

Maine  
Lead Hazard Reduction  
Demonstration Grant Program

# Procedural Guide

March 2018  
*(revised 8/15/2018)*



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## INTRODUCTION

The Maine State Housing Authority Lead Hazard Reduction Demonstration Grant Program (Program) was developed to provide Grants and deferred/forgivable Loans to assist homeowners and owners of residential rental units to make their homes and apartments lead safe. The Program is a collaborative effort among Maine State Housing Authority (MaineHousing or MH), the Childhood Lead Poisoning Prevention Fund, the Maine Center for Disease Control, and the Maine Department of Environmental Protection. The Program is administered by MaineHousing and three Administrators, as defined herein, with each Administrator being responsible for implementing the Program within a particular region of Maine.

The Program is designed to bring statewide focus to the hazards of lead-based paint poisoning, the importance of proper methods of identification of lead-based paint hazards, and lead-based paint hazard control.

The Program has four primary purposes:

1. To reduce lead poisoning in children by reducing lead-based paint hazards;
2. To develop improved identification of lead-based paint hazards;
3. To develop cost effective lead-based paint hazard reduction activities;
4. To implement a statewide training and education program on lead-based paint hazards.

A secondary purpose, as a result of a Healthy Homes initiative component of the Program, is to identify and help reduce other household safety hazards and associated risks.

## PROGRAM SUMMARY

The key components of the Program are summarized below.

### A. Program Goals:

1. Address lead paint hazards in 230 Living Units of low-income housing and any associated common and exterior areas.
2. Perform 260 Lead Inspections.
3. Perform Risk Assessments in Living Units with children under the age of 6 years old.
4. Perform 150 Healthy Homes Assessments.
5. Conduct 120 Healthy Homes Interventions.
6. Create greater public awareness of the dangers of Lead-based Paint.

### B. Administrator Service Areas

Administrators are assigned specific geographical areas (by County) in which they will deliver Program services:

**NOTE:** Cumberland County is not receiving services through the Maine Lead Hazard Reduction Demonstration Grant Program. Lead control services are being provided in Cumberland County by the City of Portland Maine through the HUD-funded Portland Lead Grant.

Agency	County
<b>Aroostook County Action Program</b>	Aroostook
<b>Community Concepts, Inc.</b>	Androscoggin (with the exception of the cities of Lewiston and Auburn, which receive services through the HUD-funded Lewiston Lead Grant), Franklin, Oxford, and York
<b>Penquis Community Action Program</b>	Hancock, Kennebec, Knox, Lincoln, Penobscot, Piscataquis, Sagadahoc, Somerset, Waldo, and Washington

### C. Eligible Properties

1. Pre-1978 owner occupied single-family homes with children under the age of 6 years with household incomes at or below 80% of the area median income (AMI), adjusted for household size, located in the target area, confirmed to contain lead-based paint hazards. For purposes of the Program, a single-family home is a detached, stand-alone structure with its own lot, used as a single Living Unit and containing at least one bedroom.
2. Pre-1978 rental units, whether single-family homes or apartment units in multi-family buildings, in which at least half of the enrolled Living Units are occupied by tenants with household incomes at or below 50% of AMI and the remaining half of enrolled Living Units are occupied by tenants with household incomes at or below 80% of AMI. An owner-occupied Living Unit in a multi-family building is eligible under the Program if the owner meets one of these income limits. Rented single-family homes and Living Units in multi-family buildings must have a minimum of one bedroom to be eligible for purposes of the Program a multi-family building is any building containing two or more Living Units, each with at least one bedroom (exception is zero-bedroom apartment with a child under 6 years of age or pregnant woman).
3. Properties must be located in the target area and contain confirmed lead-based paint hazards.
4. Vacant units may be enrolled in the Program as a Priority 4 (see Section E. Priority for Assistance) if there are no other Priorities 1-3 units (see Section E. Priority for Assistance) on the Program waitlist. Administrators must consult with MaineHousing regarding enrolling vacant units and receive written confirmation of approval to enroll vacant units prior to enrolling vacant units.

### D. Loan & Grant Limits:

1. Single-family owner occupied homes are limited to a maximum Grant of \$16,000 for lead hazard reduction (including soil and outbuildings). Maine DHHS Childhood Lead Poisoning Prevention Program enforcement cases involving owner occupied single-family homes may be eligible for a waiver of the \$16,000 Grant cap.
2. Multi-family buildings are limited to a maximum deferred/forgivable Loan of \$10,000 per Living Unit, up to a maximum enrollment of ten Living Units per building. The \$10,000 per Living Unit maximum includes costs of any lead hazard reduction work in common areas and on the building exterior (including the soil and outbuildings), pro-rated among the total number of Living Units. In the case of two or more multi-family buildings on the same lot or on contiguous lots owned by the same owner, the ten Living Unit maximum will apply to all such buildings in the aggregate. Single-family homes that are rented are limited to a maximum Loan of \$10,000. If intervention costs exceed \$10,000 per Living Unit, the owner of the



multi-family building or the rented single-family home will be required to pay the difference from his/her own resources.

3. Maine DHHS lead poisoning cases involving multigenerational households that are over income may be eligible for enrollment. All determinations will be made on a case by case basis.
4. If the project cannot be completed within the Grant or Loan limits then the Administrator shall issue a “Deferral of Service” to the property owner (Appendix V). MaineHousing reserves the right to waive the Grant or Loan cap. This determination will be made on a case by case basis and the Administrator may request such a waiver by using the Lead Waiver Form (Appendix K).

#### **E. Priority For Assistance**

The Program will focus on Living Units occupied by children under the age of 6 years (Priority 1-4). The Administrator will receive and review Applications for assistance and will prioritize Living Units as detailed below.

- Priority 1: Pre-1978 low-income Living Units occupied by one or more children under the age of 6 years with identified venous elevated blood levels (VEBLs) equal to or greater than 5 µg/dl.
- Priority 2: Pre-1978 low-income Living Units occupied by one or more children under the age of 6 years with identified VEBLs less than 5 µg/dl.
- Priority 3: Pre-1978 low-income Living Units occupied by one or more children under the age of 6 years where Lead-based Paint has been identified.
- Priority 4: Pre-1978 low-income Living Units where Lead-based Paint has been identified.

#### **F. Dispute Resolution Process**

A formal complaint tracking and dispute resolution process is included to resolve contractor/owner disputes. If disputes cannot be resolved satisfactorily, the dispute will proceed to binding arbitration.

#### **G. Forms & Documentation**

1. All required forms and documentation are standardized for all participating Administrators.
2. Standard Administrator Fees \$600 for each Lead Inspection/Risk Assessment of eligible Living Units with children under the age of 6 years.
3. \$500 for each Lead Design Plan.
4. \$1,300 per Living Unit fee upon completion of the project.
5. At-cost reimbursement of travel expenses up to a maximum of \$400 for projects located 50 miles or more, one way, from Administrator’s Office.
6. At-cost reimbursement for relocation and laboratory analysis fees.
7. Administrators will be reimbursed at cost for the Merchants Report and the cost of inspection and design in the event that an Applicant does not proceed with the Program or if the Application is deemed not eligible.

## H. Technical Assistance

MH staff will provide on-site technical assistance with all phases of the Program to assist Administrators with Program implementation.

### SECTION 1 - DEFINITIONS

As used in this Procedural Guide, the following terms shall have the following meanings:

<b>Abatement</b>	Any set of measures designed to permanently eliminate Lead-based Paint Hazards in accordance with standards established by appropriate State and federal agencies, including, but not limited to, (a) the removal of Lead-based Paint and Lead Contaminated Dust; (b) the permanent containment or encapsulation of Lead-based Paint; (c) the replacement of lead-painted surfaces or fixtures; (d) the removal or covering of Lead Contaminated Soil; and (e) all preparation, cleanup, disposal, and post abatement clearance testing activities associated with such measures. For purpose of this definition, “permanently” means for at least 20 years.
<b>Accessible Surface</b>	An interior or exterior surface painted with Lead-based Paint that a young child could mouth or chew.
<b>Administrator</b>	Any one of the following three community action agencies chosen by MaineHousing to administer the Program in the following corresponding counties of the State:  <b>Aroostook Community Action Program</b> (Aroostook County);  <b>Community Concepts, Inc.</b> (Androscoggin, Franklin, Oxford and York Counties);  <b>Penquis C.A.P., Inc.</b> (Hancock, Kennebec, Knox, Lincoln, Penobscot, Piscataquis, Sagadahoc, Somerset, Waldo and Washington Counties)
<b>Applicant</b>	Any individual or entity who has submitted a written application for a Loan/Grant, and any individual who is expected to live in an Eligible Residence.
<b>Application</b>	A completed Program application submitted to an Administrator by an Applicant, in the form required by MaineHousing and in accordance with the Procedural Guide.
<b>Building Permit</b>	Any permit needed for proper rehabilitation or construction of a project under the Program.
<b>Certified Abatement Contractor</b>	A contractor, inspector, or supervisor who has completed a Lead-based Paint abatement training program certified by the appropriate federal agency and has met all requirements for Lead-based Paint abatement certification or licensure established by the appropriate federal agency or who has been certified by the DEP under a Lead-based Paint abatement training program which has been found by such federal agency to be at least as rigorous as the federal certification program; and (B) workers or designers who have fully met training requirements established by the appropriate federal agency.

<b>Co-Head of Household</b>	Any head of household who is not also an Applicant but who is a co-head of household in a Living Unit for which an Application has been submitted.
<b>Contract</b>	MaineHousing Lead Hazard Reduction Demonstration Grant Program Administration Contract entered into by and between MaineHousing and each Administrator.
<b>DEP</b>	Maine Department of Environmental Protection.
<b>DEP Lead Management Regulations</b>	DEP Maine Solid Waste Management Rules, Chapter 424, Lead Management Regulations, as last revised October 3, 2016 and as may be further revised.
<b>Deteriorated Paint</b>	Any interior or exterior Lead-based Paint that is peeling, chipping, chalking or cracking or any Lead-based Paint located on an interior or exterior surface or fixture that is damaged or deteriorated.
<b>Eligible Residence</b>	A Living Unit (including zero-bedroom apartments with a child under 6 years of age or pregnant woman), unless otherwise approved by MaineHousing, containing Lead-based Paint Hazards, Lead Contaminated Dust or an Accessible Surface. The Living Unit must have running water, heat, electrical service, cooking, sleeping, and separate bathroom facilities.
<b>Escrow Agreement</b>	An agreement among the Administrator, owner of a single-family home or multi-family building, and contractor which governs disbursements of Program funds to pay lead hazard reduction construction costs or Healthy Homes Intervention costs, as applicable.
<b>Essential Maintenance Plan</b>	A prescribed program of routine maintenance activities, including worker training and work practice requirements, designed to prevent the creation or development of lead hazards.
<b>Grant</b>	Program funds made available in the form of a grant to an owner of a single-family home occupied by the owner's household with income at or below 80% of AMI with a child under 6 years of age living in the household.
<b>Grant Recipient</b>	An owner who resides in a single-family home that has been approved for a Grant.
<b>Gross Household Income</b>	The total household annual income as computed in accordance with the requirements contained in the Procedural Guide.
<b>Healthy Homes Assessment</b>	A comprehensive risk-based housing inspection that incorporates 29 areas of the housing environment.
<b>Healthy Homes Intervention</b>	An elimination of a hazard identified during a Healthy Homes Assessment.
<b>Healthy Homes Rating System</b>	An assessment system combining the likelihood of an occurrence and the probable severity of the outcome of that occurrence.
<b>HETL</b>	State of Maine Health and Environmental Testing Laboratory.
<b>HUD</b>	United States Department of Housing and Urban Development.

