

Lead Hazard Reduction Demonstration Grant Program

March 1, 2018 to February 28, 2021
South Bend, Evansville, Fort Wayne, and Indianapolis

Policies and Procedures



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EQUAL OPPORTUNITY EMPLOYER AND HOUSING AGENCY



State of Indiana
Lieutenant Governor
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**LEAD HAZARD REDUCTION DEMONSTRATION GRANT & HEALTHY HOMES
COMMUNITY PARTNERSHIP
POLICY & PROCEDURES**

Table of Contents

Contents

Chapter 1 – GOALS AND OBJECTIVES	5
PROGRAM PLAN	6
CHAPTER 2 – ORGANIZATIONAL CAPACITY	7
OPERATIONAL BOUNDARIES	7
SUB-RECIPIENT AGREEMENT	7
CHAPTER 3 - FILE MANAGEMENT	8
FILE CONTENT.....	8
GRANT ADMINISTRATIVE AND GRANT ACCOUNTING FILE MAINTENANCE	10
DATA SHARING.....	10
FILE STORAGE & RETENTION	10
FILE DISPOSAL	10
CHAPTER 4 -APPLICATION INTAKE, ENROLLMENT & PRIORITY	11
APPLICATION SOURCES	11
APPLICATION PROCESSING	11
APPLICATION CONTENT	11
APPLICATIONS FOR OTHER REHABILITATION IN CONJUNCTION WITH LEAD HAZARD CONTROL.....	13
APPLICATION ENROLLMENT	13
INCOME DEFINITION	14
DETERMINING PROGRAM ELIGIBILITY	21
VERIFICATION OF INFORMATION FOR OTHER REHABILITATION FUNDS	22
UNIT ELIGIBILITY AND PRIORITY.....	22
ELIGIBLE UNITS	23
NOTIFICATION OF ELIGIBILITY DETERMINATION	24
BLOOD LEAD LEVEL TESTING	24
DENIAL OF AN APPLICATION.....	24
PROCESS FOR APPEAL OF AN ELIGIBILITY DECISION.....	24
Chapter 5 - LEAD PAINT INSPECTION, RISK ASSESSMENT, AND HEALTHY HOME ASSESSMENT	26
REQUIREMENTS FOR TESTING	26
ORDERING A LEAD PAINT INSPECTION, RISK ASSESSMENT & HEALTHY HOME ASSESSMENT	26
PROTOCOL FOR TESTING	26
LEAD-BASED PAINT INSPECTION & RISK ASSESSMENT	26
I- LEAD.....	28
DISCLOSURE	29
DEFINITION OF LEAD BASED PAINT	29
LEAD BASED PAINT INSPECTION REPORT.....	29
RISK ASSESSMENT REPORT.....	30
LEAD HAZARD CONTROL	30
PROHIBITED WORK PRACTICES	31
ABATEMENT CONTRACTOR RESPONSIBILITIES IAC 410 IAC 32	32

Clearance.....	33
HEALTHY HOME HAZARD ASSESSMENT	34
ALLOWABLE COSTS FOR HH SUPPLEMENTAL FUNDING	35
RESTRICTIONS ON USE OF HH SUPPLEMENTAL FUNDS	35
AGE OF REPORTS.....	37
DATA SHARING.....	37
Chapter 6 – ENVIRONMENTAL REVIEW RECORD AND SECTION 106 HISTORIC REVIEW	
PROCESS	38
TIER 2 - SITE-SPECIFIC REVIEWS	38
Chapter 7 – SPECIFICATIONS AND BIDDING.....	40
PROTOCOL FOR WRITING PROJECT SPECIFICATIONS	40
SPECIFICATIONS FOR OTHER REHABILITATION	40
PROPERTY OWNER AGREEMENT OF WORK SPECIFICATIONS	40
PROGRAM MANAGER REVIEW OF WORK SPECIFICATIONS	40
STANDARDS OF TREATMENT	40
CONTENT OF REQUEST FOR BID PACKET.....	40
WARNING SIGNS.....	41
SECURITY	41
CLEAN-UP.....	41
LEAD WASTE DISPOSAL	41
EXTERIOR CONTAINMENT.....	41
INTERIOR WORKSITE PREPARATION.....	42
ELIGIBLE CONTRACTORS	42
SUSPENSION OF ELIGIBLE CONTRACTOR STATUS	43
PROCUREMENT AND CONTRACTS.....	43
IHCDA POLICY ON SERVICES BY A CONTRACTOR.....	44
PROCUREMENT POLICY BY SUB-RECIPIENT FOR HAZARD CONTROL CONTRACTORS	44
TIMING OF BIDS	46
SECTION 3.....	46
SOURCE / ADDITIONAL INFORMATION	47
SECTION 3: RECIPIENT RESPONSIBILITIES	47
OCCUPANT PROTECTION & RELOCATION.....	48
TENANT-OCCUPIED HOUSING - INFORMING THE TENANTS.....	49
TEMPORARY UNITS	49
REIMBURSABLE EXPENSES	50
ELIGIBLE HOUSING COSTS	50
DAMAGES CAUSED TO TEMPORARY UNIT	50
CHAPTER 8 – CONSTRUCTION MANAGEMENT.....	51
PERIODIC INSPECTION	52
FINAL DRAW REQUESTS.....	53
PROTOCOL FOR ORDERING CLEARANCE	53
PENALTY FOR FAILED LEAD CLEARANCE.....	53
PROJECT COMPLETION	53
Chapter 9 - CONTRACTS, TERMS & CONDITIONS	54
AFFIRMATIVE MARKETING PLAN	56
PROJECT SET-UP	56
PROJECT DRAW REQUEST.....	56
ALLOWABLE COSTS	57
PROJECT SET-UP, QUARTERLY, AND COMPLETION REPORTING	58
PROVISION FOR VACANT UNITS	58
UNIT CLOSE-OUT.....	58
FOLLOW-UP ACTIVITIES.....	58

ANNUAL REPORTING 59
SUB-RECIPIENT ACTIVITY MONITORING..... 59

Chapter 1 – GOALS AND OBJECTIVES

This policy and procedure manual is developed to guide the implementation and administration of an award of \$3,400,000 from the United States Government, through the U.S. Department of Housing & Urban Development (HUD) Healthy Homes and Lead Hazard Control Program to provide local governments including, and herein referred to as Sub-Recipients: the Cities of South Bend, Fort Wayne, Indianapolis, and Evansville. This funding will be used to promote lead-safe and healthy homes, provide lead hazard control and healthy homes intervention measures to mitigate lead hazards, lead-based paint poisoning, and address health hazards in households with children diagnosed with an Elevated Blood Lead Level and/or children under six years of age living in target housing.

The funding was awarded March 1, 2018 and will expire February 28, 2021. This policy and procedure manual has been drafted to guide the activities funded throughout the duration of the award period. Periodically, written policies, procedures, and forms for the administrative and financial management for the program may be updated. These policies and procedures will be used for the LHRD grant program throughout the 36-month period of performance.

The goal for IHCD's Lead Hazard Reduction Demonstration (LHRD) grant is to identify and remediate lead hazards in 240 units with priority given to units occupied by a child with an Elevated Blood Lead Level (EBLL) within the six cities of South Bend, Fort Wayne, Indianapolis, and Evansville. These cities were selected due to their counties pre-1970 housing stock and percentage of low-to-moderate income families. Not-for-profit organizations, Local Units of Government and Local Health Departments will be procured to serve as the administrators of the Lead Hazard Reduction Demonstration grant within their communities.

A maximum of \$10,000 is available for per unit in LHRD grant funds and \$5,000 for Healthy Homes Supplemental funding (only available for units where LHRD funds are used). All funds must be used in accordance with this manual, HUD's [Lead Safe Housing Rule](#), The [HUD Guidelines](#) for the Evaluation and Control of Lead Based Paint in Housing, local and State building codes, and all [Policy Guidance](#) by the Office of Lead Hazard Control and Healthy Homes.

Each child under the age of six years who resides in a housing unit receiving lead hazard control work will be tested for an EBLL, at no cost to the family, preceding the lead hazard control work unless the child's parent or legal guardian chooses not to have the child tested. Sub-Recipients will refer any child with an elevated blood lead level for appropriate medical follow-up to the local health department, primary care physician, or other available options and report this information to the IHCD Project Manager. The standards for blood lead testing are described by the U.S. Centers for Disease Control and Prevention (CDC).

The Sub-Recipients will collaborate with IHCD on the Marketing and Outreach of the Grant Program through 54 individual Outreach/Training Events to be held throughout the Grant Period.

IHCD will assist sub-recipients in developing contractor capacity through direct training or reimbursement to certify and/or re-certify Lead Risk Assessors, Inspectors, Abatement Workers, Abatement Supervisors, and Clearance Examiners.

IHCD and our partners will also take all the appropriate steps to ensure that its administrative and financial management system is compatible for the LHRD grant. Periodically, IHCD and its partners may update written policies, procedures, and forms for the administrative and financial management of the program.

PROGRAM PLAN

The proposed LHRD grant work plan includes specific, measurable, and time-phased objectives for each of the major program tasks and activities. It reflects benchmark performance for unit production, expenditures, matching funds, community outreach, education, skills, training, and other program activities.

The focus of this voluntary program is the identification, selection, prioritization, and enrollment of eligible privately-owned housing occupied or to be occupied by low-income families with children less than six years of age and children with an Elevated Blood Lead Level (EBLL). The prioritization hierarchy places children under the age of six with an EBLL as the highest priority for receiving lead hazard control intervention work. The program will ensure, primarily through referrals by the Indiana State Health Department, the enrollment of eligible units of families with children diagnosed with an EBLL residing within the selected cities. All Grant Program Policy Guidance by the Office of Lead Hazard Control and Healthy Homes (OLHCHH) can be found [here](#).

Control or elimination of all lead-based paint hazards identified in housing units and in common areas of multi-family housing will be through interim controls, abatement, or a combination of both. For a complete description of interim controls and abatement, see [The HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing](#).

Though the LHRD program isn't an abatement program, abatement activities requiring minimal rehabilitation may be warranted. Only minimal housing intervention activities that are specifically required and documented in the Lead Inspection/Risk Assessment hazard control plan which could not be completed and maintained are authorized. Refer to [Policy Guidance 2008-02, Undertaking Minimal Rehabilitation using OHHLHC Grant Funds](#).

IHCDA is the responsible administrative agency for the LHRD program. Staff, in implementing the program in each city, ensures compliance with all the administrative and financial management requirements of the program. David Pugh, under the direction of the Project Director, Samantha Spergel, provides the day-to-day management and oversight of the LHRD program tasks and activities including Sub-Recipient and contractor performance. Sub-Recipients, with the assistance of partner organizations, are responsible for implementing the program strategy in each designated city. They are responsible for local project administration, outreach, intake, procurement, monitoring, oversight, and serve as the day-to-day project manager at the local level.

CHAPTER 2 – ORGANIZATIONAL CAPACITY

Sub-Recipients have entered into an agreement for the administration and implementation of LHRD program activities. The contract sets forth the budget allocation and timeline for activity completion.

OPERATIONAL BOUNDARIES

Each Sub-Recipient will perform grant activities within their respective geographical city limits. IHCD and its Partners will provide the services described the Work Plan and these Policies and Procedures to each Sub-Recipient. IHCD may ask the sub-recipient to expand their boundaries depending on the need. A new Tier 1 Environmental Review will need to be conducted for any unit outside the original boundary.

SUB-RECIPIENT AGREEMENT

IHCD will serve as the Grant Program Manager and enter into contracts with non-profit organizations, Local Units of Government, or Local Health Departments representing each targeted city to perform grant management duties as outlined in each contract.

1. **Grantee** – IHCD will act as the Grantee and perform the duties as outlined in the Grant Agreement, OHHLHC Policy Guidance, Work Plan, and the following Policy and Procedures.
2. **Sub-Recipient** - The entity representing the cities of South Bend, Fort Wayne, Indianapolis, and Evansville will serve as the Sub-Recipient and perform marketing, outreach, education, client intake, lead hazard control, and healthy homes activities within their respective cities.
3. **Program Management** – IHCD will act as grant Program Manager to perform the duties described in the Grant Agreement, the Work Plan, and the following Policies and Procedures.

CHAPTER 3 - FILE MANAGEMENT

FILE CONTENT

Each Sub-Recipient is responsible for processing client applications for eligibility within their respective jurisdictions. To the greatest extent feasible, each Sub-Recipient will maintain file consistency in order to meet the requirements of the program and for ease of monitoring. Electronic files are acceptable; however, all documents with original signatures shall be maintained and secured with a separate client file. Each project will be maintained in a separate client file. Client files, if not kept electronically, will consist of a 6-partition, with fasteners, card-stock grade folder and contain the following documents or documentation of effort (**exhibit F**) including, but not limited to:

Section I- Application

- Application
- Photo ID
- Confidentiality Release
- Frequently Visiting Child Certification (if applicable)
- Proof of Income Documentation
 - Tenant Income Certification
 - Tenant Income Questionnaire
 - Zero Income Certification (if applicable)
 - Supportive documents- pay stubs, tax information, social security, bank statements, etc.
- Grievance Policy Sign-off
- Case Notes- timeline of each major process

Section II- House Information

- Verified Deed
- Tax Receipts Current
- Homeowners Insurance current
- Flood Insurance
- Tier II Environmental Record Review and Section 106 concurrence letter

Section III- Medical

- Consent for Release of Information
- Some form of age identification
- Copies of Medical Cards
- Consent for Blood Testing and referral
- Blood Test Results

Section IV- Contracts

- Participation Agreement and Lien
- Lien (rental only)
- Construction contract
- Relocation Waiver- if applicable
- HUD 40030- if relocated
- Notice of Re-Occupancy

Section V- Financial

- Change Orders- if applicable
- Partial Payments- if applicable
- Relocation Cost Analysis- if applicable
- Project Completion Sign-off
- Project Completion & Authorization for Payment
- Project Invoices
- Matching funds documentation

Section VI- Correspondence & Family Information

- Demographic Information
- Post Survey
- Owner & Contractor Correspondence
 - Appointment Notification
 - Acceptance Letter
 - Denial Letter (if applicable)
 - Closeout Letter
- On-going Maintenance Plan (rental)

Section VII- LEAD

- EPA Lead Pamphlet & Renovate Right Received Homeowner Signature
- Notice of Evaluation (for the occupant)
- Lead Inspection/Risk Assessment reports
- Lead Hazard Control Plan/Scope of Work
- Healthy Homes Inspection report
- Homeowner receipt of LIRA & Clearance reports- documented receipt by the occupant
- Clearance Examination Report
- Notice of Lead Hazard Reduction (for the occupant)
- Other lead information
- Occupant Protection Plan
- I-Lead Certificate

Section VIII- Project Information

- Before & After photos of the unit
- Cost Estimate
- Bidders List Letter
- Request for Proposal
- Original Bids
- Pre-Construction Meeting- if necessary
- Intent to Award
- Building Permit- if necessary
- Contractor Insurance Verification
- Waste Disposal Receipt (if applicable)
- Abatement Contractor License
- Abatement Contractor worker certificates
- Lead Abatement Supervisors License
- Abatement Project Notification- ISDH

GRANT ADMINISTRATIVE AND GRANT ACCOUNTING FILE MAINTENANCE

A file, separate and outside of the project file, may be maintained for the documentation of Grant administrative costs and grant accounting.

1. Administrative Costs - Costs must be supported by time sheets, meeting sign-in sheets, payroll records or other documentation of administrative time spent on grant activities to be reimbursed by the grant funds. The LHRD Admin Claims form must be submitted with the listed supporting documentation through the [Indiana Housing Online Management System](#).
2. OMB & Audits– Each Sub-Recipient shall submit to an annual audit as described in OMB Circular A- 133 Financial Audit as a recipient/ Sub-Recipient of a Federal award.

DATA SHARING

All file content relevant to the LHRD grant will be subject to periodic monitoring by IHCDA and HUD. Reasonable access to the project files for monitoring purposes must be established.

FILE STORAGE & RETENTION

Each Sub-Recipient will be responsible for maintaining a complete project file to be stored in a secured location. Files must be retained by IHCDA in a secure location for a minimum period of five years following closeout of the award.

