



AUBURN LEAD & HEALTHY HOMES PROGRAM (ALHHP)

Guidelines

A. PROGRAM GOAL

The goal of the Auburn Lead & Healthy Homes Program (ALHHP) is to address lead exposures by eliminating or containing contamination in Auburn housing inventory. This program is funded by the US Department of Housing & Urban Development (HUD) Office of Lead Hazard Control & Healthy Homes (OLHCHH) grants and is subject to all federal and Community Development Program rules and monitoring requirements.

B. ELIGIBILITY CRITERIA

The eligibility of a unit must meet federal requirements established in the Residential Lead-Based Paint Hazard Control and Lead Hazard Reduction act of 1992 (Title X) and summarized in the Eligibility Table below. Low to Moderate Income (LMI) determinations will be made using the current year Lewiston-Auburn Metro Area income limits published by HUD.

Eligibility of Units		https://www.hud.gov/sites/documents/2014-01_UNIT_ELIGIBILITY.PDF
Occupancy Type	Income Level	Child Occupant <6 years old (yo)
Renter	At least 50% of units must be less than 50% LMI. Remaining units (<50%) must be less than 80% LMI	Not required at the time of assistance. Owners must give priority to families with a child under 6yo for at least 3 years
Multi-Unit (5 or more)	20% of total units MAY exceed 80% LMI 80% of total units MUST meet renter income	Not required at the time of assistance Owners must give priority to families with a child under 6yo for at least 3 years
Owner Occupied	100% of Owner-occupied units must be under 80% LMI	At least 90% of owner-occupied units assisted must have: <ul style="list-style-type: none"> • A child under 6 in residence, or • Child under 6 spends “significant time,” or • A pregnant person Less than 10% of total units assisted may be family w/o child under 6yo

C. ASSISTANCE TYPE AND TERMS

1. Terms

a) Maximum assistance is \$23,000 per unit from the following programs:

(1) \$15,000 Max from Lead Hazard Control Grant

(2) \$3,000 Max from Healthy Homes Grant

(3) \$5,000 Max from CDBG Loan

- Loan Repayment

- Multi-unit owners – 5% interest over 5 years

- Single Family Residence – Deferred until transfer

(4) Match Requirement:

- Multi-unit owners – \$2,000/unit

- Single Family Residence - none

b) If the property is sold or transferred prior to the end of the repayment period, the principal balance of the loan(s) shall be immediately due and payable.

c) ALHHP funds may be committed alongside other city, state, or federal funds so long as these funds are separately accounted for.

d) Any additional funding required beyond the individual program maximums will be the responsibility of the owner.

e) An application will be deemed ineligible if CDO staff determines a project is not feasible with the available resources.

2. Eligible Improvements

Lead Hazard Control and Healthy Homes work will have a separate

scope of work which meets federal requirements of the individual programs. Eligible improvements paid for by a CDBG Loan will be used for identified deficiencies within the Lead Hazard Control and Healthy Homes inspections that are not funded within either program's scope-of-work due to available funds.

3. Ineligible Improvements

Improvements which are ineligible include housing rehabilitation or improvements of a non-essential or luxury nature.

D. NATIONAL OBJECTIVES

Projects must qualify under 14a or 14b of the CDBG Eligibility and Activity Codes and satisfy the Low/Mod Housing National Objective.

1. Low-Income Criteria

- a) Owners and Renters will be required to provide proof of income if they are the occupant of a qualified unit. Owners of multi-units will be required to sign a Rent Regulatory Agreement to assure 3-year occupancy by a low-income tenant after project completion.

E. PROGRAM QUALIFICATION ASSESMENT

The Community Development Office has responsibility for administration of ALHHP within the guidelines provided by HUD. CDO staff perform underwriting and presents the grant/loan request to the Program Director for approval based on achieving the national objective in part I-D above and part II-C below.