<b>Interim Controls</b>	A set of measures designed to temporarily reduce human exposure or likely exposure to Lead-based Paint Hazards, including specialized cleaning, repairs, maintenance, painting, temporary containment, ongoing monitoring of Lead-based Paint Hazards or potential hazards, and the establishment and operation of management and resident education programs.
<b>Lead Inspector</b>	A DEP certified and licensed individual who conducts lead inspections, lead determinations, clearance examinations, and lead safe evaluations.
<b>Lead Inspection</b>	A surface-by-surface investigation to determine the presence of lead-based paint as provided in section 4822(c) of the Lead-Based Paint Poisoning Prevention Act, 42 USC §4821 <i>et seq.</i> , as may be amended.
<b>Lead-based Paint</b>	Paint or other surface coatings that contain lead equal to or exceeding 1.0 milligram per square centimeter or 0.5 percent by weight or 5,000 parts per million (ppm) by weight, as provided in 24 CFR Part 35 §35.110 (definition of “Lead-based Paint”).
<b>Lead-based Paint Hazard</b>	Any condition that causes exposure to lead from Lead Contaminated Dust, Lead Contaminated Soil, Deteriorated Paint, Accessible Surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects as established by the appropriate federal agency.
<b>Lead Contaminated Dust</b>	Surface dust in Living Units that contains an area or mass concentration of lead in excess of levels determined by the appropriate State and/or federal agency to pose a threat of adverse health effects in pregnant women or young children.
<b>Lead Contaminated Soil</b>	Bare soil on residential real property that contains lead at or in excess of the levels determined to be hazardous by the appropriate State and/or federal agency.
<b>Lead Design Plan</b>	The lead hazard reduction design plan prepared for each property to be assisted with Program Funds in accordance with the Procedural Guide.
<b>Living Unit</b>	A comprehensive residential dwelling unit containing cooking, sleeping, and separate bathroom facilities, including a single-family home or an apartment unit.
<b>Loan</b>	A 0% deferred/forgivable loan with a term of three years made with Program funds to an owner of a multi-family building or a rented single-family home, with no principal or interest payments required. The entire Loan amount is forgiven after three years from the date of closing if the owner complies with affordability and ownership requirements.
<b>Loan Recipient</b>	An owner who has executed a Mortgage Deed and Promissory Note.
<b>MCLPPP</b>	Maine Childhood Lead Poisoning Prevention Program.
<b>MUBEC</b>	The Maine Uniform Building and Energy Code, 10 MRSA §9721 <i>et seq.</i>
<b>MaineHousing</b>	Maine State Housing Authority.

<b>Occupant Protection Plan</b>	The occupant protection plan required under Section 6.B(3) of the DEP Lead Management Regulations, which plan shall also include any temporary relocation assistance to be provided to an Applicant.
<b>Procedural Guide</b>	Set of instructions, guidelines, terms and conditions for the origination of Loans and Grants, including all amendments and supplements hereto.
<b>Program</b>	Maine State Housing Authority Lead Hazard Reduction Demonstration Grant Program.
<b>Program Bulletins</b>	Program updates that MaineHousing may circulate from time to time.
<b>Program Start Date</b>	The date provided by MaineHousing after which Applications may be accepted by an Administrator.
<b>Renovation, Repair &amp; Painting (RRP) Contractor</b>	A contractor or individual who has successfully completed an accredited EPA lead course.
<b>Risk Assessment</b>	On-site investigation to determine and report the existence, nature, severity, and location of Lead-based Paint Hazards in the Living Unit, in common areas and on the exterior through dust wipe samples, water testing and soil testing.
<b>State</b>	State of Maine.
<b>VEBL</b>	Venous elevated blood level.

## SECTION 2 - PROGRAM POLICIES

### SECTION 2.1 Federal Requirements and Multi-Family Eligibility Rules

#### A. HUD regulations

The Program is expressly subject to HUD regulations. These regulations require strict enforcement of certain conditions specified below. By participating in the Program, Administrators undertake the initial enforcement responsibility and are advised that MaineHousing cannot waive compliance with such conditions. Unless otherwise directed in the Contract, the following requirements must be met:

1. No part of a Loan may be used for refinancing a prior loan.
2. Loan/Grant proceeds may be used only for lead hazard control and Healthy Homes Intervention in Living Units receiving lead hazard control measures. Furthermore, all hazards identified in the Lead Inspection report must be addressed in compliance with the DEP Lead Management Regulations.
3. In the case of rental properties owned by an individual or entity, each owner shall be limited to enrolling a maximum of 10 Living Units (i.e. single-family homes or apartments) for which Program funds may be used, with a loan cap of \$10,000 per Living Unit. The \$10,000 per Living Unit maximum includes costs of any lead hazard reduction work in common areas and on the building exterior (including the ground and outbuildings), pro-rated among the total number of Living Units. Living Units in multi-family buildings can be located in buildings of any size. All Living Units, whether in a multi-family building or a single-family home, must have at least one bedroom (exception is zero-bedroom apartment with a child under 6 years of age or pregnant woman). In the case of two or more multifamily buildings on the same lot or on contiguous lots owned by the same owner, the ten Living Unit maximum will apply to all such buildings in the aggregate. HUD requires that at least half of the Living Units enrolled by an owner must be occupied by tenants with household incomes at or below 50% of AMI as determined by HUD. The remaining Living Units must be occupied by tenants with household incomes at or below 80% of AMI as determined by HUD. If an odd number of Living Units are enrolled by the owner, Administrator shall “round up” in terms of determining how many Living Units must be occupied by tenants with incomes at or below 50% of AMI (e.g., if five Living Units are enrolled, three must be occupied by tenants at or below 50% of AMI).

An Administrator shall use the Tenant Income Form for verifying tenant income and obtain the Applicant’s signature for the Tenant Blood Testing Release Form (Appendix B).

**NOTE:** If the cost to mitigate all identified lead hazards on both internal and external surfaces exceeds \$10,000 per rental Living Unit or an owner-occupied unit in a multi-family building, the owner must pay the difference. If the owner does not pay the difference, the application for Program assistance must be denied (Appendix V).

4. Owners of multi-family rental properties must sign an Owner Affidavit (Appendix A) at the time of Application, promising to abide by affordability requirements promulgated by HUD for a period of no less than three years and must complete the Owner Application Form (Appendix A).
5. Single-family households must have incomes at or below 80% of AMI and must have a child under the age of six years to receive Program assistance. Single-family homeowners must complete the Homeowner Application (Appendix SF).

6. The Gross Household Income of an Applicant and any Co-Head of Household shall be within the limits established under the Program, as set forth in this Procedural Guide.
7. The Administrator must provide a copy of the Environmental Protection Agency (EPA) pamphlet entitled “Protect Your Family from Lead in Your Home” and a copy of the Lead Inspection report to each Loan Recipient and Grant Recipient and each tenant of a Living Unit receiving Program funds. The Administrator shall document each Loan Recipient and Grant Recipient file that these materials have been distributed as required by having the Loan Recipient or Grant Recipient and tenant(s), if applicable, sign the appropriate Applicant Acknowledgement Form (one for owners and one for tenants) (Appendices LD-A and LD-B).

#### **B. Commercial Businesses**

Program funds may not be used for lead hazard control measures in commercial businesses, including but not limited to licensed day care facilities, or any other non-residential uses.

**NOTE:** The prohibition on enrolling licensed day care facilities does not include a single-family home in which a licensed day care facility is located, provided that household income is at or below 80% of AMI, the dwelling is under lead abatement order and a child under the age of 6 years permanently resides in the home or a child 6 years or younger spends a “significant amount” of time in the home. Please refer to and use Children Under 6 Years Old Visiting Certification Form (Appendix G).

### **SECTION 2.2 Applicable Laws**

Nothing in the Procedural Guide shall be construed in such a manner as to conflict with, alter, or amend any federal or State laws or regulations applicable to the conduct of each Administrator’s business.

### **SECTION 2.3 Amendments**

The Procedural Guide may be amended or supplemented from time to time by MaineHousing by publishing changed pages or Program Bulletins on MaineHousing’s website/CAA Portal:

<http://www.mainehousing.org/partners/partner-type/community-agencies/lead-hazard> In the event of any conflict between the provisions of the Contract and this Procedural Guide, the Contract shall govern.

### **SECTION 2.4 Dispute Resolution**

Disputes arising between a Loan Recipient or Grant Recipient, an Administrator, and/or a Certified Abatement Contractor or a contractor performing Healthy Homes Intervention work (HHI Contractor) in connection with Program related work shall be dealt with in accordance with the following dispute resolution process:

#### **A. General**

Administrators are initially responsible for resolving any Program work related disputes. In those situations where a mutually satisfactory agreement cannot be reached between or among the parties, binding arbitration will be required.

#### **B. Complaint Intake**

Each Administrator shall designate one or more individuals on its staff to log telephone calls from Loan Recipients and Grant Recipients voicing complaints. Each Loan Recipient and Grant

Recipient shall receive a copy of the Applicant Information Form (Appendix A or Appendix SF), which shall have a telephone number and a contact person to call in the event of a problem.

All telephone or written complaints received by designated staff of the Administrator shall be submitted to the Administrator's housing coordinator or director within 24 hours of receipt of the complaint. Within 48 hours of receipt of a Loan Recipient or Grant Recipient's complaint, the housing coordinator or director or designee shall contact the Loan Recipient or Grant Recipient to assess the nature of the complaint. If the Loan Recipient or Grant Recipient has not already done so, the housing coordinator or director shall request the Loan Recipient or Grant Recipient to put the complaint in writing.

Within five working days of receipt of the telephone or written complaint, the Administrator's housing coordinator or director or designee shall send MaineHousing a notice of the complaint and all information regarding the nature of the complaint with a copy to the Loan Recipient or Grant Recipient. If the complaint is immediately resolved (within the five working days), the Administrator will still be responsible for reporting the complaint with all the information regarding its nature, and will note how the complaint was resolved.

