants in rental property.

### **Itemization of the Application and Lead Hazard Removal Process:**

Following is a step-by-step list of activities that occur in order to facilitate the removal of lead hazards in properties under the LHC and LHRD Programs:

An application is completed by the property owner and / or tenant. Applications are available at the ERA office, located at 626 State Street, Room 107 or at the St. Martin Center, 1701 Parade Street.

**The following documentation must be submitted with the fully completed application for occupants of the property, meaning owner occupants and/or tenants.**

- a) Proof of household income, i.e.; Most recent year tax return, (2) months pay stubs
- b) Employment Verification Form (to be completed by employer)
- c) Asset Verification Form (to be completed by applicant's bank)
- d) Declaration page of homeowner insurance policy
- e) Documentation of payment of property taxes, water, sewer, garbage
- f) Copies of birth certificates of all household members and non-resident child or children under the age of six
- g) Copies of Social Security cards **AND** valid PA identification of all other household members residing in the property
- h) Copy of deed to the property

### **Summary of the Process:**

1. Upon successful review of application, ERA inspector will visit the property to take pictures and create a floor plan and rough estimate of how much the work might cost;
2. A lead Risk Assessment/Paint Inspection will be performed on the property and the report sent to ERA;
3. ERA will contact approved ERA Contractors, who will visit the property (at the same time) to prepare a bid for the job, and then submit the bids to ERA;
4. The job will be awarded to the lowest responsible bidder;

5. The applicant will meet with ERA representative to discuss relocation (if applicable) and to sign the contractor agreement, notice to proceed, mortgage, and other ancillary forms;
6. A pre-construction meeting will be held with ERA inspector, applicant, and contractor;
7. The work will be scheduled;
8. Occupants may be relocated on the day that the work is to begin;
9. The work will be performed;
10. Upon completion of the work, a lead clearance test will occur. If the property passes the test, occupants can then move back into the property;
11. Before the contractor is paid in full, the property owner must sign a document stating that the work is complete as per the Scope of Work, and satisfactory.

**Miscellaneous:**

- Contractors will be required to use electricity and water at the property. No reimbursement will be given to the homeowner or tenant.
- The contract to perform the lead hazard elimination work is between the property owner and the contractor only. The role of the Erie Redevelopment Authority is that of provider of the funds and coordinator of the activities required to have contractors perform the job, and to see that they receive payment for their work.
- When the job is completed and the property owner attests to the fact that the work is complete and satisfactory, the role of ERA is concluded. If future communications are required, it should be between the **property owner and the contractor**.
- Contractors use medium grade materials and **warrant** their workmanship for **one year**. The property owner should become familiar with manufacturer warranty on all materials.
- Applicants will be required to sign an affidavit stating that under penalty of law, all information provided in the application is true and correct.
- Occupants may not be allowed on premises while lead work is on-going.

## HOMEOWNER / TENANT ACKNOWLEDGEMENT

I have read and understand the components of the program, and have received a copy of this document.

I acknowledge that I am encouraged to have all mortgage related documents reviewed by legal counsel.

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_