

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION**

Housing Resources Commission

Rules and Regulations

GOVERNING THE STATE LEAD HAZARD REDUCTION PROGRAM

Adopted on 1999
As Amended: 4/22/2002

Regulation Short Title:
[Lead Hazard Reduction Program Regulations]

AUTHORITY: These regulations are adopted pursuant to Chapters 42-35, etc. of the Rhode Island General Laws of 1956, as amended.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION
HOUSING RESOURCES COMMISSION

RULES AND REGULATIONS FOR
LEAD HAZARD REDUCTION PROGRAM

TABLE OF CONTENTS

| | |
|---|---|
| RULE 1. PURPOSE | 3 |
| RULE 2. AUTHORITY..... | 3 |
| RULE 3. APPLICATION..... | 3 |
| RULE 4. SEVERABILITY | 3 |
| RULE 5. SUPERSEDED RULES AND REGULATIONS..... | 3 |
| RULE 6. REGULATIONS..... | 3 |
| 6 A Definitions | 3 |
| 6 B Allocation of Funds..... | 4 |
| 6 C Eligible Activities..... | 5 |
| 6 D Application Process..... | 5 |
| 6 E Content of the Application..... | 5 |
| 6 F Program Administration | 6 |
| 6 G Miscellaneous..... | 6 |
| RULE 7. EFFECTIVE DATE | 6 |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION
HOUSING RESOURCES COMMISSION

RULES AND REGULATIONS
GOVERNING LEAD HAZARD REDUCTION PROGRAM

RULE 1. PURPOSE

The Rhode Island Housing Resources Commission (the "Commission"), hereby promulgates Rules and Regulations (the "Regulations") applicable to the Lead Hazard Reduction Program ("LHRP"). The primary purpose of the LHRP is to eliminate lead hazards in properties throughout the state. The Commission has been designated by the Rhode Island State Legislature to administer the LHRP. These Rules and Regulations set forth criteria established by the administrative entities to determine the method by which the Commission will allocate LHRP funds.

RULE 2. AUTHORITY

These rules and regulations are promulgated pursuant to Chapter 42-35 of the general laws: Housing Resources Commission - Powers and Duties with respect to lead hazard reduction program. The Housing Resources Commission shall serve as the lead state agency for housing programs and services, planning, education, technical assistance, and coordination of state projects and state financial assistance in accordance with 42-128 of the general laws. The Housing Resources Commission shall implement and put into full force and effect rules and regulations under the powers, duties, and responsibilities assigned to it by the Rhode Island Housing Resources Act of 1998, chapter 42-128 of the general laws, and by § 42-35, Administrative Procedures, of the Rhode Island General Laws of 1956, as amended.

RULE 3. APPLICATION

The terms and provisions of these rules and regulations shall be liberally construed to permit the Housing Resources Commission to effectuate the purposes of state law, goals, and policies.

RULE 4. SEVERABILITY

If any provision of these rules and regulations, or the application thereof to any person or circumstances, is held invalid by a court of competent jurisdiction, the validity of the remainder of the rules and regulations shall not be affected thereby.

RULE 5. SUPERSEDED RULES AND REGULATIONS

On the effective date of these rules and regulations, all previous rules and regulations, and any policies regarding the administration and enforcement of 42-35, and 42-128 shall be superseded. However, any enforcement action taken by, or application submitted to, the Housing Resources Commission prior to the effective date of these rules and regulations shall be governed by the rules and regulations in effect at the time the enforcement action was taken, or application filed.

RULE 6: REGULATIONS

6.A Definitions.

1. Affidavit of Completion of Visual Inspection – Shall mean an affidavit signed by a Designated Person and approved by the Commission, attesting that the visual inspection has been conducted on the subject property and that the premises meet the standards for Lead Hazard Control.
1. Act-means the Rhode Island Housing Resources Commission Act of 1998 more particularly set forth in Chapter 128 of Title 42 of the Rhode Island General Laws of 1956, as amended.