### **C. Informal Conference**

Within 15 working days from receipt of a complaint, the Administrator shall organize an informal meeting with the Loan Recipient or Grant Recipient, the Certified Abatement Contractor or HHI Contractor, as applicable, the Lead Inspector and the housing coordinator or director to try and resolve the dispute. The Administrator shall notify MaineHousing and all interested parties of the informal conference giving reasonable consideration to the schedules of all parties and the severity of the dispute. MaineHousing may attend the informal conference. If the informal conference produces a resolution of the dispute, the Administrator shall prepare a document signed by all parties involved that plainly states the agreed upon resolution. A copy of this document shall be submitted to MaineHousing. If the meeting does not result in a resolution, the Administrator shall document the results of the meeting and where the parties disagree. The Administrator shall submit a copy of these written minutes to MaineHousing. A copy of all written resolutions and minutes must be kept in the Loan Recipient or Grant Recipient's file.

### **D. Binding Arbitration**

If the parties to the Program work-related dispute cannot come to a resolution of the matter, then the issue must be resolved through binding arbitration. The Lead Hazard Reduction Contract and the Healthy Homes Intervention Contract, as applicable, will contain a binding arbitration clause. If all attempts fail to produce a resolution, the parties shall participate in a binding arbitration process as soon as possible after the informal conference.

Unless the Administrator, Loan Recipient or Grant Recipient, and/or Certified Abatement Contractor or HHI Contractor otherwise agree, the arbitration shall be conducted in accordance with the construction industry arbitration rules of the American Arbitration Association. All disputes or claims shall be submitted to the arbitrator, regardless of the extent of completion of the Program related work. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

MaineHousing will pay the costs of the arbitrator. The parties involved in the dispute (i.e., the Certified Abatement Contractor or HHI Contractor, Loan Recipient or Grant Recipient, and Administrator) will each be responsible for paying their respective attorney's fees, if any.



## **E. Tracking**

In addition to obligations of the Administrator to provide the notifications and reports to MaineHousing set forth in this Section 2.4, the Administrator shall maintain a log of all substantial disputes and provide MaineHousing with a copy of such log on a monthly basis. The dispute log must clearly document the nature of the dispute, contacts made with the parties involved, and actions taken to resolve the dispute. MaineHousing will monitor each Administrator to ensure all disputes are resolved as quickly as possible.

## SECTION 3 - PROGRAM ADMINISTRATION

### SECTION 3.1 Unit Identification and Prioritization

Administrators will be responsible for identifying Eligible Residences not already identified by the MCLPPP. Administrators will accept Applications and process them under the priority ranking system identified below and in accordance with the federal requirements contained in Section 2.1 above.

**NOTE:** Households identified as having a child under the age of 6 years with a VEBL greater than 5 µg/dl will be the first priority of the Program.

Priority	Description of Priority
Priority 1:	Pre-1978 low-income Living Units occupied by one or more children under the age of 6 years with identified VEBLs equal to or greater than 5 µg/dl.
Priority 2:	Pre-1978 low-income Living Units occupied by one or more children under the age of 6 years with identified VEBLs less than 5 µg/dl.
Priority 3:	Pre-1978 low-income Living Units occupied by one or more children under the age of 6 years where Lead-based Paint Hazards has been identified. (A pregnant woman residing in a unit meets the criteria of child age 6 years or younger- see HUD Policy Guidance 2017-03)
Priority 4:	Pre-1978 low-income Living Units where Lead-based Paint has been identified.

### SECTION 3.2 Application Intake

Employees of an Administrator are not eligible to apply for Program funds within the Administrator's service area, unless otherwise approved by MaineHousing.

Administrators shall pre-screen potential applicants to assess eligibility. When a potential applicant contacts an Administrator, a trained staff member will briefly describe the Program and eligibility criteria (including income guidelines and ownership and occupancy of the property to be improved). If the potential applicant is clearly ineligible for the Program, refer him/her to other appropriate resources. If the potential applicant appears eligible, the Administrator will provide the person with the appropriate Application forms and request certain documentation, as follows:

#### A. Single-family Homeowner

1. Homeowner Application, including Blood Testing Release Form (Appendix SF)
2. Applicant Acknowledgement Form (Appendix LD-A)
3. Administrator shall request of owner a property deed to prove ownership
4. Administrator shall request a copy of homeowner's property and liability insurance
5. Authorization to Release Information (Appendix E)

#### B. Multi-Family/Rental Property Owner

1. Owner Application and Owner Affidavit Form (Appendix A)
2. Tenant Income Form including Blood Testing Release Form (Appendix B)
3. Authorization to Release Information (Appendix E)
4. Applicant and Tenant Acknowledgement Form (Appendices LD-A and LD-B)
5. Administrator shall request of owner a property deed to prove ownership.

6. Administrator shall request property owner to obtain tenant income documents such as pay stubs and/or tax returns.
7. Administrator shall request property owner to submit a copy of owner's property and liability insurance.

Administrator may choose to stagger the submission of these forms to client to minimize confusion in completing or obtaining necessary documents.

**NOTE:** Administrators may not charge an application fee.

### **SECTION 3.3 In-Person Interviews**

Administrator shall require a qualified staff person to interview the Applicant. During this interview, qualified staff person shall:

1. Review the Applicant Information Sheet and Owner Affidavit form, if applicable, with the Applicant. Applicants need to fully understand the contents of the documents and Administrator should not move forward with a Loan/Grant until the Administrator is confident that the Applicant understands all the information and the responsibilities of the Loan/Grant. These forms require client's signature at the time of closing as proof of the Applicant's understanding.
2. Complete the Application based on information provided by the Applicant.
3. Obtain authorization to verify income and property encumbrances (Appendix B or Appendix SF). Administrator will use this form to obtain a Merchants Report and confirm the Applicant's income.
4. Inform client of HUD's requirements to inspect and mitigate Lead-based Paint Hazards in pre-1978 Living Units. Inform Applicant that the family (or tenants in rental properties) will have to be temporarily relocated during the interior lead hazard reduction work.

### **SECTION 3.4 Good Faith Estimates**

Within three days of receipt of a completed Application, Administrator shall submit to Applicant a Good Faith Estimate of the estimated Loan or Grant amount and associated fees (e.g., Merchants Report & recording fees).

**NOTE:** The Good Faith Estimate must be signed by the Applicant (Appendix D) and returned prior to closing.

It is understood that the Administrator will not know the actual Loan or Grant amount until the Lead Inspection, Lead Design Plan, and contractor bidding tasks are completed. For the purposes of complying with Truth in Lending requirements and completing the Good Faith Estimate, the Administrator can estimate what the Applicant will need for a Loan or Grant amount, up to Program maximums, and any estimated additional amount that must be contributed by the owner for Program work exceeding these maximums.

### **SECTION 3.5 Project File**

Administrator shall establish a project file to keep all documentation pertaining to the project. The file shall contain the Project Checklist described in Section 7.1 of this Procedural Guide. The documentation must be maintained as indicated on the Checklist and be available for review by the Administrator and MaineHousing upon request and during monitoring visits.

## SECTION 4 - LOAN/GRANT ORIGINATION

### SECTION 4.1 Application Review Process, Calculating Income

#### A. Eligibility for Owner Occupied Single-Family Homes

In the case of an owner occupied single-family home, an Application for Program funds must be submitted by the owner of the home. In such a case, the Applicant under the Program is the owner of the owner occupied single-family home. The Applicant must be using and continue to use the home to be improved with Program funds as the Applicant’s principal residence. The proceeds of a Grant shall be used exclusively to finance lead hazard reduction work consistent with the applicable Lead Design Plan for the property and cannot be used to refinance existing debt(s) or purchase appliances or other personal property or for any other purpose.

To be eligible for a Grant, the Applicant’s Gross Household Income must not exceed 80% of AMI as determined by HUD for the area where Applicant resides, adjusted for family size.

**NOTE:** Each Applicant must submit proof of income at time of Application that is traceable, credible, and supportable, NO EXCEPTIONS. In addition, Applicants must also have at least one child under the age of 6 years permanently residing in the home.

#### B. Eligibility for Rental Units

In the case of a rental unit, whether a rented single-family home or an apartment in a multi-family building, an Application must be submitted by both the owner of the rental property (Appendix A) and each tenant (Appendix B) in the building. In such a case, both the owner and tenant of the rental unit are the Applicants under the Program. An Application must be submitted for all of the rental units in the building, up to the Program maximum. If the Application includes less than the total number of rental units in the building, the property will not be eligible for assistance with Program funds. The eligibility of an owner of residential rental property for Program funds will be based on the income of the tenants occupying the Living Units to receive lead hazard reduction work at the time the Application is completed and submitted. HUD requires that to be eligible for a Loan, at least half of the Living Units enrolled by an owner must be occupied by tenants with household incomes at or below 50% of AMI as determined by HUD. If an odd number of Living Units are enrolled by the owner, the Administrator shall “round up” in terms of determining how many Living Units must be occupied by tenants with incomes at or below 50% of AMI (e.g., if five Living Units are enrolled, three must be occupied by tenants at or below 50% of AMI). In cases where households are renting single-family homes, a child 6 years or younger resides in the home and the home is under active lead abatement order, the household’s income may be at or below 80% AMI. *See* HUD Policy Guidance 2014-01 for information concerning eligibility requirements for buildings with 5 or more units:

Occupant Type	Income Level	Child Occupant < 6 years old
Renter	<ol style="list-style-type: none"> <li>At least 50% units must be less than 50% AMI, and</li> <li>Remaining units (&lt;50%) must be less than 80% AMI</li> </ol>	<ol style="list-style-type: none"> <li>Not required at time of assistance</li> <li>Property owner must give priority to families with child under 6 years old for at least 3 years</li> </ol>
Mutifamily Renter (≥ 5 units in same property)	<ol style="list-style-type: none"> <li>20% of total number of units in same building may exceed 80% AMI</li> <li>Remaining units must meet renter income requirements above</li> </ol>	<ol style="list-style-type: none"> <li>Not required at time of assistance</li> <li>Property owner must give priority to families with child under 6 years old for a least 3 years</li> </ol>

Occupant Type	Income Level	Child Occupant < 6 years old
Owner (primary residence)	100% of owner-occupied units must be occupied by families with less than 80% AMI	<ol style="list-style-type: none"> <li>1. At least 90% of total number of owner-occupied units assisted must have:               <ol style="list-style-type: none"> <li>a. A child under 6 years old in residence, or</li> <li>b. A child under 6 years old spends a “significant amount of time, or</li> <li>c. A pregnant woman</li> </ol> </li> <li>2. Less than 10% of total number of units assisted may be occupied by families without a child</li> </ol>

The Administrator shall certify the Applicant’s income by obtaining copies of IRS tax returns from the most recent year available, copies of wages from current payroll stubs, or signed employer certifications. Certifications of income from non-payroll sources such as unemployment, disability compensation (such as Social Security Disability Insurance or Supplemental Security Income), Temporary Assistance for Needy Families (TANF), Women Infants and Children (WIC), or retirement or pension benefits are also required when applicable. **Administrators must follow income verification document review hierarchy in all cases:**

1. Third Party (online or hard copy)
2. Verbal Third Party (documented by the grantee)
3. Tenant/Landlord Income Declaration (signed statement by tenant and/or landlord) (See Appendix H)

Once the Administrator determines that the Applicant meets basic Program requirements, the Applicant’s Gross Household Income must be calculated in accordance with the requirements below. The Administrator must also verify Gross Household Income using established employment, deposit, and other forms of income verification.