F. PRIVATE FUNDS

Private Funds: When matching funds are required, the applicant will have the option of using cash or borrowed funds. Match funds will be deposited into a segregated City account and will be subject to disbursement of funds procedures defined in section E-18 of these guidelines.

G. LOAN CONSIDERATIONS

In approving or denying loan requests, the CDO staff shall be guided by the

following loan considerations:

I. Underwriting

1. Cash flow - ability to repay debt as demonstrated by a proforma.
2. Collateral - Collateral coverage must be adequate as determined by the CDO Staff and secured by a mortgage.
3. Commitment of matching funds where necessary.

II. Assessment Private/Public Benefit

The Community Development staff will also consider the broader implications of private and public benefits.

H. NON-DISCRIMINATION

Administration of this program shall be in accordance with Title VI of the Civil Rights Act of 1964. No person shall, on the grounds of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, be excluded from participation in, be denied the benefits of, or subjected to discrimination under this program.

I. APPLICATION PRIORITY

Applications shall be processed on a first-come, first-served basis with priority given to units where:

- An Elevated Blood Level (EBL) Child resides;
- A Child under 6 years old resides;
- A Child under 6 years old spends “significant amount of time; or
- A Pregnant Woman resides.

CDO staff shall use the receipt date of a complete application (and all required supporting documentation) to establish the order of priority. The applicant will be notified if there is funding available to proceed with the project, if there is inadequate funding then the application may be placed on a waiting list.

J. PARTICIPATION BY RELIGIOUS ORGANIZATIONS

- a. Religious organizations can apply for Rehabilitation Loans with the understanding that loan funds cannot be used to support inherently religious activities such as worship, religious instruction, or proselytization. The organization can engage in such activities, but they must be offered in a different location. Religious participation by tenants must be voluntary.
- b. The organization must not discriminate against a tenant or prospective tenant based on religious belief or refusal to participate in a religious practice.
- c. Any units improved with rehabilitation funds must be available for occupancy on the open market.

K. AFFORDABLE RENT STANDARDS

- a. Rental units that are improved with ALHHP Remediation funds shall be available and affordable to low- and moderate-income households for a minimum of 3 years from the date of final clearance.
- b. The applicant will be required to furnish rental information annually to enable Community Development staff to evaluate the impact of the project on rent levels. The applicant will submit the income levels of any new tenants, current amount of rental charges, and the names of tenants.
- c. Vacant units at the time of application shall be rented to low- and moderate-income households with priority made available to families with children under 6years old. The maximum allowable rent for vacant units shall not exceed the Fair Market Rent in effect when the rent is calculated the period of affordability shall be 3 years from the date of occupancy.
- d. The borrower will sign a Rent Agreement stipulating rent limitations at loan closing.

L. DEFINITIONS

- a. **Fair Market Rent**
An annually published rent level prescribed by the U.S. Office of Housing and Urban Development based on a specified number of bedrooms.
- b. **Household Income**

- i. For the purpose of determining eligibility, CDO staff will calculate income of all members of the household by estimating the annual income of a family or household by projecting the prevailing rate of income of each person at the time assistance is requested based on the IRS Form 1040 method as defined by the Office of Housing and Urban Development.
 - ii. For the purpose of computing income, a household shall be defined as all persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together or any other group of related or unrelated persons who share living arrangements.
- c. **Investor-Owner**
Absentee owner, who may receive rehabilitation assistance to improve housing conditions for the tenants.
- d. **Owner-Occupied**
An applicant who holds the entire ownership interest of a property and lives in one unit of the property as a primary residence.
- e. **Rehabilitation Costs**
The total of contractor estimates from the lowest eligible contractors, self-help expenses, and the contingency determined to be reasonable by the Rehab Coordinator.
- f. **Residential Property**
A property used entirely for residential purposes (household living space).

M. INCOME LIMITS

To qualify applicants for various loans under the ALHHP Remediation Program, CDO staff will use income limits from the current year Lewiston-Auburn Metropolitan Statistical Area (MSA) as released by the Office of Housing and Urban Development.