Written agreements must be retained for five years after the agreement terminates. If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required retention period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

IHCDA shall request transfer of certain records to its custody from Sub-recipients when it determines that the records possess long-term retention value. However, in order to avoid duplicate record keeping, IHCDA may make arrangements with Sub-recipients to retain any records that are continuously needed for joint use.

IHCDA, HUD, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any pertinent books, documents, papers, and records of Sub-recipients and sub-recipients to make audits, examinations, excerpts, and transcripts.

Each sub-recipient must provide citizens, public agencies, and other interested parties with reasonable access to records, consistent with applicable state and local laws regarding privacy and obligations of confidentiality.

At the time of final monitoring, the recipient must provide the IHCDA compliance auditor a disc containing electronic and hard copies of all beneficiary files.

FILE DISPOSAL

Files retained by IHCDA and held beyond the minimum retention period may be placed in State storage or properly disposed of in accordance with State policy.

CHAPTER 4 -APPLICATION INTAKE, ENROLLMENT & PRIORITY

APPLICATION SOURCES

Sub-Recipients will seek to procure applications through a variety of methods, including, but not limited to:

- IHCD Lead Protection Program (LPP) webpage
- Established Home Improvement Programs;
- Code Enforcement Programs;
- Housing Choice Voucher Program Landlord Recruitment;
- Referral from the Indiana State Department of Health or other partners;
- Weatherization Programs;
- Other Community Resources;
- Grant Marketing/Outreach efforts.

APPLICATION PROCESSING

Each Sub-Recipient will be responsible for intake and processing of applications for assistance to properties within their respective jurisdictions. In order to coordinate other rehabilitation, each Sub-Recipient may use their own established Home Improvement Program application forms (subject to IHCD approval) or an IHCD template.

APPLICATION CONTENT

Each Sub-Recipient may utilize their own established client intake applications for the purposes of collecting information to qualify for the LHRD grant and Healthy Homes funding. However, the IHCD Income Certification form (homeowner or rental version) and the IHCD Income Questionnaire (used for all persons 18 years of age and older in the household) to include supporting documentation must be used and submitted through Synclicity for review.

The Sub-Recipient application must contain a provision of applicant disclosure, at a minimum, of the following information:

1. Applicant Household Composition & Size

An applicant household is to be defined as the total number of an individual and any other related or unrelated adult(s) (over age 18) individuals and/or minors currently residing in or anticipated to reside in the assisted household. All applicant household members must disclose their full name, address, date of birth, and marital status.

2. Determining Whose Income to Count

Do not count the following household members (or their associated income) when determining household size for computing “annual income” in accordance with Area Median Income limits:

- Live-in aides
- Children of live-in aides
- Children being pursued for legal custody or adoption who are not currently living with the household

A child that is subject to a shared-custody agreement in which the child resides with the household at least 50 percent of the time can be counted as a household member. Foster children in the care of families applying for assistance may be counted when determining household size. However, only those children presently in the foster care of the applicant family at the time of application may be considered.

3. Income Verification

All earned and unearned income of all household members shall be disclosed on the application. Income sources to be verified and considered when determining eligibility are defined in 24 CFR Part 5. B. Refer to [Chapter 14](#) of the IHCD CDBG & HOME Program Manual 4th Edition, July for Income Verification procedures. Please refer to *Exhibit N* for training slides on Income Verification.

4. Household Asset Sources

All assets held by all household members shall be disclosed on the application. Asset sources must be verified and considered when determining income eligibility are defined in 24 CFR Part 5.

5. Property Ownership

Applicants must disclose their ownership relationship to the proposed assisted property as well as any other non-occupant owners or other investment owners with an interest in the proposed assisted property.

*Ownership does **NOT** include land contracts, contracts for deeds, installment contracts.

6. Property Age

Sub-Recipients must verify the date of construction of the proposed assisted property.

7. Conflict of Interest Disclosure

No persons who exercise or have exercised any functions or responsibilities with respect to LHRD activities or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter.

Procurement Conflicts

Procurement standards must require that no employee, officer, agent of the recipient or administering agency may participate in the selection or administration of a contract supported by the LHRD program if a conflict of interest real or apparent would be involved. Such a conflict would arise when any of the following parties has a financial or other interest in the firm selected for award:

- Employee, agency or officer of the recipient or administering agency;
- Any member of an employee's, agent's or officer's immediate family;
- An employee's, agent's or officer's partner; or
- An organization that employs or is about to employ any of the above.

Persons Covered

The conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the state, or of a unit of general local government, or of any designated public agencies, or Sub-recipients which are receiving LHRD funds.

Procedures

The Sub-recipient will need to submit the conflict in writing to the IHCDA PM. The letter should contain the following information:

- A request for an exception to the conflict of interest prohibition;
- A copy of the minutes from a public meeting denoting that the affected person has publicly disclosed the conflict of interest and has stated that he/she has withdrawn from functions or responsibilities with respect to the assisted activity in question; and
- An opinion from the recipient's attorney that the interest for which an exception is sought would not violate state or local law.

IHCDA will forward the conflict of interest to the U.S. Department of Housing and Urban Development (HUD) to determine if an exception to the conflict is allowed. IHCDA will notify the award recipient in writing whether an exception has been allowed or denied by HUD. If an exception is allowed, a completed Uniform Conflict of Interest Disclosure Statement must be sent to the following parties within fifteen (15) days:

- Indiana Housing and Community Development Authority (IHCDA);
- State Board of Accounts; and
- Clerk of the Circuit Court of the county in which the contract was executed.

Factors to Consider When Granting an Exception

- Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program which would otherwise not be available;
- Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interest or benefits as are being made available or provided to the group or class;
- Whether the affected person has withdrawn from his or her function or responsibilities, or the decision making process with respect to the specific assisted activity in question;
- Whether the interest or benefit was present before the affected person was in a position constituting the conflict of interest;
- Whether undue hardship will result either to the Participating Jurisdiction or the person affected when weighted against the public interest served by avoiding the prohibited conflict; and
- Any other relevant consideration.

8. Property Insurance

Applicants must disclose the name, address, policy number, and contact information of their property insurance agent.

9. Individuals with an Elevated Blood Level (EBLL)

Applicants must disclose whether any member of the household currently has a known EBLL.

10. Authorization to Verify All Information Contained in Application

All adult household members shall allow by their original signature the verification of all information in the application. Applicants must attest, by their original signature, that the information disclosed in the application is accurate and complete and certify to such under penalty of law and further understand that penalty for submitting false information may include the possibility of fines and imprisonment for knowing violations.

APPLICATIONS FOR OTHER REHABILITATION IN CONJUNCTION WITH LEAD HAZARD CONTROL

Sub-Recipients may request disclosure of additional information for the purposes of determining eligibility for other rehabilitation to be funded with their respective Home Improvement Programs.

APPLICATION ENROLLMENT

An application will be considered to be **enrolled** after IHCDA has reviewed and approved the income verification documents submitted through Syncplicity. Enrolled applications will be tracked by the Sub-Recipient and submitted to the Program Manager for performance tracking purposes. Enrollment data will be sought by the Program Manager on as income verifications are submitted.

INCOME DEFINITION

IHCDA has chosen to utilize the Part 5 definition for determining annual income. The annual income definition is found at 24 CFR Part 5.609. This definition was previously referred to as the Section 8 definition. The Part 5 definition of annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

For additional information on determining income eligibility, refer to the following resources:

- Chapter 5 of HUD Handbook 4350.3 *Occupancy Requirements of Subsidized Multifamily Housing Programs* (Included as Exhibit A of the Chapter)
- Section 1: Determining Annual Income
- Section 3: Verification
- Exhibit 5-1: Income Inclusions and Exclusions
- Exhibit 5-2 Assets
- Appendix 3: Acceptable Forms of Verification

Staff will review all applications received and verify that the household and unit meets all Title X requirements including income and family composition requirements. The Intake Coordinator is responsible for collecting, documenting, verifying the income of applicants and uses the established income guidelines to calculate and document income. The income of each applicant will be verified in accordance with [*Policy Guidance 2017-05, Income Verification Guidance*](#).

Determining eligibility for Owner-Occupants and Rental Occupants

- Households must be income eligible to be considered income qualified and verified by IHCDA before proceeding.

An income verification is good for six (6) months from the time of the verification. If more than six (6) months lapse, the household income must be re-verified.

Providing copies of income documentation to IHCDA

Once the applicant is determined to be income qualified, the owner-occupant or rental tenant income certification form and income certification questionnaire to include all supporting documents must be forwarded to IHCDA for review and approval. These documents should be sent via Syncplicity. Authorized representatives will be sent an invite which will allow access to a file to upload income information. IHCDA approval must be obtained before proceeding any further. These files must contain the income certification and verification documents for all beneficiaries (i.e. tenants or homeowners assisted).

Record Keeping: Files and Forms

Beneficiaries are eligible for the program only if the proper documentation verifying the household's eligibility is provided. IHCDA strongly recommends efficient record keeping for monitoring purposes. The LHRD Unit Work Tracker should be updated during each phase of progression through the program. The following is a guideline for what information to include in the beneficiary file:

Files

At a minimum, the following items must be located in the file and must be organized in chronological order for easy review:

1. Beneficiary application for assistance;
2. Income Certification Questionnaire Form
 - Completed at the time the beneficiary submits an application for assistance. A separate form must be completed by each adult household member 18 years and older.
3. Owner-Occupant or Tenant Income Certification Form
 - Must be signed and dated by all adult members of the household
 - Should be completed at the time of the initial income verification and if the initial income verification has expired, at the time of re-verification
 - Rental projects – Must also be completed for every year the household resides at the property as part of the recertification process. The TIC must have proper signature and effective dates clearly stated
4. Verifications of all sources of earned and unearned income and of all asset sources noted on the Income Certification Questionnaire and Income Certification form
 - 3rd party verifications are the preferred method of income verification
 - When utilizing paystubs as support documentation for verifying and anticipating income from wages of a beneficiary/tenant whose job provides steady employment (e.g. forty (40) hours a week fifty-two (52) weeks a year), you must obtain the number of paystubs that cover two (2) consecutive months of payments. For beneficiaries/tenants with jobs providing employment that is less stable or does not conform to a twelve (12) month schedule (e.g. seasonal laborers and other sporadic work), income documentation should be obtained that covers the entire previous twelve (12) month period.
 - If utilizing tax returns as income verification, you must obtain a certified copy by completing IRS Form 4506 “Request for Copy of Tax Form.”
 - Rental Projects – Verifications must be obtained and an income certification completed for every year the household resides at the property.
5. Any other documentation verifying the beneficiaries’ eligibility (e.g. joint custody of a child documentation, management clarification documents, etc.);

All documents included in the beneficiary/tenant file must be fully completed, signed, and dated. IHCD will not accept documents that are incomplete, that have been marked with correction fluids (i.e. whiteout), or where information has been obliterated with pen or marker.

Owner-Occupant or Rental Tenant Income Certification (TIC) Form

Every beneficiary file must contain a Tenant Income Certification (TIC) form, regardless of funding source, activity type, or whether or not that beneficiary also has an income certification from another program in the file (e.g. HUD Form 50058/50059 or similar RD certification forms).

Income Certification Questionnaire

A fully completed Application and Income Certification Questionnaire for all persons 18 years of age and older in the household is critical to an accurate determination of beneficiary eligibility. The information furnished on the Application and Tenant Eligibility Questionnaire should be used as a tool to determine all sources of income, including total assets and income from assets.

Annual Household Income

Annual income is the amount of income that is used to determine a household’s eligibility for assistance.

Annual income is defined as follows:

1. All amounts, monetary or not, that go to or are received on behalf of the head of household, spouse or co-head (even if the household member is temporarily absent), or any other household member; or
2. All amounts anticipated to be received from a source outside the household during the twelve (12)

month period following admission or annual recertification effective date.

Annual income includes amount derived (during the twelve (12) month period) from assets to which any member of the household has access. The recipient must obtain third party verification of income sources of all adult household members age eighteen (18) or older, as well as benefits paid on behalf of minors in the household.

Regular Cash Contribution and Gifts: All income received on a regular basis from persons not living in the units must be counted. These sources may include rent and utility payments paid on behalf of the household, and other cash or non-cash contributions provided on a regular basis. The only exceptions are child care expenses paid directly to the child care provider on behalf of the household or groceries given to the household (actual grocery items, not money for groceries).

Examples:

The father of a young single parent pays her monthly utility bills. On average he provides \$100 each month. The \$100 must be included in the household's annual income.

The daughter of an elderly tenant pays her mother's \$175 share of rent each month. The \$175 value must be included in the tenant's annual income.

Welfare Rent as Income: Welfare assistance is counted as income. Most Owner/agents will use the actual gross amount of welfare assistance the household received. In certain "as-paid" localities, however, a special calculation is required. In an as-paid jurisdiction, welfare assistance for housing costs is established separately from the rest of the welfare assistance and may be adjusted based on the actual cost of the household's housing.

For welfare recipients, Owner/Agents in as-paid jurisdictions must count as income the amount of general assistance the household received plus the maximum amount of housing assistance the household could receive (rather than the amount the household is actually receiving).

Self-Employed Persons: *Self-employment net income (after business expenses) from non-farm business, including proprietorship and partnership must be counted. Also, farm self-employment net income (after operating expenses) must be counted. Include amounts from land rented for shares.*

Military Income: All regular pay, special pay, and allowances of a member of the Armed Forces must be counted. The exception to this rule is special pay to a household member serving in the Armed Forces who is exposed to hostile fire.

Whose Income Should Be Counted

Adults: Count the annual income (earned and unearned) of the head, spouse, co-head, and any other adult members of the household. In addition, persons under the age of eighteen (18) who have entered into a lease, under state law, are treated as adults and their annual income must also be counted. These persons will be the head, spouse, or co-head; they are sometimes referred to as emancipated minors.

Minor children: Benefits or other unearned income, including income from assets, of minors is counted. This includes child support, AFDC payments, Social Security, and other benefits paid on behalf of the minor.

Temporarily absent household members. The income of temporarily absent household member is counted in Part 5 definition of annual income – regardless of the amount the absent household member contributes to the household. For example, a construction worker employed at a temporary job on the other side of the state earns \$600 per week. He keeps \$200 per week for expenses and sends \$400 per week to his household. The entire amount (\$600 per week) is counted in the household's income.

Adult students living away from home. If an adult full-time student is counted as a member of the household in determining the household size (to compare against the HUD income limits), only the first \$480 of the student's income must be counted in the household's income. However, if the student is the head, co-head or spouse you must count the full amount of income. (NOTE: Verification must be obtained from the school verifying the student is full time.)

Adult student living at home: Count only earned income up to a maximum of \$480 per year for full-time students, age eighteen (18) or older, who is not the head of the household, co-head, or spouse. (NOTE: Verification must be obtained from the school verifying the student is full time.)

Permanently absent household members. If a household member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.

Determining Household Size

The following persons shall not be included when calculating the household size for purposes of determining income eligibility: live-in aides (as defined in 24 CFR 5.403), unborn children, and children being pursued for legal custody or adoption who are not currently living with the household.

Whose Income Should Not Be Counted

Income of live-in aides. If a household includes a paid live-in aide (whether paid by the family or social service program), the income of the live-in aide, regardless of the source, is not counted. Except under unusual circumstances, a spouse or minor child cannot be considered a live-in aide.

Earned income of minors. Earned income of minors (age seventeen (17) and under) is not counted. However, unearned and asset income of minors is included in total household income.

INCOME INCLUSIONS

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, and bonuses, and other compensation for personal services.
2. Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining the net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the household.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the household. Where the household has net household assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net household assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a period payment (except as provided in number 14 of Income Exclusions).
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in number 3 of Income Exclusions).
6. Welfare Assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - The amount of allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - The maximum amounts that the welfare assistance agency could in fact allow the household for shelter and utilities. If the household's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one (1) application of the percentage.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. All regular pay, special day and allowances of a member of the Armed Forces (except as provided in number 7 of Income Exclusions).