### C. Calculating Gross Household Income

Gross Household Income shall be calculated as follows:

1. **Gross Monthly Income.** Gross monthly income is the sum of monthly gross pay, any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Affairs (VA) compensation, net rental income, alimony, child support, public assistance, sick pay, Social Security disability or retirement benefits, unemployment compensation, income received from trusts, and income received from business activities or investments, as further described below.
  - a. If the Applicant's income is irregular, unstable, seasonal or temporary, gross monthly income is calculated by taking the average of the actual monthly employment earnings over the previous 12 months or the period of time the Applicant has been engaged in that field of employment, whichever is shorter. If the Applicant has regularly earned overtime, bonuses, shift differentials or commissions, they must be included in income even when the employer does not guarantee their continuation.
2. **Annualized Gross Income.** Annualized gross income is gross monthly income multiplied by 12.
3. **Foregone Income.** If during the six-month period ending on the date of Application, any Applicant and/or Co-Head of Household has taken a temporary leave of absence, a

temporary voluntary reduction in hours normally worked, or has temporarily resigned from employment, the income foregone by such act or acts shall be included in computing Gross Household Income.

4. Temporary Unemployment. If during the three-month period ending on the date of Application any Applicant and/or Co-Head of Household has commenced a temporary or indefinite layoff, has become unemployed, except for permanent retirement, or has ceased employment as a self-employed individual without gaining substitute employment, Gross Household Income shall include the rate of pay immediately prior to such event. This provision shall not apply if the Applicant and/or Co-Head of Household does not expect to return to work in the foreseeable future.

#### **D. Income Determination.**

The income calculation must be done at the time of Application to determine Gross Household Income for purposes of income eligibility. The following additional guidelines shall be followed in completing the Gross Household Income calculation:

1. Alimony and Child Support. Include in Gross Household Income the amount specified in a divorce settlement or separation agreement unless the Applicant and/or Co-Head of Household certifies that the income has not been received and that he/she has made reasonable efforts within the past 12 months to collect the amounts due. Reasonable efforts include filing with courts or agencies responsible for enforcing payments.
2. Miscellaneous Income. Include in Gross Household Income the amount of lottery winnings paid in periodic payments. The following items are not included in Gross Household Income:
  - a. casual, sporadic or irregular gifts;
  - b. lump-sum additions to assets, such as inheritances, insurance payments, capital gains and settlements for personal or property losses;
  - c. hazardous duty pay to a member of the Armed Forces away from home and exposed to hostile fire; and
  - d. lump-sum payments caused by delays in processing periodic benefits such as welfare, unemployment and social security.
3. Self-Employment. Where the Applicant and/or Co-Head of Household is self-employed or is one of the principal owners of a business, include in Gross Household Income the net income from operation of the business or profession including salaries paid to, or other cash or assets withdrawn by, the Applicant and/or Co-Head of Household except to the extent that the withdrawal represents repayment of cash or assets the Applicant and/or Co-Head of Household has invested in the business. Applicant shall provide the most recent 2 years of federal income tax returns AND all tax schedules including Part II of Schedule C (Profit or Loss from Business) attached to IRS Form 1040. When computing net income from self-employment, the Applicant and Co-Head of Household may not deduct depreciation or other non-cash expenses, principal payments on loans, expenses for business expansion, or outlays for capital improvements. Business expenses and interest payments on loans may be deducted.
4. Rental Income. Net rental income from owner occupied multi-family buildings must be calculated as part of the owner's Gross Household Income if the owner's Living Unit is to receive assistance. The owner must have total income at or less than 80% of AMI in order for his/her Living Unit to qualify for assistance.

5. Interest. Include in Gross Household Income the interest and earnings on the Applicant's and/or Co-Head of Household's savings and other investments. Do not include interest earned on trusts, IRAs, Keoghs, 401K plans or other retirement accounts that are not available or paid to the Applicant and/or Co-Head of Household.
6. Foster Care Payments. Do not include in Gross Household Income any amounts received from, or under the direction of, any public or private nonprofit placement agency for the care and maintenance of one or more persons who are under eighteen years of age or disabled and have been placed in the household by such agency.
7. Educational Scholarships. Do not include in Gross Household Income any amounts received as a scholarship or a fellowship grant which is used for tuition, fees, books, supplies or equipment required for enrollment or attendance in courses of instruction by candidates for a degree at an eligible education organization. An educational organization is eligible if it normally maintains a regular faculty and curriculum and normally has a regularly enrolled student body in attendance at the place where its educational activities are regularly carried on.
8. Medical Cost and Work Related Reimbursements. Do not include in Gross Household Income any amounts received through accident or health insurance for personal injuries or sickness that are paid as a reimbursement for expenses incurred for medical care, except in the case of amounts attributable to deductions allowed for medical expenses for any prior tax year. Do not include in Gross Household Income amounts paid by an employer as direct reimbursement for travel or other work-related expenses.
9. Housing Allowances. For persons serving in the military, the following allowances are included in Gross Household Income: Basic Quarters, Variable Housing, Rations, Clothing, and Basis Subsistence. Housing allowances paid to clergy are included in Gross Household Income.
10. Other Amounts. Any other amounts not specifically addressed in this Section shall be included in Gross Household Income to the extent they are included in gross income under the Internal Revenue Code of 1986, as amended from time to time.

#### **E. Income Verification**

Gross Household Income stated on the Application must be verified using Administrator's established verification of employment and deposit forms. It is the verified income that is used to determine income eligibility. Any future increases in income resulting from such things as pay raises or job changes that are known at the time of Application or occur within 30 days of the date of Application must be taken into consideration in determining eligibility. Decreases in income may be taken into consideration if the employer provides satisfactory explanation of the change. (e.g., that the decrease is permanent and affects other employees in addition to the Applicant.)

If a Loan/Grant is not issued within six months of the date an Application is received by the Administrator, the Administrator shall have the Applicant resubmit the income section of the Application for the four month period prior to Loan/Grant closing.

In the event of the need to re-certify income, Administrators shall provide documentation of Applicant's income status (e.g. pay stubs, employer verification).

#### **F. Merchants Report**

Administrator shall order a Merchants Report at the time the Application is submitted to determine any potential liens and judgments against the property. Special attention shall be paid to tax or other

liens including but not limited to any prior recorded mortgages, judgments, bankruptcies, foreclosures, or deeds in lieu of foreclosure within the last 3 years from the date of the Application. MaineHousing will review the Merchants Report to determine if the Applicant can be enrolled into the Program. If there is sufficient justification provided on behalf of the Applicant, in MaineHousing's judgment, MaineHousing will not deny enrollment into the Program, provided that other Program eligibility requirements are met.

The Merchants Report fee can be paid out-of-pocket by the Applicant at the time the Application is submitted or rolled into the Loan/Grant amount at the time of closing.

#### **G. Loan/Grant Approval**

If the Applicant meets the income eligibility guidelines and if other Program requirements are met, the Application will be approved.

#### **SECTION 4.2 Verification of Ownership**

An Administrator must be satisfied that the Applicant actually owns the Living Unit(s) to be improved. A copy of the Applicant's deed and a Merchants Reports are required to verify ownership.

#### **SECTION 4.3 Eligible Improvements**

The proceeds of a Loan/Grant shall be used to finance lead hazard reduction work in the subject Living Units, common areas, and exterior of the buildings (which includes the soil and outbuildings), as required by the Lead Design Plan. Healthy Homes supplemental funds will be used to finance Healthy Homes Assessments and related Healthy Homes Intervention work in single family homes and Living Units in multi-family buildings as approved by MaineHousing. All work or construction completed with Program funds must be in compliance with all applicable building and housing codes and standards. In lieu of locally adopted building codes, all work or construction shall follow and meet applicable MUBEC requirements. In the event any type of building or construction permit is required in connection with Program work, the Administrator shall be responsible for ensuring that such permit(s) are received **prior** to any work beginning and are included in that Applicant's file. Owners who are licensed lead abatement contractors who complete lead abatement work on their own buildings are not eligible for funding through the Program. (see HUD Program Guidance 2017-02 and 2017-04)

#### **SECTION 4.4 Owner Insurance**

Owner property and liability insurance shall be required for each property to be assisted with Program funds, in amounts determined sufficient by MaineHousing.

#### **SECTION 4.5 Ineligible Improvements**

Improvements not directly related to the lead hazard control measures described in the applicable Lead Design Plan or to Healthy Homes Interventions are deemed ineligible improvements and shall not be paid or reimbursed with Program funds.

#### **SECTION 4.6 Loans/Grants for Improvements to Manufactured Housing**

All manufactured housing must meet the following criteria to be eligible for a Loan/Grant:

1. The home must be permanently attached or anchored to the land preferably with anchors manufactured for that purpose in accordance with manufacturer's specifications and underpinned on all sides of the Living Unit.
2. The home must be permanently connected to water, sewer, electric, fuel, and similar facilities or utilities, and fully skirted.



3. The wheels, axles, and hitch must be removed.

All other Program requirements, as described in this Procedural Guide, will also apply.

#### **SECTION 4.7 Charges to Applicants / Loan and Grant Fees**

Except for the fees and expenses permitted by this Procedural Guide, no other fees, charges or remunerations may be received by the Administrator from an Applicant, Loan Recipient or Grant Recipient in making any Loan/Grant. The fees or charges which the Administrator may collect from a Loan Recipient or a Grant Recipient shall not exceed the actual amounts expended by the Administrator for such costs, fees or charges, and shall not exceed the usual and reasonable amounts for such costs, fees, and charges. Fees for the Merchants Report and for recording at the county Registry of Deeds may be rolled into the Loan/Grant or paid out of pocket by the Loan Recipient or Grant Recipient at the time of the Application is submitted. Administrators will be reimbursed at cost for the Merchants Report and the cost of inspection and design in the event that an Applicant does not proceed with the Program or if the Application is deemed not eligible.