2. Agreement -means the agreement between the Corporation and an applicant, more particularly described in Section 8 of these Regulations.
3. Commission- means the Rhode Island Housing Resources Commission, a public corporation organized and existing under the Act.
4. Corporation or Rhode Island Housing- means Rhode Island Housing and Mortgage Finance Corporation, a public corporation organized and existing under Chapter 55 of Title 42 of the Rhode Island General Laws, as amended.
5. EBL- means a confirmed elevated blood lead level greater than or equal to ten (10) micrograms of lead per deciliter of whole blood (ug/dl) in a child under six years of age.
6. Lead Regulations- means the Rhode Island Rules and Regulations for Lead Poisoning Prevention as published by the Rhode Island Department of Health and amended from time to time.
7. MFI- means the median family income of the area, as determined by the United States Department of Housing and Urban Development, as adjusted for family size.
8. Notice of Violation- means a notice and order of the Director of Health to abate environmental lead hazards as a result of a significant childhood lead poisoning occurring at the property.
9. Significant Childhood Lead Poisoning- means a confirmed elevated blood lead level greater than or equal to twenty (20) micrograms of lead per deciliter of whole blood (ug/dl) in a child under six years of age. Alternatively, two (2) samples from a child under six years of age, separated by at least ninety (90) days but no more than three hundred and sixty-five (365) days, with a blood lead level greater than or equal to fifteen (15) ug/dl shall also be deemed to constitute Significant Childhood Lead Poisoning.

RULE 6 B: ALLOCATION OF FUNDS

1. **Eligible Owners**- Generally, eligibility for LHRP funds is limited to private owners of owner-occupied and/or rental housing units. Units must be solely owned by an individual(s) or a nonprofit organization. Properties placed in receivership pursuant to court order due to lead hazards and foreclosed properties held by Rhode Island Housing and Mortgage Finance Corporation are eligible for funding.
2. **Low Income Targeting**-Owners must fall within certain income guidelines or serve tenants who fall within certain guidelines in order to be eligible for LHRP funds. Owner-occupants must have incomes that do not to exceed 120% of MFI. Investor-owners must have incomes that that do not to exceed 80% of MFI. If an investor-owner's income exceeds 80% of MFI, the rents charged must not exceed the greater of the applicable Fair Market Rent or the 60% tax credit rents. Owner-occupants and Investor-owners who are receiving rents in excess of the applicable Fair Market Rent or the 60% tax credit rent may be eligible for LHRP funds provided that the Owner-occupant or Investor-owner agrees to freeze the current rents for a period of five years. In no event shall the rent exceed 30% of the monthly income of a family at 80% MFI.
3. **Funding Terms**. Eligible owners will be provided deferred loans, payable at the time of sale or transfer of the property. The terms offered shall be as follows:

| <u>3.1 Applicant Status</u> | <u>Interest Rate</u> |
|--|----------------------|
| 3.1.1 Owner-occupants with income not exceeding 80% of MFI: | 0% |
| 3.1.2 Owner-occupants with incomes between 80% and 120% of MFI: | 3% |
| 3.1.3 Investor-owners with incomes not exceeding 80% of MFI: | 0% |
| 3.1.4 Investor-owners with incomes above 80% MFI and nonprofit organizations charging the applicable rent as defined in Section 2: | 3% |

4. **Priorities**. Applications will be prioritized according to the following order:

- 4.1 Applicants owning units currently housing a child with significant lead poisoning and/or who have received a Notice of Violation from the Rhode Island Department of Health.
 - 4.2 Applicants owning units currently housing a child with an EBL.
 - 4.3 Properties placed in receivership pursuant to court order due to lead hazards.
 - 4.4 Applicants owning units being used for home-based daycare or foster/adoptive care.
 - 4.5 Applicants owning units rented to families with Section 8 certificates or vouchers.
 - 4.6 Non-Profit rehab projects that will provide housing to qualified tenants and new owners.
 - 4.7 Applicants who are private owners of rental housing.
 - 4.8 Applicants who are private owners of rental housing and who own less than 12 units.
 - 4.9 Applicants owning single family housing with child(ren) <6 yrs. old.
 - 4.10 All other eligible applicants.
5. **Reservations.** A set-aside of \$300,000 will be earmarked specifically for the homes of children who are hospitalized each year with severe lead poisoning. The LHRP will rely on the Rhode Island Department of Health to identify these cases and provide LHRP information to the families. Income and ownership restrictions will be waived on these units.