METHOD OF VERIFICATION

The following income verification document review hierarchy should be followed in all cases:

Three (3) methods of verification are permitted: third-party verification from the source, third-party verification from the tenant ("tenant-provided documents"), and self-certification. Per the updates to HUD Handbook 4350.3, Rev-1, CHG-4 released in 2013 (see Chapter 5, Part 5-13), both verification provided from the source and tenant-provided documents (formerly referred to as second-party verification) are now equally acceptable types of third-party documentation.

The grantee/owner/management must set a policy on their preferred method of verification and must conduct verifications consistently for all households.

A. Third-Party Written or Verbal Verification Provided by the Source (online or hard copy)

Third-party verifications are a useful form of income verification because they provide independent verification of information. Third-party verification involves the grantee contacting an outside entity to obtain information about the income of household member(s). If you currently use a third-party verification system to determine income eligibility for other assistance programs, such as HUD's Enterprise Income Verification system, you may propose using that system in your work plan provided the income and occupancy limits set forth in Section 1011 of Title X are complied with. The form of third party verification used may be either paper-based or web-based.

B. Verbal Third Party Provided by Grantee

When written verification is not possible prior to move-in, direct contact with the source will be acceptable to IHCD only as a last resort and should be followed by written verification. The conversation should be documented in the tenant file to include all information that would be contained in a written verification. The information must include the name, title, and phone number of the contact, the name of the onsite management representative accepting the information, and the date the information was obtained.

In addition, if the owner receives third-party verifications that are not clear or are not complete, a documented verbal clarification may be accepted if it includes the name and title of the contact, the name and signature of the onsite management representative accepting the information, and the date the information was obtained.

Furthermore, if after requesting third-party verification, the third-party indicates that the information must be obtained from an automated telephone system, the owner may document the information provided from the telephone system. The documentation must state the date the information is received, all of the information provided, and the name, signature, and title of the person receiving the information.

C. Third Party Tenant Provided Documents

Per HUD Handbook 4350.3, REV-1, CHG-4, tenant-provided documents are now considered third-party documents and are equally as acceptable as verification documents provided by the source. The Handbook states in Part 5-13(B)(1)(b)(1) that the owner may use:

An original or authentic document generated by a third-party source... Such documentation may be in possession of the tenant (or applicant), and commonly referred to as tenant-provided documents. These documents are considered third-party verification because they originated from a third-party source. Examples of tenant-provided documentation that may be used includes, but is not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notes.

When using tenant-provided information, the owner must consider the following:

- Is the document current? Circumstances may have changed since the document was created.
- Is the document complete?
- Is the document an unaltered original copy? When possible documents with original signatures are the most reliable.

The following requirements apply to tenant-provided documents:

- a. **Using Paystubs for Employment Verification:** If utilizing paystubs for employment verification, the recipient must obtain two (2) consecutive months of paystubs from the tenant/applicant if the job provides steady employment. If employment is sporadic or seasonal, the recipient should obtain information that covers the entire previous twelve (12) month period.
- b. **Using Bank Statements:** If utilizing bank statements as asset verification, the owner must obtain the six (6) most recent statements to verify a checking account and the most recent statement to verify a savings account.
- c. **Using Tax Returns for Income Verification:** If utilizing tax returns as income verification, the recipient must obtain a certified copy by completing IRS Form 4506 "Request for Copy of Tax Form."

The owner must be able to reasonably project expected income for the next twelve (12) months from the tenant-provided documents.

The owner may use information obtained electronically from fax, e-mail or the internet. A printout from a reliable source is adequate verification.

D. Tenant Self- Certification

As a last resort, the owner may accept a tenant's signed affidavit if third-party or tenant-provided verifications cannot be obtained. The recipient should try to refrain from using self-affidavits except where absolutely necessary.

If a self-affidavit must be used to verify income or asset sources, the owner is required to document the tenant file by explaining the reason third-party or tenant-provided verification could not be obtained and showing all efforts that were made to obtain verification. Per Chapter 5 of the HUD Handbook 4350.3, the following documents should be placed in the tenant file:

- a. A written note to the file explaining why third-party verification is not possible; and/or
- b. A copy of the date-stamped original request that was sent to the third-party; and/or
- c. Written notes or documentation indicating follow-up efforts to reach the third-party to obtain verification; and/or
- d. A written note to the file indicating that the request has been outstanding without a response from the third-party; and/or
- e. A written note to the file explaining why second-party verification is not possible.

The owner may accept self-certification if there is a fee associated with receiving the third-party verification (except required certified tax returns as discussed above). If the owner chooses to pay the fee to obtain the third-party verification, this cost cannot be passed on to the applicant.

"I certify under penalty of law that the information contained in this declaration is true, accurate and complete to the best of my knowledge. I understand that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

Once you have chosen the particular definition of annual income that your program will use, you must determine how the applicant's income is verified. You must collect source documentation and ensure that this documentation meets program requirements. Verification methods may not be altered to suit particular circumstances or applicants. Only documentation that verifies the current rate of annual income at the time of assistance is required. The income certification process must be completed prior to receiving assistance.

DETERMINING PROGRAM ELIGIBILITY

Factors to verify and consider in making a determination of Grant Program eligibility include all of the following:

1. Income & Assets

Sub-Recipients will verify the income and assets of each Household member of the proposed assisted unit (i.e. all members of an owner-occupant household, and all members of a tenant-occupied household) utilizing the methods and forms described above. Documentation will be placed in the per unit project file.

2. Verification of Property Ownership

Prior to Notice of Eligibility and commitment of LHRD funds, Sub-Recipients will verify property ownership and keep the appropriate documentation the project file. A household owns a property if that household:

- Has fee simple title to the property; or
- Maintains a 99-year leasehold interest in the property; or
- Owns a condominium; or
- Owns or has a membership in a cooperative or mutual housing project that constitutes homeownership under state law; or
- For manufactured housing, land must be owned by the community land trust must have a leasehold interest for at least 50 years or leased for a period at least equal to the duration of the affordability period; or
- Inherited property with multiple owners where title has been passed by inheritance to several heirs, not all of whom reside in the housing. Assistance can be provided to the owner-occupant when he/she (1) is low-income, (2) occupies the housing as his/her principal residence, and (3) pays all the costs associated with ownership and maintenance of housing (e.g. mortgage, taxes, insurance, and utilities); or
- Has a life estate under which the occupant has the right to live in the housing for the remainder of his or her life and does not pay rent. Assistance can be provided to the person holding the life estate, provided the person (1) is low-income and (2) occupies the housing as his/her principal residence; or
- A living trust where the owner of a property has conveyed his or her property to a trust for his or her own benefit or the benefit of a third party beneficiary. In this scenario, the trust holds legal title and the beneficiary holds equitable title. The trustee is under a fiduciary responsibility to hold and manage the trust assets for the beneficiary. Assistance can be provided to the property if all beneficiaries of the trust qualify as a low-income household and occupy the property as their principal residence. The contingent beneficiaries who receive no benefit from the trust and have no control over the assets until the beneficiary is deceased, need not be low-income. The trust must be valid and enforceable and must ensure that each beneficiary has the legal right to occupy the property for the remainder of his or her life; or
- A beneficiary deed conveying interest in real property, including any debt secured by a lien on real property, to a grantee beneficiary designated by the owner and that expressly states that the deed is effective on the death of the owner. Upon death of the owner, the grantee beneficiary receives ownership in the property, subject to all conveyances, assignments, contracts, mortgages, and deeds of trust, liens, security pledges, and other encumbrances made by the owner or to

which the owner was subject during the owner's lifetime. Assistance can be provided to the owner if he or she (1) qualifies as low-income and (2) occupies the housing as his/her principal residence; or

- Maintains an equivalent form of ownership approved by HUD.

*Ownership does **NOT** include land contracts, contracts for deeds, installment contracts.

3. Property Insurance

Sub-Recipients will obtain either a third-party verification or source document indicating paid current property insurance coverage and levels and types of coverage on the proposed assisted property. Replacement Coverage must be equal to or greater than the assessed or appraised value and maintained at a level to cover any outstanding property debt liability plus the proposed level of LHRD/HHS to be provided. Documentation will be placed in the per unit project file.

4. Property Taxes

Sub-Recipients will verify that the local property taxes of the proposed assisted property are current. A print-out of the record must be placed in the per unit project file.

5. Race & Ethnicity

HUD requires recipients that provide HUD-funded program benefits to individuals or families to report data on the race, color, religion, sex, national origin, age, handicap (disability), and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of HUD programs in order to carry out the Department's responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and Community Development Act of 1987. Sub-Recipients shall use the Race and Ethnic Data U.S. Department of Housing OMB Approval No. 2535-0113 Reporting Form HUD-27061-H (**Exhibit J**). This form shall be maintained in the project file.

6. Property Age

Sub-Recipients will verify the age of the property through local property assessment records. A copy of the record will be placed in the per unit project file. Only properties built prior to 1978 are eligible.

VERIFICATION OF INFORMATION FOR OTHER REHABILITATION FUNDS

Sub-Recipients will verify any other information required to make a determination of eligibility for other Rehabilitation Programs in accordance with the other rehabilitation funding sources and/or individual jurisdiction policies and procedures.

UNIT ELIGIBILITY AND PRIORITY

HUD's Lead Hazard Control grant funds and other matching/leveraged resources will be used in eligible privately-owned pre-1978 housing units where lead-based paint hazards are identified and where income eligible families reside. The program complies with Section 1011 of the *Residential Lead-Based Paint Hazard Reduction Act of 1992* (Title X) in providing lead hazard control grant program services. The program will use an application process in determining eligibility for receiving assistance.

Eligibility Criteria

- Family Income < 80% of Area Median Income
- Owner-Occupants must have a child under six years of age, pregnant female, or a child that spends a significant amount of time in the home
- Rental Units require the owner to agree and sign the program Participation Agreement and Lien (income requirements are listed below in the Eligible Units section)
- Pre-1978 Eligible Housing Unit
- Property Tax payments & homeowners insurance are current
- Unit not located in 100 year flood plain

Priority Ranking Factors

- Household with a child under the age of six diagnosed with an EBLL greater than 5 µg/dL
- Child under six years of age and/or pregnant female living in target housing
- Units where a child under the age of six years spends a *significant amount of time visiting*
- Households on the Weatherization or OOR rehab list with a child diagnosed with an EBLL

ELIGIBLE UNITS

- Owner Occupied units- these units must be the principal residence of families with income at or below 80% of the area medium income level, and not less than 90% of the units assisted with LHRD grant funds must be occupied by a child under the age of six years old or must be units where a child under the age of six years spends a significant amount of time visiting.

**A “significant amount of time visiting” is defined as three hours a day on two separate days a week and a total of 60 hours per year*

- Rental Housing units- at least 50% of the units must be occupied or made available to families with incomes at or below 50% of the area median income level. The remaining units must be occupied or made available to families with incomes at or below 80% of the area median income level. In all cases the landlord must give priority in renting units these units for not less than 3 years following the completion of lead abatement activities to families with a child under the age of six years; except that, buildings with five or more units may have 20% of the units occupied by families with incomes above 80% of the area median income level.

*Refer to [Policy Guidance 2002-01, Lead Hazard Control in Multi-Family Housing Containing Ineligible Units.](#)

Zero Bedroom Units- based on the amendment to Title X, if a child under age 6 resides or is expected to reside in a 0-bedroom pre-1978 unit, the unit and the common areas servicing the unit may be enrolled under the LHRD program and have lead-based paint and lead-based paint hazards evaluated and controlled, if the unit is otherwise eligible for enrollment. [See Policy Guidance 2017-03, Treating 0-Bedroom pre-1978 Units with a Child under Age 6 under Lead Hazard Control Grants.](#)

“Expected to reside means there is actual knowledge that a child will reside in a dwelling unit reserved for the elderly or designated exclusively for persons with disabilities. If a resident woman is known to be pregnant, there is actual knowledge that a child will reside in the dwelling unit.”

- Vacant units are eligible for lead hazard control work providing the rental property owner signs a participation agreement agreeing to give priority to families with children under the age of six for not less than three years following the completion of work. The *Participation Agreement and Lien* mandate that rental property owners adhere to Fair Market Rent values and market units to income qualified families with children under the age of six and prohibits discrimination and retaliatory eviction. Rental property owners are required to pay back the total amount of grant funds expended if they fail to meet program requirements for at least 3 years following completion of lead hazard control work (e.g. fair market rent values, renting to very-low or low-income families, and giving priority to families with children under six years of age).

While remediating lead-based paint hazards in vacant units is permissible, Sub-recipients must ensure that they are not forgoing units where children are currently residing in preference of vacant units. Sub-

Recipients must establish policies to ensure assisted units are prioritized for families with children under the age of six years, such as, but not limited to:

- Requiring compliance in the terms of your assistance agreement with owners;
 - Registering assisted units in a publicly accessible lead–safe housing registry and/or;
 - Annually reviewing and documenting the owners efforts to comply with the Participation Agreement
- See [Policy Guidance 2014-01](#), *Eligibility of Units for Assistance*.
- See [Policy Guidance 2013-05](#), *Use of Lead Hazard Control funds in non-target housing and other prohibited activities*.
- See [Policy Guidance 2012-02](#), *Using OHHLHC Funds to Remediate Lead-Based Paint Hazards in Previously Assisted Units*.
- See [Policy Guidance 2008-04](#), *Use of OHHLHC Grant Funds for units covered by pending or final Section 1018 Lead Disclosure Rule Enforcement Actions*.

Applicants must consent to having: a Lead Paint Inspection, Risk Assessment, and/or Healthy Home Assessment, and Clearance Examination performed at their property. Notification of the possibility and nature of such testing will be provided in the application through an Authorization to Release and Consent Form.

NOTIFICATION OF ELIGIBILITY DETERMINATION

After all eligibility criteria are documented to have been met, the Applicant will be notified of the decision and documented. The applicant will be notified of the required testing to be performed including: a Lead Paint Inspection, Risk Assessment and/or Healthy Home Assessment once income verified and approved by IHCDA.

BLOOD LEAD LEVEL TESTING

Each child under the age of six years who resides in a housing unit scheduled to have lead hazard control work done must be tested for an elevated blood lead level within six months preceding the lead hazard control work, unless the child’s parent or legal guardian chooses not to have the child tested.

The Blood Lead Level consent form must be completed for each enrolled applicant with children under the age of six years of age and a copy of maintained in the client file. Sub-recipients should provide assistance with finding a provider such as the local health department, the family’s primary care physician, or other sources to complete a blood lead test for their children if elected. If consent is given by the parent or legal guardian, results of blood lead level testing shall be obtained and maintained in the client file.

- See [Policy Guidance 2000-04](#), *Timely Provision of Blood Lead Testing for Children Less than Six Years of Age*.

DENIAL OF AN APPLICATION

If an applicant is denied participation in the LHRD Program for not meeting any set of eligibility criteria, they will be notified of the decision and their options for appealing the decision in writing. A copy of the letter will be in the project file.

PROCESS FOR APPEAL OF AN ELIGIBILITY DECISION

Applicants will have 14 calendar days to respond to a denial of their application, in writing, to the Sub-Recipient’s jurisdiction. Applicants denied for not meeting LHRD Program criteria identified within this manual may be considered and reviewed administratively, within the Sub-Recipients jurisdiction, according to their established policies and procedures set forth in existing programs. The applicant will receive a letter indicating the nature of the review and reason for either upholding the decision to deny the

application or approval of the application. Issues concerning LHRD Program criteria that cannot be resolved within the Sub-Recipient's jurisdiction can be presented to the IHCDA Program Manager for further review and consideration and may be presented to the HUD Grant Technical Representative (GTR) for further guidance if needed.

Chapter 5 - LEAD PAINT INSPECTION, RISK ASSESSMENT, AND HEALTHY HOME ASSESSMENT

REQUIREMENTS FOR TESTING

A complete Lead-based Paint Inspection and Risk Assessment (LIRA) is REQUIRED of all properties to be assisted with LHRD grant funds. The related paint inspection and risk assessment report will remain valid for use in the LHRD Program if it is dated no more than 12 months prior to the commitment of LHRD funds. All LIRA reports must be submitted to the IHCD PM for review before beginning the Tier II Environmental Review process.