#### **SECTION 4.8 Special Flood Hazard Areas**

The Program does not permit assistance for single-family homes or multi-family buildings located in a Federal Emergency Management Agency (FEMA) designated Special Flood Hazard Area (SFHA, which is indicated as Zone A or V on FEMA flood maps). Because projects located in a SFHA cannot be funded with Program funds, it is important to know from the outset whether or not a project site is located in a SFHA. As early as practicable, the Administrator shall complete Part VII, Flood Insurance/Flood Disaster Protection Act, on the Appendix A (of Tier 1 RER) form in accordance with the Instructions for Completing Appendix A (of Tier 1 RER) Form (Appendix A Instructions) (Appendix F). If the property is located in a flood zone containing the letter "A" or "V", the Administrator shall promptly notify and provide to MaineHousing for review the supporting documentation required by the Appendix A Instructions and shall cease further work on completing the remaining environmental review items on the Appendix A (of Tier 1 RER) form pending MaineHousing's review.

#### **SECTION 4.9 Initiate Lead-Paint and Property Inspection**

If an Application for assistance with Program funds is reviewed and deemed eligible, the Administrator shall move forward with the Lead Inspection, Healthy Homes Assessment(s), and environmental review.

## SECTION 5 - LEAD PAINT AND PROPERTY INSPECTIONS

### SECTION 5.1 Lead-Paint Inspection

All Living Units require a Lead Inspection/Risk Assessment in accordance with the standards set forth in Sections 5.1 and 5.2 below. All Lead Inspections, Risk Assessments and Lead Design Plans must comply with the DEP Lead Management Regulations and HUD's *Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing*, 2012 edition, as may be amended (the HUD Lead Guidelines).

Each Living Unit enrolled in the Program must have a Lead Inspection/Risk Assessment that is not more than 12 months old. This 12 month period starts with the date listed on the completed Lead Inspection/Risk Assessment and concludes on the date the project is completed and passes final clearance.

Administrators shall perform Lead Inspections/Risk Assessments using HUD approved X-Ray florescent (XRF) equipment and dust wipe sampling as needed. In households where a VEHL greater than 5 µg/dl or a persistent elevated blood lead level (EBL) between 5 – 10 µg/dl is identified, the MCLPPP investigators will conduct the Lead Inspection unless the Administrator is asked to perform the Lead Inspection on behalf of MCLPPP. Administrators must work with the MCLPPP to coordinate Lead Inspections and lead hazard remediation efforts in connection with housing where a child with a persistent EBL or a confirmed VEHL of 5 µg/dl or greater resides. Administrators will also cooperate with the DEP to complete Lead Inspections and related remediation efforts.

#### A. Initial Inspection

Each Lead Inspection report will be prepared by the licensed Lead Inspector/Risk Assessor conducting the field testing. All testing must be conducted in accordance with the HUD Lead Guidelines and DEP Lead Management Regulations.

Administrators will perform the initial Lead Inspection and will provide a written report of findings in accordance with the DEP Lead Management Regulations on the following items:

1. Identification, quantification, and determination of the existence of Lead-based Paint on surfaces and building components within the applicable Living Unit and all of the associated interior common areas and exterior areas.
2. Inspection of all components and all surfaces, including those coated with paint, varnish, shellac, stain, or other coatings (e.g., wallpaper) in each room in each of the applicable Living Units, and all of the associated interior common areas and exterior areas, as well as any associated laboratory results. In lieu of inspecting all components and all surfaces, Lead Inspectors may use Testing Combinations, as detailed in the DEP Lead Management Regulations.
3. Representative or random testing of applicable Living Units as described in Chapter 7 of the HUD Lead Guidelines is prohibited unless otherwise specified in the HUD Lead Guidelines.

#### B. XRF Sampling Data

Interpretation of XRF sampling data and corrections for substrate contributions shall be performed in accordance with the HUD Lead Guidelines. In situations where the Corrected Lead Concentration (as defined in the HUD Lead Guidelines) readings are inconclusive, the Lead Inspector/Risk Assessor shall follow the rules as described in the HUD Lead Guidelines governing such inconclusive readings.

### **C. Lead Disclosure Requirements**

Each Lead Inspection report shall include a statement that the presence of Lead-based Paint must be disclosed to potential buyers and renters prior to entering into obligations under a sales contract or lease (see 24 CFR §35.88 and 40 CFR subpart F).

## **SECTION 5.2 Risk Assessments/Mitigation**

Targeted Risk Assessment is required in single-family homes and single-family and multi-family rental units where a child under the age of 6 years resides. Administrator shall prepare a Risk Assessment Report using a qualified member of its full time staff.

### **A. Risk Assessment**

Risk Assessments must be completed in accordance with HUD and Maine DEP regulations. Risk Assessments must include dust wipes in all Units, including common areas, a first draw water test in Living Units supplied with public water supply, a first draw water test and flush water test in Living Units supplied with private water supply, and soil testing where there is bare soil and/or a child play area.

### **B. Risk Mitigation – Water and Soil.**

1. Lead contamination in the water supply is rare but costly. The Administrator may have to postpone lead hazard remediation services for the Living Units that test positive for lead in the water supply (Appendix V).
2. There are four methods of soil remediation, as follows:
  - a. Cover the contaminated soil with concrete or asphalt.
  - b. Remove contaminated soil and replace with clean soil.
  - c. Remove the top six inches of contaminated soil and rototill clean soil into the area.
  - d. Lay landscape fabric over the contaminated soil and cover the fabric with crushed stone or mulch.

## **SECTION 5.3 Healthy Homes-Related Hazards Work**

A Healthy Homes Assessment must be performed and submitted on all single-family homes and multi-family Living Units that are receiving lead hazard reduction work. MaineHousing will provide funding for Healthy Homes Interventions addressing hazards identified through the Healthy Homes Assessment from the Healthy Homes supplemental funds under the Program, up to a maximum amount of \$3,238 per Living Unit. Waivers (Appendix K) may be submitted to MaineHousing by the Administrator for consideration when the estimated work exceeds \$3,238.

In the case of Healthy Homes Interventions work on multi-family buildings or rented single-family homes, the funding provided from Healthy Homes supplemental funds will be separate from the Loan that finances the lead hazard reduction work.

## **SECTION 5.4 Environmental Reviews**

As early as practicable and in any event, prior to the Lead Inspection, Administrator shall complete an environmental review of the proposed project, using the Appendix A (of Tier 1 RER) form, in accordance with the Appendix A Instructions, and shall submit the Appendix A (of Tier 1 RER) form, with all required

supporting documentation, including Design Plan to MaineHousing. MaineHousing will complete certain remaining items on the Appendix A (of Tier 1 RER) form, as noted in the Appendix A Instructions.

An Administrator must not enter into any binding contracts or agreements with Applicants, contractors or any other person or entity relating to the project, solicit bids for any project work, perform any work or take any other physical action on a property for which an Application for assistance with Program funds has been submitted, or close a Loan or Grant until the Administrator receives an environmental review acceptance notification from MaineHousing.

## **SECTION 5.5 Lead Hazard Reduction Design Plan**

Administrator shall prepare a Lead Design Plan for a Loan Recipient or Grant Recipient using a qualified member of its full time staff. The Lead Design Plan must incorporate any changes or requirements indicated by the State Historic Preservation Officer in connection with the environmental review of the project. MaineHousing shall pay Administrator \$500 in accordance with the Procedural Guide. If Administrator is unable to provide a qualified member of its staff to prepare a Lead Design Plan for a Loan Recipient or Grant Recipient, the Administrator shall be responsible for the initial cost incurred in hiring a lead hazard design consultant and will be reimbursed by MaineHousing.

## **SECTION 5.6 Bidding Process**

### **A. Lead Hazard Reduction Bids.**

Once the Lead Inspection/Risk Assessment, Lead Design Plan and environmental review have been completed and approved by MaineHousing, the Lead Design Plan must be put out to bid to Certified Abatement Contractors licensed by the DEP.

All contractors must attend a scheduled pre-bid walk-through meeting. Any changes in the Lead Design Plan during the walk-through must be in writing and received by all attending contractors prior to submitting bids. Any bid addendum must be clearly marked as an addendum, dated, signed by the contractor, and be included with the bid submission.

Administrators shall solicit bids from a minimum of three Certified Lead Abatement Contractors for the performance of the Program work outlined in the Lead Design Plan prepared for the Applicant. In those instances where bids from three different Certified Abatement Contractors cannot be obtained, the Administrator shall provide a written explanation to be inserted in the Applicant's file explaining why three bids were not collected. If a contractor is unable to bid, the Administrator must provide the contractor with a Refusal to Bid form (Appendix Y). The contractor must sign and submit the Refusal to Bid form to the Administrator.

1. A minimum of three qualified bids must be solicited for all lead hazard reduction projects.
2. When making bid award determinations, other factors in addition to the dollar amount of the bid are taken into consideration, including contractor's ability to complete the work in a timely manner within established timelines and previous quality of work. Awards may be given to a contractor who is not the lowest bidder, based on these additional factors and if the bid accepted is no more than 10% higher than the lowest bid received.
3. The winning bid along with the bid tabulation sheet must be submitted to MaineHousing in the Phase One package described in Section 7.1 of this Procedural Guide. Administrator must retain all bids their file.
4. Projects submitted to MaineHousing with two qualified bids and one Refusal to Bid form will be acceptable only if the two bids received are within 10% of each other.

5. Projects submitted to MaineHousing with only one acceptable bid must be accompanied by documentation of at least two Refusal to Bid forms in order to be considered for funding under the Program.

Each property owner will be involved in selecting which Certified Abatement Contractor will perform the Program work at the owner's property. In the case where the owner chooses a higher bidder, the owner shall pay the difference between the lowest bid and the bid selected by the owner.

In order for a Loan/Grant to be approved, the bid amount must be within Program limits, or the property owner must pay the difference between the Program limits and the bid amount. If the owner is unable to finance the gap between the bid amount and Program limits, the Administrator shall submit a Deferral of Service form to the owner (Appendix V), and the project will not be funded. Such form shall be placed in the project file.

## **B. Healthy Homes Intervention Bids**

Administrators shall obtain bids from three HHI Contractors to perform Healthy Homes Intervention work, in conjunction with the lead hazard reduction work being performed on the property. In those instances where bids from three different HHI Contractors cannot be obtained, the Administrator shall provide a written explanation to be inserted in the Applicant's file explaining why three bids were not collected. If a contractor is unable to bid, the Administrator must provide the contractor with a Refusal to Bid form. The contractor must sign and submit the Refusal to Bid form to the Administrator.

1. Three qualified bids must be solicited for all Healthy Homes Intervention projects.
2. All three bids must be submitted to MaineHousing in the Phase I package described in Section 7.1 of this Procedural Guide.
3. Projects submitted to MaineHousing with two qualified bids and one Refusal to Bid form will be accepted only if the two bids received are within 10% of each other.
4. Projects submitted to MaineHousing with only one acceptable bid must be accompanied by documentation of at least two Refusal to Bid forms in order to be considered for funding under the Program.

Each property owner will be involved in selecting which HHI Contractor will perform the Program work at the owner's property. In the case where the owner chooses a higher bidder, the owner shall pay the difference between the lowest bid and the bid selected by the owner.

In order for a Loan/Grant to be approved, the bid amount must be within Program limits, or the property owner must pay the difference between the Program limits and the bid amount. If the owner is unable to finance the gap between the bid amount and Program limits, Administrator shall submit a Deferral of Service form to the owner (Appendix V), and the project will not be funded. Such form shall also be placed in the project file.

**NOTE:** Contractors or subcontractors that receive contracts in excess of \$100,000 for Section 3 covered projects and/or activities are required to comply with Section 3 regulations (visit <https://www.hud.gov/Section3> for additional information about Section 3 regulations). Contractors must complete and submit the HUD Required Section 3 Verification Data Form (Appendix R3) which must be included in Phase II packets.

## SECTION 5.7 Submission of Bids by Contractor

Contractors shall deliver bids for lead hazard reduction work and Healthy Homes Intervention work, as applicable, to the Administrator no later than **14 working days** from the time the walk through is completed. All bids must be sent/delivered to the Administrator in an enclosed and sealed envelope prior to the expiration of the fourteen day time period. Administrators may choose to solicit and accept emailed bids are that adhere to all procurement regulations.

The Administrator may extend the deadline for submission of bids by providing written notice of the extension to all contractors participating in the walk-through.

**NOTE:** Any bid received by the Administrator after the bid deadline shall be returned unopened to the bidder.

Bidders may withdraw, substitute, or modify their bids by giving notice in writing before the bid deadline. Each bidder's withdrawal, substitution, or modification notice shall be prepared, sealed, marked, and delivered with the outer and inner envelopes additionally marked as "Withdrawal," "Substitution," or "Modification" as appropriate. No bid may be withdrawn, substituted or modified after the deadline for submission of bids.

The Administrator shall open the bids, including substitutions and modifications, in the presence of the bidders' representatives who choose to attend at the time and in the place specified by the Administrator. Bids for which an acceptable notice of withdrawal has been submitted shall not be opened. The bidders' names, the total amount of each bid and of any alternative bid (if alternatives have been requested or permitted by the Administrator), bid withdrawals, substitutions, or modifications, and such other details as the Administrator may consider appropriate, shall be announced by the Administrator at the opening. No bid shall be rejected at bid opening except for late bids. Late or withdrawn bids shall be returned unopened to bidders.

Subject to the right of the property owner to make the final decision on the Certified Abatement Contractor or the HHI Contractor, as applicable, that will perform the Project work at the owner's property, the Administrator shall award a Lead Hazard Reduction Contract or Healthy Homes Intervention Contract, as applicable, to the bidder whose bid has been determined to be substantially responsive to the bidding documents issued (includes prior performance, ability to complete jobs by specified deadlines, etc.) by the Administrator and who has offered the lowest bid price (unless owner selects a higher bidder and pays the difference between low bid and selected bid). The selected Certified Abatement Contractor must submit a completed, detailed Lead Design Plan with all prices listed as required in Lead Design Plan. The selected Healthy Homes Intervention bidder must include a detailed scope of work for the Healthy Homes Intervention (the Healthy Homes Intervention Work Plan). These documents will become part of the contracts for the work. The Administrator reserves the right to accept or reject any bid, and to cancel the bidding process and reject all bids, at any time prior to the award of any contracts for the lead hazard reduction work and the Healthy Homes Intervention work, as applicable, without thereby incurring any liability to the affected bidder or bidders or any obligation to inform the affected Bidder or Bidders of the grounds for the Administrator's decision.

Each bidder whose bid has been accepted shall be notified of the award by the Administrator in writing prior to the start of any work. This notification (Letter of Acceptance) shall state the sum that the Administrator shall pay the contractor in consideration of the completion of the lead hazard reduction work and the Healthy Homes Intervention work, as applicable, by the Contractor as described in the Lead Hazard Reduction Contract or the Healthy Homes Intervention Contract.

## SECTION 5.8 Change Orders

The Administrator shall consult with MaineHousing when changes in the scope of work under the Lead Hazard Reduction Contract or the Healthy Homes Intervention Contract need to be initiated. A change order must be in writing (Appendix N). Change orders must be initiated by Administrator's lead designer/risk assessor and must be confirmed and approved for funding by the Administrator's housing manager or director before being submitted to MaineHousing. Upon MaineHousing's approval, the property owner and contractor must confirm and sign the change order. Verbal changes in the scope of work will not be allowed. The Administrator must inform the property owner and the contractor that MaineHousing will not be obligated to fund or inspect work performed outside of the Lead Hazard Reduction Contract and Lead Design Plan or the Healthy Homes Intervention Contract and Healthy Homes Intervention Work Plan, as applicable, unless a change order has been approved by MaineHousing.

All change orders **must** be submitted with digital color photographs to serve as evidence and document the need for additional work.

All change orders, whether they are a no-cost change order or result in additional cost to the project, must have prior written approval from MaineHousing before the work described in the change order can be performed. In the case of an emergency, after confirming the necessity of the work described in the change order with Administrator's housing manager or director, the Lead Designer/Risk Assessor may contact MaineHousing's Lead and Housing Rehab Compliance Specialist by phone to receive preliminary approval to proceed with the additional work. The funding for such emergency change orders that are approved by phone will remain contingent upon receipt of written documentation and digital color photographs to serve as evidence of such change order.

Administrators must consult with MaineHousing for further guidance if additional funds are needed to complete work included in a change order.

## SECTION 5.9 Inspections

The Administrator is responsible for conducting as many inspections as are necessary to ensure quality work and construction oversight. At a minimum the Administrator shall perform the following inspections:

### A. In-progress Inspections

1. Scrape inspections are required when Lead Design Plans call for any components to be "scraped to bare".
2. To determine the need for change orders and intervention in owner/contractor disputes.
3. To confirm that the contractor is performing the work in accordance with the Lead Hazard Reduction Contract and Lead Design Plan or the Healthy Homes Intervention Contract and Healthy Homes Intervention Work Plan, as applicable.
4. To ensure that all necessary code inspections have been made prior to approving any payment request.
5. As part of the inspection process, the lead designer/risk assessor shall:
  - a. Take digital color photos before the work begins, at each inspection, and for contested items. Having photographs for future reference is very important, should the need arise to demonstrate Program compliance and quality of work.
  - b. Complete a work progress report and describe photographs of the completed work. This report must be placed in the project file.

**B. Final Inspection – Lead Hazard Reduction Work**

Final dust wipe clearances are required in accordance with the DEP Lead Management Regulations and the HUD Lead Guidelines.

**C. Minimum Number and Location of Clearance Dust Samples for All Abatement Work**

Category Description	Number and Location of Single Surface Clearance Dust Samples
Interim clearances.	A minimum of two dust samples from every treated room.
Interior level 2 treatments; no barrier systems within building	<p>A minimum of two dust samples from every room in a residential dwelling or child-occupied facility (whether treated or untreated).</p> <ul style="list-style-type: none"> <li>• One interior window sill or window trough, alternating between rooms.</li> <li>• One floor, and one floor sample for every 2,000 ft.<sup>2</sup> of a common area room (if present).</li> </ul>
Interior level 1 or 2 treatments with 6 mil poly or its equivalent; barrier systems within building.	<p>A minimum of two dust samples from every treated room in a residential dwelling or child-occupied facility, or if more than four rooms were treated, from at least four treated rooms.</p> <ul style="list-style-type: none"> <li>• One interior window sill or window trough, alternating between rooms,</li> <li>• One floor, and one floor sample for every 2,000 ft.<sup>2</sup> of a common area room (if present).</li> <li>• One floor sample will be taken within a 10 foot radius of the entry point to the containment area.</li> </ul>
Exterior treatments (including soil)	<p>A minimum of two samples as follows:</p> <ul style="list-style-type: none"> <li>• At least one dust sample on a horizontal surface in part of the outdoor living area (e.g., a porch floor)</li> <li>• One window trough sample.</li> </ul>

Clearance standards. Clearance standards for residential dwellings and child-occupied facilities are as follows:

- Hard floors: 10 µg /ft.<sup>2</sup> (micrograms of lead per square foot)
- Carpeted floors: 10 µg /ft.<sup>2</sup>
- Interior window sills: 100 µg /ft.<sup>2</sup>
- Window trough: 100 µg /ft.<sup>2</sup>

If the test results are equal to or exceed these standards, the Certified Abatement Contractor shall perform the following actions, as appropriate: If a single-surface dust sample for a residential dwelling or child-occupied facility fails, all components that the sample represents shall be re-cleaned in accordance with Maine DEP Chapter 424: Lead Management Regulations until they pass a dust clearance test. If single-surface samples in only one room or on one type of component fail, only that room or component shall be re-cleaned and be retested until it passes a dust clearance test.

After completion of all work described in the Lead Hazard Reduction Contract and Lead Design Plan, including any change orders, and after interior lead dust wipe samples pass the clearance standards set forth above, the Administrator shall conduct a final property inspection. This inspection must be performed by the Lead Designer/Risk Assessor along with the property owner and the Certified Abatement Contractor.



If additional work is required, the Lead Designer/Risk Assessor must provide a written punch list to the Certified Abatement Contractor. The punch list is a detailed list of all items remaining to be completed. Once the punch list is completed, the lead designer/risk assessor along with the property owner and the Certified Abatement Contractor shall conduct a final inspection of the punch list items in accordance with the standards set forth above, as applicable. Upon a satisfactory final inspection, including final inspection of any punch list items noted, the lead designer/risk assessor shall prepare a Certificate of Final Inspection (Appendix Q). Both the property owner and the lead designer/risk assessor must sign the Certificate of Final Inspection to indicate that all work is complete and in accordance with the Lead Hazard Reduction Contract and any change orders. Upon being notified by the Administrator of the Certificate of Final Inspection, the Certified Abatement Contractor must submit to the Administrator:

1. All final invoices;
2. Certificate and Release of Liens (Appendix I-B); and
3. Written warranties on all warranted material and all labor provided to the property owner.

#### **D. Final Inspection – Healthy Homes Intervention Work**

After completion of all repairs under the Healthy Homes Intervention Contract, including any change orders, and the Healthy Homes Intervention Work Plan, a final inspection must be performed by the Lead Inspector/risk assessor along with the property owner and the contractor. If additional work is required, the Lead Inspector/risk assessor must provide a written punch list to the HHI Contractor. The punch list is a detailed list of all items remaining to be completed. Once the punch list is completed, the Lead Inspector/risk assessor along with the property owner and the HHI Contractor shall conduct a final inspection of the punch list items. Upon a satisfactory final inspection, including final inspection of any punch list items noted, the Lead Inspector/risk assessor shall prepare a Certificate of Final Inspection (Appendix Q). Both the property owner and the Lead Inspector/risk assessor must sign the Certificate of Final Inspection to indicate that all work is complete and in accordance with the Healthy Hazard Intervention Contract and any change orders. Upon being notified by the Administrator of the Certificate of Final Inspection, the HHI Contractor must submit to the Administrator:

1. All final invoices;
2. Certificate and Release of Liens; and
3. Written warranties on all warranted material and all labor given to homeowner.