Costs associated with lead hazard testing include Lead Inspection, Lead Risk Assessment, and Clearance Testing. The maximum for this line item is \$1185.00.00 per unit.

- See [Policy Guidance 2013-01, Lead Inspection-Risk Assessment Reporting and Documentation](#).

**Presumption of lead based paint based is not be permitted if the property is to be enrolled in the LHRD Grant Program.*

A Healthy Home Assessment will be performed based upon the availability of grant funds to support Healthy Homes Intervention work. Approximately 80 homes, that receive LHRD funds, will utilize Healthy Homes Supplemental funding to address the five Healthy Homes Assessment priorities set by IHCD. Sub-recipients will authorize a reasonable amount for the assessment, progress, and final inspection.

LEAD PAINT INSPECTION, RISK ASSESSMENT & HEALTHY HOME ASSESSMENT

Once income verified and approved by IHCD, Sub-Recipients can proceed to conducting the LIRA and Healthy Homes assessment. Notification for the income document review and approval will be through email.

PROTOCOL FOR TESTING

Testing will be performed consistent with Chapters 5 and 7 of the HUD *Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing and Policy Guidance 2013-01*. A Healthy Home Assessment will be performed based on the Healthy Home Rating System chart (**exhibit K**).

LEAD-BASED PAINT INSPECTION & RISK ASSESSMENT

All Lead Inspectors, Risk Assessors, Clearance Examiners, Lead Abatement Project Supervisors, and Lead Abatement Contractors, and Lead Workers are required to be licensed in Indiana. Licenses, training, and certifications will be verified by the Sub-Recipient and IHCD Project Manager before entering into a contract. Lead inspections and risk assessments must follow the procedures as defined in *the HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing* and as defined by the policies of the Lead Hazard Reduction Demonstration Grant Program. All persons performing the lead inspections and risk assessment must also *adhere to and be provided a copy of* [Policy Guidance 2013-01, Conducting Lead- Based Paint Inspections and Risk Assessments for Lead-Based Paint and Lead-Based Paint Hazards](#). Once complete, the LIRA and HHS Assessment must be submitted to the IHCD PM with the LIRA HHS Certification form for review. Once reviewed, the IHCD PM will sign the certification form and forward a copy to the Sub-Recipient. This form must be submitted for claims regarding the LIRA HHS assessment line item cost (do not submit the LIRA report through the [Indiana Housing Online Management System](#)).

All testing, sampling and laboratory analysis for lead must comply with the [Lead Safe Housing Rule](#) (LSHR) and conform to the current HUD Guidelines, the EPA lead hazard standards at 40 CFR part 745,

and federal, state, or tribal regulations developed as part of the appropriate contractor certification program, whichever is most protective of children. All laboratory analyses conducted on paint chips, soil and dust samples must be performed by an environmental laboratory recognized by the EPA under the National Lead Laboratory Accreditation Program pursuant to the Toxic Substances Control Act (15 U.S.C. 2685) (See the list of laboratories at www.epa.gov/lead/national-lead-laboratory-accreditation-program-list).

In accordance with [Policy Guidance 2017-01 Rev 1](#), Sub-recipients will use the following dust-lead action levels (or lower levels if required by local, state or tribal authorities having jurisdiction), where the unit µg/sf means “micrograms of lead per square foot sampled” (this unit can also be written as µg/ft²).

New Dust-Lead Action Levels	
Floors	≥ 10 µg/sf
Window Sills	≥ 100 µg/sf

Each unit will have a full lead inspection and risk assessment. Because LHRD grant funds are provided to control residential lead-based paint hazards rather than to rehabilitate housing, lead evaluation activities must comply with the following requirements:

1. Specifications (scopes of work) for lead hazard control must be established directly from the lead inspection and risk assessment reports, and must address all identified lead-based paint hazards in the property. In addition, ***only those lead-based paint hazards identified and clearly documented in the LIRA report are eligible for reimbursement.*** Once complete, the Scope of Work must be submitted to the IHCD PM with
2. From the Lead Inspection, the only allowable language to describe the paint condition of each component tested is ***“Intact” or “Deteriorated.” Handwritten XRF results are not acceptable.***
3. A complete and full lead-paint inspection and risk assessment for each unit assisted with LHRD grant funds. Partial or limited lead-based paint inspections and risk assessments are not acceptable for OHHLHC grant programs and will not be reimbursed by HUD. All rooms accessible to children must have dust samples taken for the risk assessment. Composite sampling is not acceptable. The Sub-Recipient and IHCD PM will review and approve of all testing, scopes of work, and clearance examinations.
4. LHRD grant and they Healthy Homes Supplemental funding must be clearly separated in the scope of work and the subsequent bid.
5. LHRD funds may cover “minimal rehabilitation” activities when those activities are specifically required to perform effective hazard control, and without which the hazard control could not be completed, maintained, and sustained. Minimal rehabilitation activities must be identified and documented in the LIRA and conducted in accordance with [Policy Guidance 2008-02, Undertaking Minimal Rehabilitation Using OHHLHC Grant Funds.](#)
6. For the appropriate steps to take when addressing lead dust hazards in carpeting please refer to [Policy Guidance 2013-04, Lead Hazard Evaluation and Control of Lead Dust Hazards in Carpeting.](#)
7. Samples for clearance shall be taken from all rooms after lead hazard control activities are completed and the testing procedures must follow Chapter 15 of the [HUD Guidelines.](#)
8. Properties whose lead-based paint evaluation report documents (inspection/risk assessment) do not contain the required information per the HUD Guidelines and this policy guidance will not be eligible for reimbursement of evaluation or control activities.

9. If soil samples are not collected it must be clearly documented as to why they weren't. If samples were not taken due to weather, a plan to return and conduct the samples must be provided.

The Sub-Recipients lead inspector/risk assessor must determine the lead-based paint classification of all surfaces by properly categorizing and testing each "testing combination" in each room equivalent in accordance with Chapter 7 of the HUD Guidelines. A testing combination is a unique combination of room equivalent, building component type, and substrate.

- All lead-based paint inspections and risk assessment reports must be conducted and documented in accordance with Chapter 5 and 7 of the HUD Guidelines.
- All lead-based paint inspections, risk assessments and hazard control work must be completed by firms licensed for, and persons trained, licensed, and certified for, the specific work conducted.
- Consistent with the Guidelines, every room equivalent must be identified in the property sketch and every building component must be represented in the sampling scheme (identified in the XRF test result report) used to test a property.
- You must conduct a complete and full lead-paint inspection and risk assessment for each unit assisted with lead grant funds. Partial or limited lead-based paint inspections and risk assessments are not acceptable for this program and will not be reimbursed by HUD.
- Composite sampling for the risk assessment and clearance of lead hazards is not authorized under the LHRD grant program.

Recognizing that windows are costly, clear justification is required when being replaced. Interim controls should be the first approach to addressing LBP hazards. Windows cannot be replaced solely for energy efficiency and/or aesthetics. However, windows containing LBP hazards having damaged components or substrate beyond repair may be eligible to be replaced but must meet the following requirements.

1. Testing of only a single window (or even a few windows) as representing a testing combination for the entire property (interior and exterior) is not allowable, even if all the windows are of identical construction and painting history. Therefore, all windows in the unit must be tested. (This required practice is more stringent than the HUD Guidelines' in Chapter 7 for performing inspections)
2. If the scope of work based on the LIRA requires that more than five (5) windows be replaced in a property with the cost charged to LHRD grant funds, you must document each window being replaced with either a) XRF readings from each window and b) a photo of each window must be included in the risk assessment report c) complete and accurate description of window condition must be forwarded to the IHCD PM for review and submission to the HUD GTR for approval.
3. Failure to clearly and accurately document the need to replace windows under OLCCH Policy Guidance 2013-01 will result in the disallowance of associated expenses.
4. Windows replaced with LHRD grant funds must contain lead-based paint hazards not merely lead-based paint. You may not expend grant funds to address intact lead-based paint. This distinction is critical and must be clearly outlined in the LIRA.

L-LEAD

A copy of each completed inspection/risk assessment reports must be given to a homeowner, rental property owner and tenant in accordance with 24 CFR 35, subpart B. The Sub-Recipient will ensure all risk assessments and clearance examinations are uploaded into the State of Indiana's ***L-LEAD*** system.

Once uploaded, a certificate will be available to download and must be maintained in the client file and a copy sent to the IHCD PM.

DISCLOSURE

Owners shall disclose the presence of any known lead-based paint and/or lead-based paint hazards in the target housing being sold or leased and the existence of any available records or reports pertaining to lead-based paint and/or lead-based paint hazards. The owner shall also disclose any additional information available concerning the known lead-based paint and/or lead-based paint hazards, such as the basis for the determination that lead-based paint and/or lead-based paint hazards exist, the location of the lead-based paint and/or lead-based paint hazards, and the condition of the painted surfaces.

DEFINITION OF LEAD BASED PAINT

Paint or other surface coatings that contain lead equal to or in excess of 1.0 milligram per square centimeter or 0.5 percent by weight.

LEAD BASED PAINT INSPECTION REPORT

Through the methods and requirements described in the [Chapter 7 page 7-32 of the HUD Guidelines](#), the lead paint inspection will contain at a minimum:

- Date of Inspection.
- Address of each building/unit.
- Apartment number if applicable.
- Picture of Property on the cover page
- Date of construction of buildings.
- Name, address, and telephone number of each owner of each building.
- Name, signature, and license number of the lead inspector.
- Name, address, and telephone number of the company employing each licensed risk assessor if applicable.
- Each testing method and device and/or sampling procedure employed for paint analysis, including quality control data and, if used, the serial number of any x-ray fluorescence (XRF) device.
- The name of the instrument manufacturer and model number, as well.
- Specific locations of each painted component tested for the presence of lead-based paint and if the painted surface is “intact” or “deteriorated.”
- The numbering system or sketches that identify building components and room equivalents.
- The results of the inspection expressed in terms appropriate to the sampling method used— the report should start with a plain-language summary of the results of the inspection.
- As part of its overview of the results of the inspection, the summary should answer two questions:
 - Is there lead-based paint in the house?
 - If lead-based paint is present, where is it located?
- The report should include the final classification of all testing combinations into positive or negative categories, including a list of testing combinations, or building component types and their substrates, which were classified but not individually tested.
- Tables or listings of all XRF readings (including calibration check readings), and of the results of any paint-chip analyses that were performed (including the name, address, telephone number and NLLAP recognition number of the laboratory that conducted the analyses). If codes or abbreviations for building components and/or locations have been used in order to shorten the time needed for data entry, the inspection report must include a table showing their meaning.

RISK ASSESSMENT REPORT

Through the methods and requirements described in the (40 CFR 745.227(d)(11)), the risk assessment report will contain at a minimum:

- Date of assessment.
- Address of each building/unit.
- Date of construction of buildings.
- Apartment number if applicable.
- Picture of the property on the cover page
- Name, address, and telephone number of each owner of each building.
- Name, signature, and license number of the risk assessor.
- Name, address, and telephone number of the company employing each licensed risk assessor if applicable.
- Name, address, and telephone number of each recognized laboratory conducting analysis of collected samples.
- Results of the visual inspection.
- Testing method and sampling procedure for paint analysis employed.
- Specific locations of each painted component tested for the presence of lead.
- All data collected from on-site testing, including quality control data and, if used, the serial number of any XRF device.
- All results of laboratory analysis on collected paint, soil, and dust samples. (***Dust Samples are required***)
- Any other sampling results.
- Photos.
- To the extent that they are used as part of the lead-based paint hazard determination, the results of any previous inspections or analyses for the presence of lead-based paint, or other assessments of lead-based paint-related hazards.
- A description of the location, type, and severity of identified lead-based paint hazards and any other potential lead hazards.
- A description of interim controls and/or abatement options for each identified lead-based paint hazard and a suggested prioritization for addressing each hazard. If the use of an encapsulant or enclosure is recommended, the report shall recommend a maintenance and monitoring schedule for the encapsulant or enclosure.

A lead-based paint inspection and risk assessment report (LIRA) will be prepared for each unit. Each unit will be maintained as a separate file. The LIRA will be provided to the property owner and tenant occupant and sent electronically to the IHCD Program Manager and will be incorporated into the per unit project file. The Sub-Recipient and IHCD will maintain a permanent record.

LEAD HAZARD CONTROL

The LHRD program will use a combination of interim controls and abatement activities as the approach for addressing single family and multi-family owner-occupied, rental, and vacant units that are enrolled in the Program. All interior and exterior lead-based paint hazards identified must be addressed as per [***Policy Guidance 2002-03, Elimination or Control of all Identified Lead-Based Paint Hazards.***](#)

A person performing interim controls must be supervised by an individual licensed as a lead-based paint Project Supervisor or have completed successfully one of the following lead-safe work practices courses, except that this supervision or lead-safe work practices training requirement does not apply to work that disturbs painted surfaces less than the *de minimis* limits of §35.1350(d) of the Lead Safe Housing Rule:

- A lead-based paint abatement supervisor course accredited in accordance with 40 CFR 745.225;

- A lead-based paint abatement worker course accredited in accordance with 40 CFR 745.225;
- A renovator course accredited in accordance with 40 CFR 745.225.
- “The Remodeler's and Renovator's Lead-Based Paint Training Program,” prepared by HUD and the National Association of the Remodeling Industry; or
- Another course approved by HUD for this purpose after consultation with EPA.

All lead abatement work conducted under this grant program requires an Indiana licensed abatement contractor, licensed abatement supervisor, and licensed abatement workers to perform lead hazard control activities. Each licensed person must work for an appropriately licensed and certified firm. *EPA RRP certification alone is NOT sufficient for work under this program* that includes measures designed to *permanently* eliminate lead-based paint hazards including but not limited to window and substrate remove and replacement activities.

Awardees are not permitted to engage in practices prohibited under HUD’s Lead Safe Housing Rule at 24 CFR 35.140, EPA’s RRP Rule at 40 CFR 745.83(a)(3), or EPA’s lead abatement rule at 40 CFR 745.227(e)(6). Lead hazard control costs must be in accordance with [Policy Guidance 1997-01, Lead Hazard Control Costs](#).

PROHIBITED WORK PRACTICES

Contractors shall not bid on work to be performed in manner inconsistent with the prescribed methods of lead-paint mitigation as outlined in the *HUD Guidelines for the Evaluation and Control of Lead Based Paint Hazards in Housing*. **Prohibited** methods include:

- Open-flame burning or torching of painted surfaces.
- The use of machines (such abrasive blasters and sandblasters) designed to remove paint or other surface coatings is prohibited unless the machine has a shroud or containment systems and is equipped with a HEPA vacuum attachment to collect dust and debris at the point of generation.
- Operating a heat gun on painted surfaces above 1,100 degrees Fahrenheit. Additional methods of paint removal prohibited by *HUD’s Lead Safe Housing Rule*.
- Dry sanding or dry scraping, except dry scraping in conjunction with heat guns or within 1.0 ft. (0.30 m.) of electrical outlets, or when treating defective paint spots totaling no more than 2 sq. ft. (0.2 sq. m.) in any one interior room or space, or totaling no more than 20 sq. ft. (2.0 sq. m.) on exterior surfaces.
- Heat guns that char paint.
- Paint stripping in a poorly ventilated space using a volatile stripper that is a hazardous substance in accordance with regulations of the *Consumer Product Safety Commission at 16 CFR 1500.3*, and/or a hazardous chemical in accordance with the *Occupational Safety and Health Administration regulations at 29 CFR 1910.1200 or 1926.59*, as applicable to the work.

OSHA’s Lead in Construction standard prohibits the use of compressed air to remove lead from any surface unless used in conjunction with a ventilation system designed to capture the airborne dust created by the compressed air.

These Guidelines recommend strongly against the use of uncontained hydro-blasting. Removal of paint using this method can spread paint chips, dust, and debris beyond the work area containment. Contained pressure washing can be done within a protective enclosure to prevent the spread of paint chips, dust, and debris. Water runoff should also be contained (see Chapter 8). (See Chapters 11 and 12).

All lead-based paint testing results, summaries of lead-based paint hazard control treatments, and clearances must be provided to the owner of the unit, together with a notice describing the owner’s legal

duty to disclose the results to tenants and buyers (see 24 CFR 35.88 of the Lead Disclosure Rule). Awardees must ensure that this information is provided in a manner that is effective for persons with disabilities (24 CFR 8.6) and those persons with limited English proficiency (LEP) will have meaningful access to it (see Executive Order 13166). Grant files must contain verifiable evidence of providing lead hazard evaluation and control reports to owners and tenants, such as a signed and dated receipt. A Lead Abatement Notification letter must be sent to Indiana State Department of Health at least two working days before any Lead Abatement activity can proceed. A licensed supervisor will be onsite and available to workers and responsible for direct supervision of workers during all:

- Work site preparation
- Abatement activities
- Post abatement cleanup of work areas

The ISDH Lead Abatement Notification and Monitoring requirements for the State of Indiana can be found [here](#).

ABATEMENT CONTRACTOR RESPONSIBILITIES IAC 410 IAC 32

- Notify the Indiana State Department of Health in advance of each abatement project
- Design each abatement project within State and Federal regulations
- Complete a pre-abatement lead inspection or lead hazard screen using only licensed personnel
- Use appropriately state licensed personnel for all abatement activities
- Post all state licenses at the work site
- Maintain a licensed Project Supervisor on-site during all site preparation, abatement activity, and site cleanup
- Complete all abatement work using LEAD SAFE WORK PRACTICES
- Follow all work with a post-abatement clearance conducted by a licensed Risk Assessor or Lead Inspector
- Maintain proper records including a description of the abatement project design, start up and completion dates, occupant protection plans, receipts from waste disposal sites
- Retain all records for 3 years
- Allow reasonable access to the worksite by ISDH environmental staff
- Allow reasonable access to all pertinent records of the project by ISDH environmental staff

You must observe the procedures for worker protection established in the current HUD Guidelines, as well as the requirements of the Occupational Health and Safety Administration (OSHA) (in particular, 29 CFR 1910.1025, Lead, and/or 29 CFR 1926.62, Lead Exposure in Construction, as applicable), or the state or local occupational safety and health regulations, whichever are most protective.

There are two factors that require special consideration when evaluating the cost of making a unit lead-safe: 1) the condition of the unit; and, 2) the grant to value ratio. If the structure is in very poor condition and requires major rehabilitation before LBP hazard control can take place, other sources of funding must be found to bring this structure "up to code." The Lead-Based Paint Hazard Control Grant Program is not a substitute for a housing rehabilitation program. While it does allow for minimal rehabilitation actions such as patching a leaky roof in order to ensure the viability of hazard reduction activities, grant funds cannot be used to carry out major rehabilitation. Refer to [Policy Guidance 1997-01, Lead Hazard Control Costs](#).

Costs for treatment options vary considerably from one locale to the next and are subject to market conditions, making it difficult to provide estimates. However, the risk assessor should, at a minimum, indicate the order in which acceptable hazard control options for a given hazard fall in terms of relative initial cost. In addition to cost, the risk assessor should identify the feasibility of particular treatments, taking into account whether they are unlikely to be effective or are suitable to eliminate the hazards. In all circumstances, the responsibility rests with the grant program when determining the appropriate treatment plan. However, because federal funds are being used, you must clearly document the rationale behind your decisions and supporting scope of work that is procured for each unit.

In determining the appropriate steps to take when addressing lead dust hazards in carpeting and other similar surfaces, and the documentation requirement for such activities refer to [Policy Guidance 2013-04, Lead Hazard Evaluation and Control of Lead Dust Hazards in Carpeting](#).

Clearance

Lead-based paint is defined by the EPA as paint or other surface coatings that contain lead equal to or in excess of 1.0 mg/cm² by XRF or more than 0.5% by weight (AAS). Clearance standards set by [Policy Guidance 2017-01, New Policy for Dust-Lead Action Levels for Risk Assessment and Clearance](#).

Floors	< 10 ug/ft ²
Interior window sills	< 100 ug/ft ²
Window troughs	< 100 ug/ft ²
Porches	< 40 ug/ft ²

Prior to final acceptance of the lead hazard reduction work and all rehabilitation work, the property is to be cleaned in accordance with [Chapter 14 of the HUD Guidelines](#). The contractor shall complete a clearance request form and present to the Sub-recipient Program Manager upon final draw request. The contractor shall re-clean all applicable components and surfaces and pay for all additional clearance dust sampling if any dust sample results exceed the thresholds referenced.

Clearance examinations shall include a visual assessment, dust sampling, submission of samples for analysis for lead in dust, interpretation of sampling results, and preparation of a report. Soil sampling is not required. Clearance examinations shall be performed in dwelling units, common areas, and exterior areas in accordance with this section and the steps set forth in [Chapter 15 of the HUD Guidelines](#).

CLEARANCE REPORT PREPARATION

It is essential that the clearance examiner provide the client with a report documenting the results of the clearance. EPA specifies the required contents for an abatement report at 40 CFR 745.227(e)(10). HUD specifies the required report contents for non-abatement projects in units covered by the Lead Safe

Housing Rule at 24 CFR 35.1340(c). A checklist-based worksheet (Form 15.4 in the HUD Guidelines) covers both requirements.

The report should include a one-page summary at the beginning of the report that is suitable for communication with residents, as well as a complete file of the visual assessment(s) form(s) and the dust sampling results form(s). The summary should contain the following information:

1. The address of the property where the clearance area is located.
2. A description of the area(s) covered by the clearance examination, including, as applicable, the specific dwelling units or common areas covered by the clearance and the specific rooms and exterior spaces.
3. The name and address of the client.
4. A summary of the results of the visual assessment. (The clearance examination should be stopped if the visual assessment fails.)
5. A summary of the results of the dust testing, which should include either:
 - (a) A statement that no dust-lead hazards, as defined by the relevant EPA, State, Tribal or local standards, were found in the clearance area, and the date of the dust sampling; or
 - (b) A statement that dust-lead hazards were found in the initial examination, identifying the date of the initial examination, the rooms and surfaces where dust-lead hazards were found, including any un-sampled rooms and surfaces represented by the samples, and stating the dust-lead levels found.
6. If dust-lead hazards were found in a second or later round of dust sampling, a similar summary of the results of the dust testing should be provided for each round separately.
7. If the initial or later round of sampling found no dust-lead hazards, the report of a successful clearance examination should contain a statement that, based on visual assessment and dust sampling on the specific sampling date, no dust-lead hazards, as defined by the relevant EPA or State, Tribal or local standards, were found.
8. Identification of the clearance examiner(s), including the name of the clearance examiner, the name of the examiner's firm or organization, business address and telephone number, and the examiner's license or certification number.
9. Identification of the laboratory, including the name, address, telephone number, and NLLAP number.
10. The signature of the clearance examiner, with date

All soil, paint, dust, and clearance samples are submitted to a laboratory recognized by EPA's National Lead Laboratory Accredited Program (NLLAP). Clearance testing must be conducted on all units where a lead inspection and risk assessment has identified lead-based paint hazards. *Hazards below de minimis levels do not exempt the unit from a clearance test.*

HEALTHY HOME HAZARD ASSESSMENT

Each Sub-Recipient will have a portion of the Healthy Homes Supplemental funding. *There will be no administrative costs allowed per program regulations.* The funds will be utilized to address the priorities based upon key issues that affect health and safety conditions in a home. A Healthy Homes assessment will be incorporated in the Lead Inspection/Risk Assessment scope of work of approximately 80 homes combined with LHRD funds. *Only units receiving LHRD grant funds are eligible to receive Healthy Homes Supplemental funding.*

Sub-Recipients, with the approval of the IHCDA PM, will use the funds to address prioritized hazards. These will be direct costs only. There will be a cap of \$5,000 per home which must meet the referenced criteria to be eligible. When warranted, Sub-Recipients may request a subsidy waiver over the \$5,000 maximum which must be approved by the IHCDA PM and the Government Technical Representative (GTR).

The Healthy Home Hazard Assessment, with approval of IHCDA, shall be conducted by a qualified person who has documented experience in one or more of the following:

- Building code official
- Weatherization Auditor
- Electrical and/or Mechanical certifications/licenses
- Healthy Homes Rating System certification
- Public Health Inspectors
- Lead Inspectors and Risk Assessors

Remediation must be based on the scope of work developed following the Healthy Home hazard assessment of all 29 Hazards, and the prioritization of each hazard per the Work Plan and program Policy and Procedures. As with the lead hazard evaluation and control work conducted under the grant, the Sub-Recipient is responsible for the development, procurement, and monitoring of work completion in each unit and common area. All work completed using these funds must be administered in compliance with local, State, and program requirements including using certified contractors, licensing, permits and insurance when they may be required for, e.g., mold remediation, plumbing, electrical, radon, or asbestos work.

ALLOWABLE COSTS FOR HH SUPPLEMENTAL FUNDING

Costs that are directly related to the identification, assessment, and remediation of housing-related health and safety hazards are allowable costs for HH Supplemental funding. Allowable costs include the following and may be included in HH Supplemental budget by task item:

- Conducting the home inspection and assessment, including the costs of Inspection equipment; and
- Secondary inspections as required by the HHRS, including inspections by structural engineers, electrical engineers, and other follow-up investigators;
- Developing the scopes of work and associated reports;
- Remediating the hazards identified in the scope of work, including the costs of materials used to remediate hazards (expected average HH Supplemental Unit Cost);
- Reassessing the completed work;

RESTRICTIONS ON USE OF HH SUPPLEMENTAL FUNDS

A grantee, sub-grantee, or vendor/contractor must **not** use HH Supplemental funds for the following activities:

- Salaries and Fringe for any persons including those completing eligible tasks set above
- Administrative Cost including Indirect Cost Rate
- Travel
- Outreach and/or Intake
- General (non-housing unit specific) educational materials
- Supplies

- Supplies outside of the scope of interventions to address hazards identified within individually completed Healthy Homes Hazard Summary Reports.
- Research, studies, or demonstration programs; and
- Any work conducted in homes where lead hazard control work is not being conducted are not being used (e.g., in a home for which a lead risk assessment is or was conducted but the grantee decided not to conduct lead hazard control work, such as because no significant lead-based paint hazards were identified, or the cost of controlling lead-based paint hazards would have been more than the grantee chose to allocate to the home, etc.)

See [Policy Guidance 2018-01](#), *Purpose and Use of Healthy Homes Supplemental Funding*.

The Healthy Homes inspection process is a risk-based assessment and will consider the effect on the occupant health. This assessment will be incorporated into the initial lead hazard risk assessment to minimize disruption to the occupants. From the list of 29 hazards in the Healthy Homes rating chart, IHCDA has determined the following hazards, in order of priority, to be addressed based on funding:

1. Carbon Monoxide and fuel combustion products- during the initial assessment the RA will determine if there are combustion appliances, smoke alarms, and carbon monoxide detectors are present. If so, the assessment will determine if the combustion appliance is properly venting, all vent components are properly aligned, and installed in accordance with the State Building Code and/or manufacturer's installation instructions. The RA will also ensure the unit has functional smoke alarms and carbon monoxide detectors installed throughout the unit in accordance with the Indiana State Building Code.
2. Electrical Hazards- each unit's electrical system will be inspected to determine health & safety issues. Examples of items to correct include: missing receptacle and junction box cover plates, ungrounded receptacles, inadequate GFCI protection, exposed wiring, open-ports with a panel box, loose electrical box, proper labeling of circuits and insufficient dedicated circuits. All items repaired will be in accordance with the Indiana State Building Code.
3. Damp and Mold Growth- the assessment will determine the existence of mold or moisture issues. From the assessment, the Sub-Recipient will develop a hazard control plan if there is mold, moisture, or high humidity issues exist.
4. Falling on Stairs- all steps and handrails will be assessed to determine if hazards exist. Examples of hazards that will be addressed are: deteriorated and/or missing handrails or guardrails, deteriorated steps, sidewalks, porches, decks, improper ramp slope, and installations not in accordance with the Indiana State Building Code.
5. Pests and Refuse- inadequate and unhygienic provision for storing and disposal of household waste and a unit that cannot be kept readily clean and hygienic and harbor pests will be assessed. Materials, education, and containers may be supplied to elevate the overall standard of upkeep within the unit and infestations treated by professionals in the industry.

The assessment report must include pictures and a description of each hazard noted in the provided Healthy Home Hazard Assessment Inspection form. In the case where none of the five prioritized hazards exists or funding exceeds the limit, other hazards noted during the assessment may be requested to be addressed. A detailed explanation of the circumstances must be submitted to the IHCDA PM for review and approval

AGE OF REPORTS

For applicability to the LHRD program, the Lead Paint Inspection & Risk Assessment must be dated less than one year prior to the commitment of LHRD funds. These funds are considered committed at the time a written agreement between the Sub-Recipient and Grant beneficiary (property owner) is executed.

DATA SHARING

Through an electronic file sharing and synchronization service, Sub-Recipients will transfer records and information pertinent to the LHRD Program in accordance with HIPPA regulations. Reports will be shared electronically between IHCDA and each Sub-Recipient to facilitate Lead Hazard Control Projects. A Quarterly Status report form, provided by IHCDA, will be used to document, track, and report unit progress by each Sub-Recipient and submitted to the IHCDA PM before the end of each quarter.

Chapter 6 – ENVIRONMENTAL REVIEW RECORD AND SECTION 106 HISTORIC REVIEW PROCESS

The National Environmental Policy Act of 1969 (NEPA) requires that environmental consequences are reviewed and alternatives considered for most federally assisted actions before decisions are made and before actions are taken. Therefore, an “Environmental Review Record” is required as part of the development due diligence process. All LHRD Sub-recipients are required to assume the environmental review responsibilities for the National Environmental Policy Act (NEPA) and related laws and authorities as implemented at 24 CFR Part 58 in accordance with [Policy Guidance 2000-01, Revised Environmental Review Procedures and Requirements](#).

The National Historic Preservation Act of 1966 requires agencies to consider the impact of their federally funded developments on historic properties. This process is commonly known as “the Section 106 review.” The ERR and the Section 106 processes are separate and distinct processes with different guiding regulations. IHCDA has combined the two processes into one process because both are federally required for the following IHCDA funding sources received from the Department of Housing and Urban Development.

IHCDA’s Environmental Review Record (ERR) and Section 106 Historic Review User’s Guide and the ERR Workbook provides additional background information about the federally required processes including why the review is necessary, how to perform the review, and other resource information to help you complete the ERR Workbook. The ERR Workbook is the document where applicants will answer questions and submit supporting documentation regarding the project to satisfy the federal requirements for both the ERR and the Section 106 reviews. Applicants filling out the ERR Workbook will need to follow the User’s Guide and all appendices in order to fill out the ERR Workbook. Specifically, the User’s Guide and Appendix 3 Resources Document, will provide the information necessary to fill out the ERR Workbook.

The User’s Guide, all appendices, and fillable versions of the ERR Workbooks are available at [here](#).

Inspections and testing of properties for hazards or defects may be conducted before receiving approval of a Request for Release of Funds, as allowed by 24 CFR 58.34(a), Exempt activities, specifically its subparagraph (5). Therefore, Sub-recipients may conduct lead-based paint inspections and risk assessments on target housing that is otherwise eligible for lead hazard control work before receiving approval of a Request for Release of Funds. All other restrictions apply. See [Policy Guidance 2008-03, Conducting Lead Inspections and Risk Assessments Prior to Environmental Review/Request for Release of Funds](#).

IHCDA will treat units as a Tiered Review. The Tier 1 will be conducted by IHCDA. Sub-recipients are required to conduct the Tier 2 and Section 106 Review.

TIER 2 - SITE-SPECIFIC REVIEWS

For the Tier 2, Sub-Recipients are required to submit to IHCDA’s third party contractor the Exhibit G workbook for each address – this includes any original signatures and source documentation as required by the ERR workbook. Sub-Recipients must also include its own photographs – all photos must be in color, large, labeled and legible. There will be a Section 106 Historic Review process for each site and the questions are contained within Exhibit G of the ERR workbook.