#### **SECTION 5.10 Payment to Contractors**

The number of payments that Administrators issue to the contractor depends on the size of the project and the terms of the Lead Hazard Reduction Contract or the Healthy Homes Intervention Contract, as applicable. Advancing Program funds to contractors for uncompleted work is prohibited. Contractors shall request payment only for completed work and shall submit their request to the Administrator with signed authorization from the property owner. Contractor requests for payment must include documentation that describes the scope and nature of the work for which the contractor is requesting payment.

Prior to issuing payment to the contractor, the Contractor Payment Request form (Appendix I-C) must be completed and signed by the contractor, the lead designer/risk assessor, and the property owner. Administrator must obtain a Certificate and Release of Liens (Appendix I-B) for each payment being requested by the contractor prior to issuing payment.

Administrator must issue payment for work performed within thirty (30) calendar days of receipt of the contractor's invoice and all required supporting documentation.

## SECTION 6 - LOAN/GRANT APPROVAL

### SECTION 6.1 Loan/Grant Approval

If the bid amount for a project is within Program limits or the property owner is willing to finance the difference between the bid amount and Program limits and all other requirements described herein are met, the Administrator can approve the Loan/Grant. If the owner pays the difference between the bid amount and Program limit, the owner must provide to the Administrator a bank check in the required amount at Loan/Grant closing. The check shall be deposited into the escrow account established by the Administrator pursuant to the Escrow Agreement.

The Administrator shall notify Applicant of Loan/Grant approval by sending a Notice of Approval (Appendix LD-H). This notification will inform the Applicant of eligibility to receive the Loan/Grant, whether the Program assistance is in the form of a Loan or Grant, the amount of the Loan/Grant, conditions under which the Loan/Grant is offered and the proposed date of the Loan/Grant closing.

An Applicant is deemed a Loan Recipient or Grant Recipient, as applicable, when the Applicant executes the Loan/Grant documents. An Applicant receiving a Loan/Grant must submit a signed Applicant Information Form (Appendix A and Appendix B or Appendix SF) prior to executing a Lead Hazard Reduction Contract (Appendix C-A) and Escrow Agreement (Appendix C-B).

In addition, an Applicant receiving a Loan must execute a Mortgage Deed and Promissory Note (Appendix LD-G and Appendix LD-F).

The Administrator shall review the Lead Hazard Reduction Contract and Lead Design Plan and, if applicable, and Healthy Homes Intervention Contract and Healthy Homes Intervention Work Plan with the Applicant to ensure that the Applicant understands and approves the work to be done by the chosen contractor. Administrators shall be required to ensure that all appropriate contracts and or agreements have been properly executed by all of the parties thereto before any Program dollars are released.

### SECTION 6.2 Loan/Grant Closing; Income Recertification

A Loan is deemed to be closed when the Applicant has executed a Mortgage Deed, Promissory Note, Truth in Lending document, and any other Loan documents required by MaineHousing

**NOTE:** Refer to appropriate Project Checklist for a listing of all required documents.

### SECTION 6.3 Right of Rescission

Once a Loan is closed, a Loan Recipient has a 3-day right of rescission. Administrator must fulfill this legal obligation by submitting to Loan Recipient a Notice of Right to Cancel Form (Appendix LD-K). Once the Loan Recipient signs and returns this form to the Administrator, the Administrator can submit the Loan package to MaineHousing for review (provided that the Loan Recipient elected not to cancel the Loan).

### SECTION 6.4 Commencement of Work

No lead hazard reduction work or Healthy Homes Intervention work shall commence until MaineHousing approves the Loan or the Grant and submits a Notice to Commence Work letter to the Administrator (Appendix Z). Proceeding with work without MaineHousing's Notice to Commence Work may result in MaineHousing not paying Administrator for the work or any associated fees.

## SECTION 7 - DELIVERING LOANS/GRANTS

### SECTION 7.1 Fees and Required Documents

Program fees and expenses earned by an Administrator shall be paid by MaineHousing to the Administrator as follows:

#### A. Initial Phase (Phase 1) – Single-Family Owner-Occupied Homes

MaineHousing shall, upon submission of the following documentation in form and substance and within a timeframe satisfactory to MaineHousing, pay to the Administrator (1) \$600 for each Lead Inspection/Risk Assessment performed by the Administrator on eligible Living Units, (2) \$500 for each Lead Design Plan developed by the Administrator, and (3) the cost of water and soil testing lab fees.

##### 1. Lead Hazard Reduction Work:

- ✓ Applicant Acknowledgement Form
- ✓ Application (including Blood Testing Release Form and Information Form)
- ✓ Authorization to Release Information
- ✓ Bid Package, including Bid Tabulation Sheet and Refusal to Bid (if any)  
(estimates to include cost breakdown)
- ✓ Billing Invoices (for Lead Hazard Reduction and Healthy Homes Intervention)
- ✓ Children Under 6 Years Old Visiting Certification Form
- ✓ Construction Contract
- ✓ Construction Escrow Agreement
- ✓ Document Checklist for Single-Family Grant Submission
- ✓ Environmental Review (Appendix A of Tier 1 RER with required documentation)
- ✓ Lead Design Plan (including addendums if applicable)
- ✓ Lead Inspection Report and Risk Assessment Report (if applicable)
- ✓ Merchants Report
- ✓ Notice of Grant Approval
- ✓ Photos (colored digital) of project
- ✓ Proof of Income (pay stubs, federal tax returns, bank account statements)
- ✓ Proof of Insurance (homeowners insurance rider)
- ✓ Proof of Ownership (Property Deed)
- ✓ Release and Hold Harmless
- ✓ Relocation Assistance Acknowledgement
- ✓ Waivers (if applicable)

##### 2. Healthy Homes Intervention Work (if applicable):

- ✓ Healthy Homes Bid Package
- ✓ Healthy Homes Contract
- ✓ Healthy Homes Escrow Agreement
- ✓ Healthy Home Compliance Agreement Form

## **B. Initial Phase (Phase 1) – Multi-Family Buildings and Rented Single-Family Homes:**

MaineHousing shall, upon submission of the following documentation in form and substance and within a timeframe satisfactory to MaineHousing, pay to the Administrator (1) \$600 for each Lead Inspection/Risk Assessment performed by the Administrator on eligible , (2) \$500 for each Lead Design Plan developed by the Administrator, and (3) the cost of water and soil testing lab fees.

### **1. Lead Hazard Reduction Work:**

- ✓ Applicant-Owner Application (including Applicant Information Form)
- ✓ Applicant Acknowledgement Form and Applicant Affidavit
- ✓ Authorization to Release Information
- ✓ Bid Package, including Bid Tabulation Sheet and Refusal to Bid (if any) (estimates to include cost breakdown)
- ✓ Billing Invoices (Lead Hazard Reduction and Healthy Homes Intervention)
- ✓ Children Under 6 Years Old Visiting Certification
- ✓ Document Checklist for Multi-Family Owner Loan Submission
- ✓ Environmental Review (Appendix A of Tier 1 RER with required documentation)
- ✓ Good Faith Estimate
- ✓ Lead Design Plan (including addendums if applicable)
- ✓ Lead Inspection Report and Risk Assessment Report (if applicable)
- ✓ Merchants Report (Administrators can request waiver)
- ✓ Photos (colored digital) of project
- ✓ Proof of Insurance (owners insurance coverage information)
- ✓ Proof of Ownership (Property Deed and/or tax bill)
- ✓ Tenant Acknowledgement Form
- ✓ Tenant Income Form, Income Documents, Blood Testing Release Form and Information Form
- ✓ Waiver Request

## **C. Final Phase (Phase 2) – Single-Family Owner-Occupied Homes**

Upon receipt of all materials and information required under Section 7.1.A above and the following documentation in form and substance satisfactory to MaineHousing relating to lead hazard reduction work and, if applicable, Healthy Homes Intervention work, MaineHousing shall pay Administrator (1) \$1,300 as a Loan and Grant origination fee, (2) at-cost expenses for relocation, (3) at-cost expenses for dust wipe sampling, and (4) up to \$400 for travel costs for those projects located 50 or more miles, one way, from Administrator's main office.\

### **1. Lead Hazard Reduction Work:**

- ✓ Billing Invoices (for Lead Hazard Reduction and Healthy Homes Intervention)
- ✓ Certificate and Release of Liens for each payment
- ✓ Certificate(s) of Final Inspection
- ✓ Contract Change Orders (if applicable)
- ✓ Contractor invoices for all work (including any change orders)
- ✓ Contractor Payment Request
- ✓ DEP Notification (copy)
- ✓ Document Checklist for Single-Family Grant Submission

- ✓ Dust wipe sampling results
  - ✓ HUD Quarterly Report: Supplemental Information Worksheet
  - ✓ HUD Required Section 3 Verification Data Form
  - ✓ Letter of Lead Hazard Reduction Compliance
  - ✓ Notice to Commence Work
  - ✓ Occupant Protection Plan
  - ✓ Paint Plus Essential Maintenance Plan
  - ✓ Photos (colored digital): work in progress and completed
  - ✓ Pre-Construction Conference Report
  - ✓ Relocation Change Orders (if applicable)
2. Healthy Homes Intervention Work (if applicable):
- ✓ Healthy Homes Certificate and Release of Liens
  - ✓ Healthy Homes Certificate of Final Inspection
  - ✓ Healthy Homes Contractor Payment Request Form
  - ✓ Healthy Homes Photos (colored, digital, in process)

**D. Final Phase (Phase 2 / Phase 3) – Multi-Family Buildings and Rented Single-Family Homes**

Upon receipt of all materials and information required under Section 7.1. B. above and the following documentation in form and substance satisfactory to MaineHousing relating to lead hazard reduction work and, if applicable, Healthy Homes Intervention work, MaineHousing shall pay Administrator (1) \$1,300 as a Loan and Grant origination fee, (2) at-cost expenses for relocation, (3) at-cost expenses for dust wipe sampling, and (4) up to \$400 for travel costs for those projects located 50 or more miles, one way, from Administrator’s main office.