After IHCDA agrees with the applicant's conclusions, IHCDA or its third party contractor will issue the applicant a Phase 2 Concurrence letter allowing the award recipient to move forward for the specific site. Once the recipient receives that notification for each specific site, the sub-recipient may begin the undertaking for that site.

Recipients are encouraged to submit complete ERRS as soon as individual sites have been identified. No contracts or commitments of funds may be made to a specific site until after the individual worksheets are approved. It is not necessary to republish after completing the Exhibit G of the ERR workbook for each individual site.

Chapter 7 – SPECIFICATIONS AND BIDDING

PROTOCOL FOR WRITING PROJECT SPECIFICATIONS

A set of work specifications for each unit will be prepared by the Sub-Recipients Construction Manager based upon the lead paint inspection, risk assessment and/or healthy homes rating.

The work specifications shall be written to address only lead hazards identified in the LIRA and Healthy Homes Assessment and any minimal rehabilitation, in accordance with [Policy Guidance 2008-02, Undertaking Minimal Rehabilitation](#) needed to make the repair. All work specifications must be reviewed and approved by the IHCDA PM prior to the start of any lead hazard control activities and/or Healthy Homes Supplemental funding repairs.

A combination of methods of paint stabilization, interim controls, and abatement will be specified based upon the cost effectiveness and availability of funding. The maximum per-unit LHRD cost shall be \$10,000. Requests to exceed this subsidy limit must be justified and submitted to the IHCDA Program Manager's for review and determination.

SPECIFICATIONS FOR OTHER REHABILITATION

Other rehabilitation funds (HOME, CDBG, Weatherization, etc.) anticipated to be used in conjunction with the LHRD program shall be specified separately from LHRD grant funded work.

PROPERTY OWNER AGREEMENT OF WORK SPECIFICATIONS

The Sub-Recipient will obtain written property owner review and agreement of the scope of work and the property resident and owners signature on the provided Participation Agreement (Exhibit L). A copy will be maintained in the per unit project file.

PROGRAM MANAGER REVIEW OF WORK SPECIFICATIONS

A copy of the work specifications will be submitted to the IHCDA Program Manager for review electronically by the Sub-Recipient prior to soliciting for bids. The Program Manager will review the work specifications, to the greatest extent feasible, within 3 business days and notify the Sub-Recipient by email if approved or for further clarification. A copy of all communications should be maintained in an electronic format for each unit project.

STANDARDS OF TREATMENT

The control or elimination of all lead-based paint hazards identified in housing units and in common areas of multi-family housing through either interim controls or lead-based paint abatement, or a combination of both. For a complete description of interim controls and abatement, see Chapter 11 and 12 of the [HUD Guidelines](#).

CONTENT OF REQUEST FOR BID PACKET

The Request for Bid Packet used to solicit project bids shall contain:

- 1) Copies of individual's valid state licenses for all lead abatement workers/supervisors
- 2) Copy of the State of Indiana Abatement Contractor License
- 3) Copy of the receipt of the Pre-Renovation form
- 4) Completed copy of Occupant Protection Plan
- 5) Copy of the submitted ISDH Notification of Lead Abatement form
- 6) List of any subcontractors and/or material suppliers
- 7) Current General Liability and Worker's Compensation insurance certificate
- 8) Any product material safety data sheets (MSDS) to be used on the project

- 9) Provision for Any Required Building Permit Fees
- 10) Any other credentials necessary to perform the work as required

WARNING SIGNS

Post warning signs on the building and at a 20-foot perimeter around the building (or less if distance to next building or sidewalk is less than 20 feet). Warning signs should be in a language understandable to residents (see Figures 8.10 and 8.11) of the *HUD Guidelines*. Recommended wording is: “Warning. Lead Work Area. Poison. No Smoking or Eating.” Some states have specific sign requirements, and wording can be adapted as appropriate to project-specific conditions. See EPA’s RRP rule for sign requirements for renovations. You may also use barrier tape (see Figure 8.16).

SECURITY

In accordance with the *HUD Guidelines*, when required, erect temporary fencing or barrier tape at a 20-foot perimeter around working surfaces (or less if distance to the next building or sidewalk is less than 20 feet). If practical, require use of an alternative entryway for any entrance within 20 feet of working surfaces. If not, install a shroud, simple airlock flap, and tack pad, as described above. Use a locked metal bin, locked covered truck, or locked room to store debris securely before disposal.

CLEAN-UP

Cleanup should be conducted at the end of each workday, the end of each work shift when work is being done on more than one shift, or when workers are finished in one exterior work area and moving to another, whichever is soonest.

- Remove debris and paint chips and wet clean all horizontal surfaces on the building (e.g., exterior window sills and exposed window troughs, porches, balconies, railings) within 20 feet from working surfaces.
- Remove debris and paint chips from the protective sheeting.
- Dispose of water that has collected on the protective sheeting in accordance with local rules (usually flushing it down a toilet is acceptable, but do not dump it down a storm drain or a sink, tub, or shower). + Clean (either vacuum or wet clean) the protective sheeting. After cleaning:
- Fold protective sheeting inward to avoid contamination of the environment. Do not reuse protective sheeting.
- Visually inspect for and remove any debris and paint chips from the ground, walkways, gardens, shrubbery, and play areas. Refer to Chapter 14 for further guidance on cleaning before, during, and after hazard control and other paint-disturbing work.
- Do not leave debris or protective sheeting out overnight (or after the final work shift of the day).
- Keep all debris, protective sheeting, and other disposable material in a secured area that will not allow release of the material, until final disposal. (See Section III.C.4, above.)

LEAD WASTE DISPOSAL

The handling of waste disposal must adhere to the requirements of the appropriate local, state, and federal regulatory agencies, *Chapter 4 of the HUD Guidelines* and [*Policy Guidance 2001-02, EPA Policy on Excluding LBP Wastes from RCRA Hazardous Waste Requirements.*](#)

EXTERIOR CONTAINMENT

Attach two layers of 12' wide plastic sheeting to the building perimeter extending 10' past the work area. Construct a worksite perimeter curb of 2" x 4" timbers wrapped under the containment. After installation of appropriate ground containment create an outer barrier of flags or plastic tape away from the work site. Close and lock all windows and doors from the interior on the work site elevation. Reference [*Chapter 8 of the HUD Guidelines*](#) for all required procedures.

INTERIOR WORKSITE PREPARATION

Chapter 8 of the HUD Guidelines provide, in Table 8.1, has two sets of recommendations for interior work (not including windows) – one for “low-dust” jobs and one for “high-dust” jobs. Chapter 8 Section III (d) provides guidance on worksite preparation for windows.

ELIGIBLE CONTRACTORS

A database of Program-approved, eligible contractors, will be developed throughout LHRD grant by the IHCD Program Manager and our Partners for use by all Sub-Recipients. Each Sub-Recipient shall share responsibility for updating contractor information, prior to executing a contract and when changes occur, and notifying the Program Manager. The database will be updated to include new contractors seeking eligibility through Grant-funded training events to be held for the certification and re-certification of lead abatement workers, Project Supervisors, Lead Inspectors, and Risk Assessors.

Eligible Contractors, as well as their sub-contractors, will meet the following minimum requirements:

1. All Lead Abatement contractors must be currently licensed in the State of Indiana. Each contractor must have at least one licensed Lead Abatement Supervisor and all Lead workers must also be licensed. Licenses will be verified by the Sub-Recipient and Project Manager.
2. Contractors only performing interim controls must be an EPA approved RRP certified Firm. Their EPA certificate must be submitted to the IHCD PM. Workers performing interim controls must be supervised by an individual licensed as a lead-based paint Project Supervisor or have completed successfully one of the following lead-safe work practices courses, except that this supervision or lead-safe work practices training requirement does not apply to work that disturbs painted surfaces less than the *de minimis* limits of §35.1350(d) of the Lead Safe Housing Rule:
 - A lead-based paint abatement supervisor course accredited in accordance with 40 CFR 745.225;
 - A lead-based paint abatement worker course accredited in accordance with 40 CFR 745.225;
 - ***A renovator course accredited in accordance with 40 CFR 745.225.***
 - “The Remodeler's and Renovator's Lead-Based Paint Training Program,” prepared by HUD and the National Association of the Remodeling Industry; or
 - Another course approved by HUD for this purpose after consultation with EPA.

*See [Policy Guidance 2002-02, Use of Contractors Trained in Lead-Safe Work Practices to Conduct Interim Controls in Housing Being Treated Under the Grant Program.](#)

3. Insurance – Sub-recipients will be required to provide proof of adequate builder’s risk insurance to include contractor liability and/or property insurance that includes coverage for work done by contractors during construction.
Policy Requirements:
 - a. If a contractor liability policy is used, it must name IHCD as additionally insured.
 - b. If a builder’s risk policy is used, it must name IHCD as both a loss-payee and an additionally insured.
 - c. If a homeowner policy is used, nothing needs to be added to the policy. Once the lien is placed on the home, the entity placing the lien automatically becomes a loss payee.
 - d. The builder’s risk or contractor liability policy can be in the name of the recipient, contractor, owner of the property, or sub-recipient.
 - e. The builders risk coverage must be for the replacement value of the property, increasing as appropriate throughout the construction period to the full replacement value at construction completion.

- f. The value of the contractor liability must be, at a minimum, for the replacement value of the property. Additionally, if the contractor employs persons, the policy must also include workers compensation.
- g. The value of the property insurance must be, at a minimum, for the replacement value of the property.

Reference [Chapter 5](#), Section L of the IHCDA Program Manual for more detail on Insurance requirements.

4. Bonding- For any construction contracts or subcontracts exceeding \$100,000 please reference Chapter 5, Section M of the IHCDA Program Manual.
5. Equal Opportunity Employment – All contracts awarded (including small purchases) must contain the following federally mandated provision:
 - Equal Employment Opportunity -Executive Order 11246: Equal Opportunity Clause, goals for female and minority participation and implementing regulations
 - The contractor and any subcontractors shall comply with E.O. 11246, “Equal Employment Opportunity,” as amended by E.O. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and as supplemented by regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, and Department of Labor.”
6. Other required licenses or certifications – Plumbing, Electrical, HVAC where required by the local municipality shall be verified and maintained in the project file.
7. W-9 Form – Contractors must submit a Taxpayer Identification Number and signed W-9 Form to be submitted to the Sub-Recipients Accounting Departments to comply with IRS and State Department of Revenue requirements.
8. HUD debarment – No contract award may be made to parties listed on the government-wide exclusions in the System for Award Management (SAM) or Federal Awardee Performance and Integrity Information System (FAPIS), in accordance with the OMB guidelines on debarment and suspension at 2 CFR part 180.2. A verification of such will be performed by the Sub-Recipient and documentation forwarded to the IHCDA PM prior to executing the contract by searching the [SAM](#) and [FAPIS](#) websites.
9. Minimum 1-year Warranty – The Contractor shall agree to warranty all work, materials, and workmanship for a minimum of one (1) year.
10. IHCDA is responsible for completing the OLCCH, “Checklist to Determine Sub-recipient or Contractor Classification” for each Sub-Recipient or contractor **receiving funds greater than \$3,500.00** listed on line item 7 of the Budget Worksheet (HUD Form 424-CBW). The OLCCH Grant Technical Representative will approve or disapprove the classification determination **in writing** for each entity submitted by IHCDA before, during, and after the grant in accordance with [Policy Guidance 2017-02, Determining Sub-recipient or Contractor Classification](#).

SUSPENSION OF ELIGIBLE CONTRACTOR STATUS

Any Sub-Recipient may make a decision to exclude, disqualify, or suspend a contractor based upon their inability to demonstrate the minimum requirements, failure to maintain the minimum requirements, or failure to perform under a contract. The decision must adhere to IHCDA’s Suspension Policy located in *Chapter 17 of the IHCDA Program Manual*.

PROCUREMENT AND CONTRACTS

Each Sub-Recipient will be required to follow IHCDA’s competitive procurement standards. There are four (4) allowable methods of procurement, depending on the type of goods or services being procured and who is doing the procurement. These are:

- 1) Competitive sealed bids
- 2) Competitive negotiation
- 3) Small purchases
- 4) Non-competitive and sole source purchases

No contract award may be made to parties listed on the government-wide exclusions in the System for Award Management (SAM) or Federal Awardee Performance and Integrity Information System (FAPIS), in accordance with the OMB guidelines on debarment and suspension at 2 CFR part 180.2. *See [Policy Guidance 2017-4, OLHCHH Grant Procurement Standards](#).*

Prompt Payments to Contractors must adhere to 2 CFR § 200.305, Payment: The Sub-Recipient must submit timely invoices to IHCDA in accordance with the contract provisions. When the reimbursement method is used, the pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the OLHCHH or Sub-Recipient believes the request to be improper (See 2 CFR § 200.53, Improper Payments). Note that, if non-federal laws or regulations applicable to a Non-Federal Entity specify a shorter prompt payment period, the Entity must comply with that shorter period.

Contractors must be approved by IHCDA prior to entering into a contract with the Sub-Recipient. With each Sub-Recipient, IHCDA will set up an eligible pool of contractors.

IHCDA generally uses competitive bidding procedures in order to solicit RFQ/RFPs for new service contracts, unless the service being procured falls within the noncompetitive (sole source) process set out by the State of Indiana.

The Sub-Recipients procurement process must be in accordance with following:

1. 2 CFR 200.317-326 & 2 CFR 200.330
2. [Policy Guidance 2017-04 OLHCHH Grant Procurement Standards](#).
3. IHCDA [Procurement Procedures](#).
4. The activity is usual and customary activity of the Sub-Recipient. The Sub-Recipient will be reimbursed on a direct cost basis (costs actually incurred and so documented) only for costs that are reasonable and necessary. Each Sub-Recipient will be required to follow the regulations on procurement.
5. IHCDA has four allowable methods of procurement, depending upon the type of goods or services being procured. These include: competitive sealed bids, competitive negotiation, small purchase and non-competitive and sole source purchases.

IHCDA POLICY ON SERVICES BY A CONTRACTOR

A contractor may be a for-profit entity, a non-for profit or a municipal employee. A contractor may perform administrative or professional services as a stand-alone or in conjunction with other activities. The complete negotiation method is recommended for all procurement of professional services

PROCUREMENT POLICY BY SUB-RECIPIENT FOR HAZARD CONTROL CONTRACTORS

All construction contracts must be through the competitive sealed bid method, and thus, the pool of eligible lead hazard contractors must be determined through this method.

Competitive sealed bids are solicited through formal advertising, such as in the newspaper legal section. Sub-Recipients will be required to prepare a bidder's list (i.e. contractors' pool), to alleviate the publication requirement each time projects go out to bid. To create a bidders list, the Sub-Recipient must

publish at least twice in a newspaper of general local circulation. The advertisements must be a least seven (7) days apart, with the second public and made at least seven (7) days before the deadline for submitting request to be placed on the bidder's list (public advertisement requirements are detailed under Indiana Law I.C. 5-3-1-2(e)).

The advertisement must specify any requirements contractors must satisfy in order to be placed on the bidders' list. These requirements may include, but are not limited to, the submission of financial statements, statement so experience, proposed plans for performing the work, documentation of insurance, licensing and/or bonding and equipment available.

Thereafter, each time a project activity goes out to bid, the Sub-Recipient must notify all contractors on the bidders list, as well as document effort to solicit minority and women owned business enterprises. The notification should inform contractors where bid documents are available for review. At any point in time, a contractor may request to be placed on or deleted from the bidder's list. Additional the bidders list should be updated every six (6) months. To update the bidder's list, the recipient should follow the publication requirements as well as contract each non-responsive contractor that is on the bidder's list to ask if it would like to remain on the bidder's list.

When choosing a contract, the contract award may be a fixed sum, or a unit price with ceiling that the contractor exceeds at its own risk, but it cannot be a cost plus percentage of cost contract.

The Sub-Recipient must provide all prospective bidders with a complete description of the items or services to be purchased. This description should avoid specific brand requirements, although "brand name or equal" descriptions may be used as an example of functional or quality requirements. The procurement must lend itself to a firm fixed price contract that allows selection of a successful bidder primary on price.

THE BASIC PROCESS TO FOLLOW IS AS FOLLOWS:

1. Prepare technical bid specifications: these specifications should provide complete and accurate descriptions of materials, products and services to be provided. The specifications should address any concerns identified during the environmental review.
2. Prepare the project bid terms and conditions: The Sub-Recipient should review the following:
 - a. Technical specifications
 - b. City, town or County, as well as federal and state requirements
 - c. Lead specific requirements
 - d. Cost and pricing information
 - e. Method of payment
 - f. Advertisement for bid (as required by state law)
 - g. Bidders information specifying method of bidding, bid evaluation and contract award
 - h. Contract form
 - i. For contracts over \$100,000:
 - j. Bid proposal form
 - k. Bonding forms
 - l. Section 3 requirements
3. The advertisement must include:

- a. The place and date where plans and specifications are available for review
 - b. Place, date and time fixed for receiving bids
 - c. Bonding and certificate requirements
 - d. State the 10% participation by MBE/WBE firms (a certified letter must be sent to at least 2 firms)
 - e. State the goals/obligations related to Section 3
4. Prior to signing any contracts:
- a. The contractor selected in the pool must be approved by the IHCDCA Lead Program Manager. The Manager will ensure the contractor has all the required certifications, licenses, and is not disbarred from IHCDCA or from the use of federal funding.
 - b. The contractor must meet all bonding requirements regardless of dollar amounts, and is required for all service contracts over \$25,000 if the competitive sealed bid method is not used.

Procurement Policy by Sub-Recipient for Professional Services (Risk Assessor and Clearance Inspector):
 The competitive negotiation method is recommend for all procurement of professional services. The procurer prepares a formal Request for Proposals (RFP) and request proposals from at least two (2) or more qualified firms or individuals. These firms will come from the ISDOH listing of licensed firms. The evaluation of the RFP must include:

1. Specialized experience or technical expertise of the firm and its personnel in connection with the type of services to be provided and the complexity of the project
2. Past record of performance on federally-funded contracts and a list of other clients served
3. Capacity of the firm to perform the work within time limitations
4. Familiarity of the firm with the type of problems applicable to the project.

TIMING OF BIDS

Sub-Recipients will seek to procure bids in a timely manner. The maximum timeframe for a Contractor to respond to a Request for Bid shall be 30 days. The initial Request for Bid packet will be requested to be returned within 3 weeks of receipt of the packet by the Contractor. Emergency situations or where a child with an EBLL resides in the proposed assisted unit will be expedited to the greatest extent feasible

SECTION 3

IHCDA intends to provide economic opportunities to residents and businesses, including minority-owned businesses in each of the six cities in compliance with Section 3. As part of the LHRD grant, IHCDCA through our partners and Sub-Recipients will provide Lead Awareness, Renovation, Repair and Painting (RRP), and Lead Worker/Supervisor training to Section 3 persons, individuals and community members within designated target areas.

Economic Opportunities for Low- and Very Low-Income Persons (Section 3). Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. § 1701u) is applicable to grants funded under this program. All Sub-recipients that receive awards exceeding \$200,000 are required to comply with Section 3. If you plan to hire any new employees or award contracts to carry out the grant, you must comply with the Section 3 requirements found at 24 CFR 135.32. Additionally, any contractor, subcontractor or sub-grantee receiving contracts under the grant totaling more than \$100,000 must comply with the Section 3 requirements for any new training, hiring or sub-contracting opportunities provided under those contracts.

SOURCE / ADDITIONAL INFORMATION

For additional information, see “ANNUAL SECTION 3 SUMMARY REPORTING REQUIREMENTS FOR RECIPIENTS OF HUD COMMUNITY PLANNING & DEVELOPMENT FUNDING (TECHNICAL ASSISTANCE ON FORM HUD-60002)”

SECTION 3: RECIPIENT RESPONSIBILITIES

1. Implementing procedures to notify Section 3 residents and business concerns about employment and contracting opportunities generated by Section 3 covered assistance;
2. Notifying potential contractors working on Section 3 covered projects (contracts \$100,000 or greater) of their responsibilities by incorporating the Section 3 Clause into all covered solicitations and contracts [see 24 CFR Part 135.38];
3. Assisting and actively cooperating with the Department in making contractors and subcontractors comply;
4. Documenting actions taken to comply with Section 3; and
5. Submitting Section 3 Annual Summary Reports (form HUD-60002) in accordance with 24 CFR Part 135.90.

In order to comply with these responsibilities, IHCDA will require all recipients to submit an annual update using Form HUD-60002. Annual reports will be due July 1 of each year. The following information is required by HUD to be included on the Annual Summary Report (HUD-60002).

1. The total dollar amount of HUD funding that was received by the recipient for covered projects/ activities during the specified reporting period.
2. The total number of new employees that were hired by the recipient and/or its covered contractors, subcontractors, and Sub-Recipients, as a result of performing or completing covered project/activities.
3. The number of new employees that were hired by the recipient (or its covered contractors, subcontractors, and Sub-Recipients), as a result of covered projects/activities, that met the definition of a Section 3 resident.
4. The total number of man hours worked on covered projects (optional).
5. The aggregate number of hours worked by Section 3 residents on covered projects (optional).
6. The total number of Section 3 residents that participated in training opportunities that were made available by the recipient agency, its contractors, Sub-Recipients, or other local community resource agencies.
7. The total dollar amount of construction and/or non-construction contracts (or sub-contracts) that were awarded with covered funding.
8. The dollar amount of the recipient's construction or non-construction contracts (or subcontracts) that were awarded to Section 3 business concerns.
9. Detailed narrative descriptions of the specific actions that were taken by the recipient (or its covered contractors, subcontractors, Sub-Recipients, or others) to comply with the requirements of Section 3 and/or meet the minimum numerical goals for employment and contracting opportunities.

For further information and guidance on Section 3, please refer to [Chapter 6](#) of the IHCD Program Manual.

OCCUPANT PROTECTION & RELOCATION

Participation in the LHRD program is voluntary, so participants are *not* eligible for permanent relocation assistance. Sub-Recipients are required to provide *temporary* relocation assistance for *rental occupants* in the event that a rental *unit* becomes temporarily unlivable during lead hazard control work. Owner-occupants temporarily relocating while lead hazard reduction measures are conducted *are not* eligible for URA relocation assistance.

During the initial eligibility review for the program, Sub-recipients should inform participants that relocation might occur. Sub-Recipients can provide relocation for households in the form of paying for hotels, housing participants in another unit, paying for meals, etc. A HUD-40030 (Exhibit G) form must be completed by the Sub-Recipient and approved by the IHCD PM prior to relocation.

Lead hazard control work and temporary relocation should take no longer than 10 days. If planned work or relocation is longer than **10 days** the Sub-Recipient must receive prior approval from the IHCD PM. Assisting with reasonable costs of temporary relocation for those persons required to vacate rental housing while participating in this voluntary maintenance program for lead hazard reduction is an eligible activity of the program. Occupants who enroll in the programs must be treated fairly and equitably, in particular, regarding removing participation barriers created by relocation requirements if housing must be vacated while lead hazard reduction measures are being conducted.

Rental occupants are entitled to receive temporary relocation assistance where applicable pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), 42 U.S.C. §§ 4601-4655, as described in regulations at 49 CFR 24.2(a)(9)(ii)(D) and the corresponding Appendix A to Part 24.

When tenant occupants with physical disabilities are temporarily relocated, they must be offered housing that can be approached, entered, and used by persons with physical disabilities. For additional information on relocation requirements, see the HUD Handbook 1378 (Real Estate Acquisition and Relocation Policy and Guidance).

Contractors are required to fill out an Occupant Protection Plan form. A licensed supervisor will be on site, available to workers and responsible for direct supervision of all workers during all work site preparation; lead hazard control activities and post abatement cleanup of work areas. The onsite supervisor will maintain the following documents onsite at all times: Indiana notification; Occupant Protection Plan; Employee licenses; and required OSHA documentation.

A written protection plan will be developed for all lead hazard control projects and will be unique to each dwelling; be developed prior to abatement; include the description of the measures and management procedures that will be taken during the abatement to protect the building occupants from exposure to any lead-based paint hazards. All protection plans will be prepared by a supervisor or project designer. This Plan follows state regulation 410 IAC 32.4.5.9.

Occupants shall not be permitted to enter the worksite during hazard reduction activities (unless they are employed in the conduct of these activities at the worksite), until after hazard reduction work has been completed and clearance, if required, has been achieved. All lead hazard control activities should be completed within 10 days.

Occupants shall be temporarily relocated before and during lead hazard reduction activities to a suitable, decent, safe, and similarly accessible dwelling unit that does not have lead-based paint hazards, except if:

1. Treatment will not disturb lead-based paint, dust-lead hazards or soil-lead hazards;
2. Only the exterior of the dwelling unit is treated, and windows, doors, ventilation intakes and other openings in or near the worksite are sealed during hazard control work and cleaned afterward, and entry free of dust-lead hazards, soil-lead hazards, and debris is provided;
3. Treatment of the interior will be completed within one period of 8-daytime hours, the worksite is contained so as to prevent the release of leaded dust and debris into other areas, and treatment does not create other safety, health or environmental hazards (e.g., exposed live electrical wiring, release of toxic fumes, or on-site disposal of hazardous waste); or
4. Treatment of the interior will be completed within 5 calendar days, the worksite is contained so as to prevent the release of leaded dust and debris into other areas, treatment does not create other safety, health or environmental hazards; and, at the end of work on each day, the worksite and the area within at least 10 feet (3 meters) of the containment area is cleaned to remove any visible dust or debris, and occupants have safe access to sleeping areas, bathroom, and kitchen facilities.
5. The dwelling unit and the worksite shall be secured against unauthorized entry, and occupants' belongings protected from contamination by dust-lead hazards and debris during hazard reduction activities. Occupants' belongings in the containment area shall be relocated to a safe and secure area outside the containment area, or covered with an impermeable covering with all seams and edges taped or otherwise sealed.

TENANT-OCCUPIED HOUSING - INFORMING THE TENANTS

Tenants will be well informed of the LHRD grant relocation policies and procedures. In keeping with this policy, tenants will receive the following information prior to and during the relocation period:

1. Before Project Approval: When an owner applies for Federal funding for the rehabilitation of the tenant-occupied property, tenants will receive a General Information Notice. The notice will inform the tenants of the potential project and advise them of their eligibility under the Uniform Relocation Act. Residents shall be notified they may be required to move temporarily while property improvements are occurring.
2. After Project Approval and testing: After a project has been approved, and it is clear that temporary relocation of occupants will be needed – the tenants will be given a Notice of Non-Displacement and Temporary Relocation. When evaluation is undertaken and lead-based paint or lead-based paint hazards are found, the Sub-Recipient shall provide a Notice of Evaluation to occupants within 15 calendar days after the LIRA report is received. The Notice shall be in accordance with §35.125 of the Lead Safe Housing Rule.
3. After Unit Clearance: When the unit passes lead-paint clearance, the occupant will be issued a verbal notice of re-occupy and provided with a Notice of Hazard Reduction Activity within 15 calendar days after the activity in accordance with §35.125 of the LSHR.

Each notice shall be provided in the occupants' primary language or in the language of the occupants' contract or lease. Notices will be distributed to each occupied dwelling unit affected by the evaluation and hazard reduction activity or serviced by common areas in which an evaluation and hazard reduction has taken place.

TEMPORARY UNITS

Every attempt will be made to identify temporary housing that is convenient for the tenant regarding employment, school and transportation. The relocation unit will be identified in the following manner:

1. The unit must be built after 1978
2. Be in accordance with Housing Quality Standards (24 CFR 982.401) or Physical Conditions Standards (24 CFR 5.703).
3. When persons with disabilities are temporarily relocated, they must be placed in housing that provides the same accessibility features, at a minimum, as the housing in which they currently reside.
4. The occupant may identify a unit. If the occupant locates temporary housing, the Sub-Recipient will inspect it to determine it is decent, safe and sanitary, suitable and lead-safe. If it passes inspection, the IHCDA PM must be notified and approve prior to prior to the occupant temporarily relocating.

REIMBURSABLE EXPENSES

At this discretion of HUD and review and approval by IHCDA, reimbursable relocation expenses include: housing costs, moving expenses, and storage. Documentation will consist of actual paid receipts or invoices including the date of service and service provider name. Hand-written documentation on blank paper will not be accepted.

ELIGIBLE HOUSING COSTS

If the resident occupies a leased hotel/motel unit, the LHRD grant may pay a reasonable cost of the room. The tenant will be responsible for paying their usual amount of rent to the owner during the temporary relocation.

DAMAGES CAUSED TO TEMPORARY UNIT

When the tenant occupies a leased hotel/motel unit from the approved list provided by grant staff, they will sign a Waiver of Tenant Responsibility & Understanding. The waiver will state the tenant understands their responsibility to abide by the rules and conditions of the leased unit. They understand they are responsible for any damages to property incurred during their stay at the leased unit. Any damages may result in potential penalty/payment and possible repayment in part of the LHRD grant funds. If the occupant fails to abide by the rules and condition and is asked to vacate the temporary unit prior to clearance of the rehabbed unit, it is their responsibility to find alternative housing.

CHAPTER 8 – CONSTRUCTION MANAGEMENT

Management of the construction project will be performed by the Sub-Recipient. The following duties described will be considered Construction Management and related documentation of each activity will be placed in the project file.

ELIGIBLE COSTS

Administrative Costs. You can utilize up to 10 percent of the federal award, excluding the Healthy Homes Supplemental funding request, for payments of reasonable grant administrative costs related to planning and executing the project, preparation/submission of HUD reports, etc. Administrative costs must be reflected under each appropriate line items (e.g., salaries, fringe, and supplies, on the Form HUD-424 CBW) and a detailed cost element breakdown in the budget narrative must be provided. The 10 percent administrative cost cap for this program must include any indirect cost rates placed in HUD share budget columns, as well as the sum of the budget line items that have inherent administrative costs per [OLHCHH Policy Guidance 2015-01, Clarification of costs for LHRD and LBPHC grant](#) plus any administrative costs of sub-recipient organizations (also detailed by budget line item and budget narrative).

There are two categories of administrative costs: direct administrative costs and indirect costs. For the purposes of this grant, all direct administrative costs and all indirect costs count towards the 10 percent administrative cost limit.

Direct Administrative Costs. Direct administrative costs are the reasonable, necessary, allocable, and otherwise allowable costs of general management, oversight, and coordination of the grant (i.e., program administration). Such costs include, but are not necessarily limited to, expenditures for:

a) Salaries, wages, fringe benefits, and related costs of the recipient's staff engaged in program administration that can be specifically identified with the grant. In charging costs to this category the recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration activities. The recipient may use only one of these methods during the grant period. Program administration includes, but is not limited to, the following types of activities:

- Providing local officials and citizens with information about the program, except for targeted outreach, affirmative marketing, education or outreach for lead hazard control programs;
- Preparing program budgets and schedules, and amendments thereto;
- Developing systems for assuring compliance with program requirements, except for participating in technical studies, or developing information systems to enhance the delivery, analysis, or conduct of lead hazard control activities;
- Developing interagency agreements and agreements with Sub-recipients and contractors to carry out program activities;
- Monitoring program activities for progress and compliance with program requirements, except for on-site monitoring of lead hazard control;
- Preparing reports and other documents related to the program for submission to HUD;
- Coordinating the resolution of audit and monitoring findings;
- Evaluating program results against stated objectives; and
- Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraphs 1 and 2 of this section (above).

b) Travel costs incurred for official business in general program administration that can be specifically identified with the grant program;

- c) Transportation costs incurred for general program administration that can be specifically identified with the grant program;
- d) Equipment, supplies (esp., office supplies), and materials used for program administration that can be specifically identified with the grant program;
- e) HUD-required or HUD-approved trainings or conferences; and
- f) Certification and licensing costs required for program administration responsibilities.

Support Costs Associated with Lead Hazard Control Activities. Activities that directly support the undertaking of lead hazard control, and without such support activities, the lead hazard control could not be conducted. These costs may include: staff costs for intake, review and approval of applications and preparation of documents to be signed by applicants for lead remediation work; staff costs for arranging for temporary relocation; staff costs associated with reimbursement and providing assistance to residents in relation to lead hazard control; on-site monitoring of lead hazard control activities; and travel and transportation for staff that perform lead hazard control.