1. Lead Hazard Reduction Work:
- ✓ Applicant Acknowledgement Form (owner)
  - ✓ Assignment of Mortgage (recorded)
  - ✓ Billing Invoices (for Lead Hazard Reduction and Healthy Homes Intervention)
  - ✓ Certificate and Release of Liens for each payment
  - ✓ Certificate(s) of Final Inspection
  - ✓ Construction Contract
  - ✓ Construction Escrow Agreement
  - ✓ Contract Change Orders (if applicable)
  - ✓ Contractor invoices for all work (including any change orders)
  - ✓ Contractor Payment Request
  - ✓ DEP Notification (copy)
  - ✓ Document Checklist for Multi-Family Owner Loan Submission
  - ✓ Dust wipe sampling results
  - ✓ HUD 1A Settlement Statement
  - ✓ HUD Quarterly Report: Supplemental Information Worksheet
  - ✓ HUD Required Section 3 Verification Data Form
  - ✓ Lead Pain Plus Essential Maintenance Practice Plan (Administrator File)
  - ✓ Letter of Lead Hazard Reduction Compliance

- ✓ Mortgage Deed, Rental Rider Statement and Exhibit A (recorded)
  - ✓ Notice of Approval
  - ✓ Notice of Right to Cancel
  - ✓ Notice to Borrower
  - ✓ Notice to Commence Work
  - ✓ Occupant Protection Plan
  - ✓ Photos (colored digital) of project: work in progress and completed
  - ✓ Pre-Construction Conference Report
  - ✓ Promissory Note
  - ✓ Relocation Change Orders (if applicable)
  - ✓ Release and Hold Harmless
  - ✓ Tenant Authorization to Release Information
  - ✓ Tenant Acknowledgement Form
  - ✓ Tenant Relocation Assistance Acknowledgement
  - ✓ Truth in Lending Statement
2. Healthy Homes Intervention Work (if applicable):
- ✓ Healthy Homes Bid Package
  - ✓ Healthy Homes Intervention Compliance Agreement
  - ✓ Healthy Homes Construction Contract
  - ✓ Healthy Homes Escrow Agreement
  - ✓ Healthy Homes Certificate and Release of Liens
  - ✓ Healthy Homes Certificate of Final Inspection
  - ✓ Healthy Homes Contractor Payment Request (with invoices)
  - ✓ Healthy Homes HHRS Assessment Report
  - ✓ Healthy Homes Photos (completed project)

## **SECTION 7.2 Payment Method**

Upon receipt of all materials and information required under Section 7 above in form and substance satisfactory to MaineHousing, MaineHousing shall issue any payment due to an Administrator by wire transfer. After each wire transfer, MaineHousing will send a Wire Transfer Confirmation to the Administrator.

## **SECTION 8 - ADDITIONAL ADMINISTRATOR RESPONSIBILITIES**

### **SECTION 8.1 Dust Wipe Sampling and Testing Laboratory**

#### **A. Maine State Health and Environmental Testing Laboratory (HETL)**

HETL is able provide Program related testing services on a 24 hour return basis and to supply Administrators with individually wrapped lead-free dust wipes, 50 ml centrifuge tubes, mailing containers, chain-of-custody sheets, latex gloves, and postage labels.

Though each Administrator is encouraged to use the HETL for necessary Program testing services, an Administrator may use another laboratory facility for such services provided that the Administrator makes a showing satisfactory to MaineHousing that such laboratory is certified in all necessary respects to perform such services.

Each Administrator choosing to use the HETL shall establish a direct account. Administrators shall return wipe kits containing data samples to the HETL via the U.S. Postal Service with a unique sample number and project number and referencing the Administrator's billing code. An analysis will be completed according to American Industrial Hygiene Association guidelines and methodology with a Tier I and Tier II review of the data. The preliminary results will be faxed to the Administrator and final results will be mailed via the U.S. Postal Service to the Administrator. HETL will bill the Administrator directly for the cost of analyzing and processing the dust wipes. The Administrator shall be reimbursed by MaineHousing for the cost of the dust wipes once documentation is submitted.

In the event an Administrator chooses to use a laboratory facility other than the HETL, MaineHousing will reimburse up to \$18.00 to the Administrator for each dust wipe kit submitted to such laboratory with such reimbursement to be paid only upon the Administrator's receipt of certified testing results from the non-HETL laboratory for each dust wipe submitted.

#### **B. Dust Wipe Sampling Protocols**

Administrators will be responsible for collecting dust wipe samples in accordance with federal and State sampling protocols and the requirements of this Procedural Guide. Administrators will be required to follow established procedures for submitting all lead paint dust samples to the HETL or such other laboratory facility approved by MaineHousing. In the event an Administrator uses the HETL for testing purposes, all dust wipe samples and questions should be directed to: Maine State Health and Environmental Testing Laboratory, State House Station # 12, Augusta, Maine 04333.

### **SECTION 8.2 Program Per Unit Averages**

Each Administrator is required to maintain a Grant amount average of \$16,000 or less per owner occupied single-family home. Each Administrator is required to maintain a Loan amount average of \$10,000 or less per rental Living Unit in rented single-family homes and multi-family buildings.

### **SECTION 8.3 Occupant Protection Plan**

The Administrator shall ensure that an Occupant Protection Plan is developed for each Program Living Unit in accordance with the DEP Lead Management Regulations by the Certified Abatement Contractor. Each Occupant Protection Plan shall outline the measures, including temporary relocation, to be taken to protect the occupants of that particular Living Unit from exposure to any hazard related to Lead-based Paint. The Administrator shall submit a copy of the Occupant Protection Plan to MaineHousing upon final billing and a copy shall be kept in the Loan Recipient or Grant Recipient's project file.

In the event any Program work is being conducted in a common area of a multi-family building containing two or more Living Units, the relevant Occupant Protection Plan must indicate alternative entrances and exits that do not require passage through such common area, or the Certified Abatement Contractor shall create an uncontaminated passageway through such common area.

#### **SECTION 8.4 Building Permits**

The Administrator shall ensure that all permits needed to perform any of the work under a Lead Hazard Reduction Contract or Healthy Homes Intervention Contract, as applicable, have been obtained by the contractor prior to the commencement of the work. The Administrator shall review the Pre-Construction Conference report (Appendix M) to determine whether all such permits have been obtained. The Administrator shall submit a copy of all permits to MaineHousing prior to the commencement of work and a copy shall be kept in the Loan Recipient or Grant Recipient's project file. Building permits must be visibly posted at the project site.

#### **SECTION 8.5 Essential Maintenance Plan**

The Administrator shall ensure that an Essential Maintenance Plan is developed for each Program Living Unit in accordance with MaineHousing policy. Each Essential Maintenance Plan shall outline the measures needed to ensure proper maintenance of all components addressed through the Program. Furthermore, the Paint Plus Essential Maintenance Practice Plan will outline all lead containing components and will contain information on how to maintain their condition (Appendix R).

#### **SECTION 8.6 Temporary Relocation**

##### **A. Administrator Responsibilities**

Administrators must take all reasonable steps to minimize the displacement of persons as a result of lead hazard abatement work and to locate lead free temporary housing. In most cases temporary relocation may be unavoidable and relocation assistance, as described below, will be required to be provided to the homeowners and/or tenants. Such assistance, when applicable, is the obligation of the Administrator. The Administrator shall incur the cost of providing temporary relocation assistance and will be reimbursed by MaineHousing for all reasonable costs incurred in providing such assistance; provided, however, that the maximum amount of reimbursable temporary relocation assistance shall not exceed \$1,250 unless otherwise approved by MaineHousing on a Relocation Change Order (Appendix O). For single-family homes, whether owner-occupied or rented, the assistance shall not exceed \$1,250, and for multi-family buildings the amount shall not exceed \$1,250 per Living Unit.

When submitting a request for reimbursement for temporary relocation assistance costs, each Administrator shall submit to MaineHousing copies of all invoices as well as the signed Relocation Assistance Acknowledgement (Appendix LD-C).

##### **B. Relocation Services/Costs**

The Administrators shall provide the following where Program related work requires a homeowner and/or a tenant to temporarily relocate:

1. Reimbursement for all reasonable expenses incurred in connection with the temporary relocation including, but not limited to: (i) the cost of moving to and from temporary housing; (ii) monthly rent/utility costs for the temporary housing; (iii) meal costs; and (iv) fuel costs.



2. Appropriate advisory services, including reasonable advance notice of:
  - a. the date and approximate duration of the temporary relocation;
  - b. the location of a suitable, decent, lead free, and sanitary dwelling to be made available for the temporary period; and
  - c. the terms and conditions under which the tenant may lease and occupy a suitable, decent, lead free, and sanitary dwelling in the multifamily building or the apartment complex in which the multi-family building is located upon completion of the project.
3. If a resident of a Living Unit on which Program work will be undertaken relocates to a residence that is occupied by a family member or friend then the individual being paid the relocation cost must complete a W-9 form and the Administrator must complete a 1099 form for services paid. MaineHousing must receive a copy of the check paid for services along with the appropriate invoice covering all expenses/dates of stay. It is anticipated that if a resident of a Living Unit on which Program work will be undertaken stays with family or friends, fewer relocation assistance services may be needed and the cost of such services may accordingly be less, although such resident will still be reimbursed for meals, utilities and/or fuel cost.

### **C. Relocation Time Period**

The Administrators shall be responsible for ensuring that any Program related relocation assistance continues until such time as all Program related work has been completed on that particular Living Unit and a final dust wipe clearance has been successfully achieved. Contractors shall be responsible for any additional relocation fees when the completion date of the work under the Lead Hazard Reduction Contract or the Healthy Homes Intervention Contract, as applicable, has not been met.

## SECTION 9 - MONITORING/REPORTING

### SECTION 9.1 Monitoring

MaineHousing or its authorized representatives shall have the right to conduct compliance monitoring of each Living Unit to be improved with Program funds at any time during the period of performance of the work under the Lead Hazard Reduction Contract or the Healthy Homes Intervention Contract, as applicable.

### SECTION 9.2 Reporting Requirements

#### A. Monthly Progress Reports

Administrators must provide MaineHousing with a Monthly Progress Report and Status Sheet (Appendix R1) showing work in progress or completed work. The reports are due to MaineHousing on the first Friday of the month. The Monthly Progress Report and Status Sheet must provide MaineHousing with information to monitor Administrators' compliance with inspections and Program requirements.

**NOTE:** An Administrator's failure to submit the Monthly Progress Report and Status Sheet to MaineHousing within the above mentioned timeframe will result in placing wire transfer payments to the Administrator on hold until such time as the documentation is submitted to MaineHousing.

#### B. Annual Owner Self-Certification

MaineHousing will implement an annual owner self-certification process to verify that the owner is complying with the ongoing maintenance and property marketing conditions in the documents executed by the owner in connection with the Loan. (Use Annual Verification of Grant Compliance form- Appendix R2)

#### C. HUD Required Section 3 Verification Data Form and Instructions

Contractors or subcontractors that receive contracts in excess of \$100,000 for Section 3 covered projects and/or activities are required to comply with Section 3 regulations (visit <https://www.hud.gov/Section3> for additional information about Section 3 regulations). Contractors must complete and submit the HUD Required Section 3 Verification Data Form (Appendix R3) which must be included in Phase II packets.