Healthy Homes Supplemental Funding. Healthy Homes Supplemental funding is exclusively for direct costs associated with the identification and remediation of housing related health and safety hazards using the Healthy Home Rating System (HHRIS). Those costs allowable with the Healthy Homes Supplemental funding include costs for the assessment of housing units, for housing-related health and safety hazards, development of scopes of work for remediation of identified housing-related health hazards, conducting such remediation, re-evaluation of the completed work, reporting, notification to occupants and owners, if different, of the nature and results of the remediation. See [Policy Guidance 2016-01](#), **Purpose and Use of Healthy Homes Supplemental Funding**.

Lead Hazard Control. The control or elimination of all lead-based paint hazards identified in housing units and in common areas of multi-family housing through either interim controls or lead-based paint abatement, or a combination of both. All interior and exterior lead-based paint hazards identified must be addressed as per [Policy Guidance 2002-03](#), **Elimination or Control of all Identified Lead-Based Paint Hazards**.

Minimal Rehabilitation. Only minimal housing intervention activities that are specifically required and documented in the Lead Inspection/Risk Assessment hazard control plan which could not be completed, maintained, and sustained are authorized. Refer to [Policy Guidance 2008-02](#), **Undertaking Minimal Rehabilitation using OHHLHC Grant Funds**.

Blood Level Testing. Each child under the age of six years who resides in a housing unit receiving lead hazard control work will be tested for an EBLL, at no cost to the family, preceding the lead hazard control work unless the child's parent or legal guardian chooses not to have the child tested.

Temporary Relocation. Assisting with reasonable costs of temporary relocation for those persons required to vacate rental housing while participating in this voluntary maintenance program for lead hazard reduction is an eligible activity of the program. Occupants who enroll in the programs must be treated fairly and equitably, in particular, regarding removing participation barriers created by relocation requirements if housing must be vacated while lead hazard reduction measures are being conducted.

PERIODIC INSPECTION

The Sub-Recipient will perform a periodic inspection of the property and work performed by the Contractor. Inspections will be sequenced to occur a minimum of three (3) times throughout the construction project. Periodic inspections will be documented in the communication log in each per unit file. The inspection will verify the Occupant Protection Plan is being followed; contractors have all required licenses and signage onsite; the scope of work is being followed; photos of containments and

signage; and all other measures taken to perform the planned work are in accordance with all State and Federal requirements.

FINAL DRAW REQUESTS

Draw requests that may be considered the ‘final’ or the last draw of the LHRD grant will be subject to a withholding of the final \$5,000. The amount held back will be held for the purpose of ensuring lead clearance is met and all sub-contractors and vendors are paid. Upon notification of passed clearance, the amount held will be released.

PROTOCOL FOR ORDERING CLEARANCE

The following steps will be taken to facilitate a lead clearance inspection:

1. Pre Clearance Inspection - Prior to ordering a lead clearance, the Sub-Recipient will verify with the Contractor that all work has been completed and will perform a pre-clearance inspection. The pre-clearance inspection will note any obvious conditions that would result in a lead clearance failure. Documentation of the pre-clearance inspection will be placed in the per unit file.
2. Written Clearance Request - Upon completion of a pre-clearance inspection, the Sub-Recipient will notify the Clearance Examiner or LIRA of the results of the inspection. A Request for Lead Clearance will include the property address, property owner information, contractor contact information, scope of work performed and any other relevant information necessary to facilitate lead clearance activities.

PENALTY FOR FAILED LEAD CLEARANCE

If the Sub-Recipient is notified of a failed clearance, the Contractor shall be billed for all subsequent clearance examinations performed. This language shall be included in the construction contract.

PROJECT COMPLETION

Upon receipt of all passed lead clearance reports, the project will be considered to be complete. At this point, Sub-Recipients will seek to process all final LHRD/HHI draws, obtain any necessary beneficiary data, calculate project match, and prepare the file for grant project completion.

Chapter 9 - CONTRACTS, TERMS & CONDITIONS

Required Contract Provisions: All contracts must include the following provisions.

1. Effective date of contract.
2. Names and addresses of award recipient or sub-recipient and contractor.
3. Names of representatives of award recipient or sub-recipient and contractor who will act as liaison for administration of the contract.
4. A citation of the authority of the award recipient under which the contract is entered into and the source of funds.
5. Contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.
6. Provisions for termination by the award recipient, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
7. Scope of Services:
 - a) Detailed description of extent and character of the work to be performed.
 - b) Time for performance and completion of contract services, including project milestones, if any.
 - c) Specification of materials or other services to be provided by both parties, (e.g., maps, reports, printing, etc.).
 - d) Clause requiring records to be maintained throughout the applicable records retention period.
 - e) An access to records clause including a provision that all negotiated contracts awarded by recipients shall include a provision to the effect that the state, the recipient, HUD, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers and records of the contractor which are pertinent to a specific program for the purpose of making audits, examinations, excerpts, and transcriptions.
 - f) A Conflict of Interest Clause.
 - g) Provisions for compensation of services, including the basis for submission of billings as the work progresses and specification of the total contract amount.
8. Bonding and Insurance Requirements, as applicable (see sections M and N of this chapter).
9. Federal Contract Provisions): All contracts awarded (including small purchases) must contain the following federally mandated provision:
 - a) Equal Employment Opportunity -Executive Order 11246: Equal Opportunity Clause, goals for female and minority participation and implementing regulations

The contractor and any subcontractors shall comply with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, and Department of Labor."

b) Rights to Inventions Made Under a Contract or Agreement

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Invention Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any

implementing regulations issued by the awarding agency.

c) Clean Air Act (42 U.S.C. 7401 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended, Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15)

For contracts and subcontracts of amounts in excess of \$100,000 the contractor or subcontractor shall comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Agency (EPA).

d) Byrd Anti-Lobbying Amendment (31 U.S.C.1352)

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

e) Debarment and Suspension (Executive Orders 12549 and 12689)

No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or No procurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.

10. Construction Contracts and Subcontracts for Davis-Bacon Projects must have the follow physically attached to the (See also Labor Standards chapter):

- a) Federal Wage Determination with modifications
- b) Additional Classifications (if applicable)
- c) Federal Labor Standards Provisions (HUD 4010)
 - i. Davis-Bacon Act
 - ii. Contract Work Hours and Safety Standards Act
 - iii. Copeland "Anti-Kickback Act"
- d) U.S. Department of Labor Notices (jobsite): WH 1321, WH 1462, and OSHA 2203 publications

The Sub-Recipient must ensure that a Participation Agreement (Exhibit L) is and agreed upon and signed by the owner of any rental property receiving LHRD grant funds. Rental property owners must give priority in renting units assisted with LHRD funds for not less than three years following completion of lead hazard control activities to families with a child under the age of six years. If the property is sold it must be to an income eligible family.

This requirement applies to all rental housing, whether occupied or not at the time of assistance, and for not less than three years following the date of assistance; it does not apply to owner-occupied housing. Sub-recipients will establish policies that ensure assisted units are prioritized for families with children under six years of age, such as, but not limited to:

- Requiring compliance in the terms of your assistance agreement with owners;
- Registering assisted units in a publicly accessible lead-safe housing registry; and/or
- Following up with the owner(s) at least annually and document in the unit file that the owner has attempted to comply.

AFFIRMATIVE MARKETING PLAN

Rental property owners will be required to submit an Affirmative Fair Housing Marketing Plan prior to the commitment of LHRD funds. The Plan must identify the target audience, methods and materials to attract tenants of all majority and minority groups in the housing market regardless of race, color, creed, religion, national origin, marital status, status with regard to public assistance, disability, sexual orientation or familial status. The Plan will be reviewed by each Sub-Recipient and incorporated into the grant agreement. At a minimum, the Plan may consist of a completed Sub-Recipient-provided Affirmative Fair Housing Marketing Plan form with sample marketing materials. To prepare sample marketing materials, property owners may request assistance from the Sub-Recipient. Materials drafted by the property owner, must contain at a minimum, an Equal Housing Opportunity Statement and Logo.

PROJECT SET-UP

The Sub-Recipient will set-up a per unit project with the Program Manager through submission (electronic) of Exhibit I, Set-up and Quarterly Report Form. The project can be set up when the applicant income eligibility is determined; however, the unit must be set-up prior to solicitation of bids. The Set-Up Form (Exhibit I) will include information relevant to the property owner and unit, anticipated amount of LHRD, HHS, and matching funds.

PROJECT DRAW REQUEST

IHCDA is the responsible agency for overseeing the financing of lead hazard control intervention work in units and for approving payments to the contractors doing the work. Each Sub-Recipient will directly administer and monitor the financing of work through contracts with the certified abatement contractors.

Sub-Recipients will undertake a consistent method of project and grant management through the use of standard project set-up, draw, and completion forms sequenced to occur throughout the course of the LHRD grant.

As previously mentioned, IHCDA will enter into an Agreement with its Sub-Recipients. IHCDA will reimburse each Sub-Recipient on a cost reimbursable basis. The Sub-Recipients will submit billing statements regularly as needed. Only those costs, which are determined to be allowable, allocable, and reasonable in accordance with the cost principles of OMB Circular A-87, and OMB Circular A-122 will be reimbursed to the Provider.

Claims are submitted online. Register and log in [here](#) on our website to begin uploading documents and submit claims.

Once registered, email claims@ihcda.in.gov to request approval.

SUPPORTING DOCUMENTATION REQUIREMENTS

The following outline the supporting documentation requirements for the claims process.

1. Include a detailed summary list of each expenditure being requested for reimbursement by line item.
2. Include a copy of all invoices.
3. Supporting documentation for claims for the administration, program delivery budget line items requesting reimbursement for time spent on the undertaking by staff of a local unit of government, Sub-Recipient, or not-for-profit organization must include: name of the employee, dates worked, number of hours worked, the chargeable rate, and the total wage computation.
4. The IHCDA claims template is recommended to use for all staff costs.

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Licensed contractors will enter into contracts with the Sub-Recipient for the lead hazard control work. The contractor will be allowed periodic payments utilizing request for payment forms. These forms will be submitted to the Sub-Recipients PM for their city and reviewed. All work must be approved by the IHCDA PM before any payment is made. Absolutely no funding will be advanced to the contractor for labor or materials.

ALLOWABLE COSTS

- For draws to be considered in the current quarter, IHCDA will submit the LOCCS draw no later than 10 business days prior to the end of the each quarter. The reimbursement to Sub-Recipient schedule will be based upon the date IHCDA makes the LOCCS request in accordance with [Policy Guidance 2013-02, Revised Line of Credit Control System \(LOCCS\) Reimbursement Procedures](#).

2018	2019	2020	2021
June 15, 2018	March 15	March 17	February 12
September 14, 2018	June 14/14	June 16	
December 17, 2018	September 16	September 16	
	December 17	December 17	

- Draws must be made at least once per quarter and can be made as needed each month. Monthly draws must also be submitted no later than the 15th of each month for processing within the same month.
- Draws exceeding \$100,000 will require full documentation in support of the draw request consistent with [Policy Guidance 2013-02](#).

PROJECT SET-UP, QUARTERLY, AND COMPLETION REPORTING

Sub-Recipients will submit, via email, project completion data through the Quarterly Report (Exhibit I) to the IHCD PM. To be considered in the HUD quarterly report, the Set-up and Quarterly Report Status form must be received by the following dates:

2018	2019	2020	2021
October 15, 2018	January 14, 2019	January 13, 2020	January 11, 2021
	April 15, 2019	April 13, 2020	Final Draw TBD
	July 15, 2019	July 13, 2020	
	October 14, 2019	October 12, 2020	

PROVISION FOR VACANT UNITS

With a goal of no more than 15 units approved by the IHCD PM on a case-by-case basis, Sub-Recipients may request to use LHRD funds in vacant units; however, priority must be given to units referenced in the Unit Prioritization section of the Work Plan. Use of LHRD funds for vacant units must be approved by the IHCD PM. Enrollment in the program is based on the unit’s future occupancy status (either owner-occupied or rental) and the unit meeting all Title X eligibility criteria. The funding mechanism is based on the unit’s future occupancy status. The property Owner must provide appropriate documentation, as requested by the program guidelines, supporting the future occupancy use of an eligible beneficiary.

The owner must agree to give priority to families with children under six for not less than three years following the completion of work. While remediating lead-based paint hazards in vacant units is permissible, Sub-Recipients must ensure that they are not forgoing units where children are currently residing in preference of vacant units.

UNIT CLOSE-OUT

After the lead hazard control activities and clearance is achieved, the Sub-Recipient must submit necessary documentation to the IHCD PM in order to authorize contractor payment. These documents are the IHCD Inspection Certification Form; Clearance Examination Report to include all lab sample results; IHCD Notice of Lead Hazard Reduction form; Healthy Homes Inspection report (if applicable); Contractor Invoice and Authorization to Pay. Once received, IHCD will process and authorize contractor payment immediately upon receipt. Payment will be made within approximately 30 days after receipt of the invoice.

Sub-Recipients are responsible for providing to the occupant and property owner all of the following documents during the process: EPA Protect Your Family form Lead in Your Home, EPA Lead-Safe Certified Guide to Renovate Right brochure, Lead Inspection/Risk Assessment Report, Lead Hazard Control Plan and/or Healthy Homes funding activities (work specifications), and Lead Clearance Report. Upon providing these to the occupant and/or property owner, the Sub-Recipient shall obtain signatures on an acknowledgement of receipt form.

Sub-Recipients will provide all necessary data necessary to complete the LHRD Grant close-out activities in accordance with [Policy Guidance 2012-05, Closeout Procedures for OHHLHC Sub-recipients](#).

FOLLOW-UP ACTIVITIES

Sub-Recipients are not required to perform post-treatment follow-up visits for each unit. However, they are responsible for responding to homeowner inquiries regarding any workmanship failures until the contractor warranty expires at 12 months. The Sub-Recipient is responsible for contacting the appropriate contractor, if necessary, to address any workmanship issues. Issues regarding Window Settlement

warranties should be reported from the homeowner, to the Sub-Recipient, and directly to the IHCDA PM. The Sub-Recipient should report these issues to the IHCDA PM and take appropriate actions to resolve any issues.

The Participation Agreement, for rental units, mandates that ownership of all enrolled units must be maintained for 36 months after lead hazard control work is completed and must be marketed and rented to income eligible families with young children for a period of 36 months after work is completed. The rental property owner must also adhere to Fair Market Rent values for a period of 36 months after work is completed.

Failure by the owner of a participating unit to meet necessary HUD requirements may be cause for recapturing of LHRD funds. The Sub-Recipient will administer an annual survey to all enrolled and completed clients regarding the current occupancy status of units to ensure all Participation Agreement requirements are being followed. This follow-up survey shall be completed annually during the month of June in the year following completion of each project.

ANNUAL REPORTING

Race/Ethnicity annual data reporting and Section 3 annual activity reporting are due at the end of each fiscal year. The IHCDA Compliance Division will submit the Section 3 report in accordance with [Policy Guidance 2012-06](#), *Section 3 Summary Report Submission Procedures*.

SUB-RECIPIENT ACTIVITY MONITORING

The IHCDA PM and Compliance Staff will perform on-going desk-top monitoring's throughout the grant by requiring Sub-Recipient submittal of enrollment data, lead-based paint inspection and risk assessments, work specifications, bids, and clearance reports. An annual Sub-Recipient-site monitoring will occur with the IHCDA Compliance Staff and the PM. The on-site monitoring will include a complete file review and site inspection of an in-progress unit and a complete file review and site inspection of a completed unit. The IHCDA monitoring tool and HUD monitoring checklist will form the basis for the monitoring. The Program Manager will provide a monitoring report to the Sub-Recipient.

After final monitoring and closeout, all project files, records, and materials will be obtained by IHCDA and securely stored and be accessible to HUD, auditors, and other government officials for a period of at least 3 years from the end of the award's period of performance. This requirement extends to all sub-grants/sub-wards and subcontracts over \$10,000.