RULE 6 C: ELIGIBLE ACTIVITIES

- 1. **Eligible Activities.** Generally include lead hazard control and reduction activities sufficient for making the property lead-safe. Such activities include, but are not limited to window replacement, door repair/replacement, painting, repair/replacement of components and soil remediation. In addition, inspection services, relocation assistance and fees associated with processing applications are considered eligible activities.
- 2. **Program Income.** LHRP generated income may be loaned to an owner to fund the correction of code violations and to address health and safety needs in a residential unit up to a maximum of \$3,000 per unit. The LHRP may exceed the maximum per-unit limit in special circumstances where health and safety needs require additional resources.

RULE 6 D: APPLICATION PROCESS

- 1. **Threshold Requirements.** Threshold requirements established for the receipt of LHRP funds are as follows:
 - 1.1 All proposed activities for which funding with LHRP funds is requested must be eligible in accordance with Section 4 of these Regulations.
 - 1.2 All applicants must be eligible entities as defined in Section 3.1 of these Regulations.
- 2. **Submission of Applications for Funding.** The Housing Resources Commission will announce its annual allocation of funds for the LHRP. The Corporation will begin accepting applications on a rolling basis. Applications will be processed in order of receipt using the priorities outlined in Section 3.4 of these Regulations.
- 3. **Processing of Applications.** Applications will be reviewed by Corporation staff to determine eligibility and identify priority applicants. The corporation staff shall award funds.
- 4. **Appeals.** Applicants who are denied funding may appeal the decision to the Corporation's Executive Director or his/her designee.

RULE 6 E: . CONTENTS OF THE APPLICATION

- 1. **Application Requirements.** Applicants will be required to provide general property information, tax returns, lease and tenant information and other information necessary to determine eligibility. In addition, applicants will be required to agree to keep the rents restricted for a period of five years following lead hazard reduction work. Credit worthiness and debt to income ratio will not be a determining factor in processing applications.

RULE 6 F: PROGRAM ADMINISTRATION

1. **Inspection Process.** Following approval of the application and authorization by the owner, the Corporation will order a comprehensive lead inspection of the property by a licensed environmental lead inspector.
2. **Scope of Work.** Corporation staff will work with property owners to develop an appropriate scope of work that addresses all identified lead hazards and health and safety hazards. An estimation of the cost of the work will be completed.
3. **Contracting.** Using the approved scope of work, Corporation staff will invite all Lead Hazard Reduction and Lead Safe Remodeler/Renovator Contractors approved to participate in the LHRP to attend a walk-through of the property. Bids will be received by the Corporation, qualified according to the cost estimates and forwarded to the property owner for contractor selection. The property owner and the selected contractor will be required to attend a closing at which time loan closing documents and a rehabilitation contract will be executed.
4. **Relocation.** Units will be vacated while the work is conducted and will remain vacant until successful clearance. Tenants in enrolled properties and foster care providers will be eligible for relocation assistance. Owner-occupants will be responsible for their own relocation needs.
5. **Clearance Inspections.** Following the completion of lead hazard reduction work, the contractor will be required to present a Lead-Safe Certificate to the Corporation and the property owner for each enrolled unit, common areas (if applicable) and the exterior.

RULE 6 G: MISCELLANEOUS

1. **Monitoring.** To ensure compliance with these Regulations and the Rhode Island Rules and Regulations for Lead Hazard Reduction, the Commission may conduct site visits and inspections and may require reports and information to document compliance with LHRP requirements.
2. **Additional Requirements; Waiver of Requirements.** The Commission reserves the right to waive any of the foregoing Application requirements and to supplement any of the foregoing guidelines and requirements from time to time by Program Bulletin.

RULE 7: EFFECTIVE DATE

These rules and regulations governing the State Lead Hazard Reduction Program, after due notice, are hereby adopted and filed with the Secretary of State this _____ day of _____, 20__ to become effective twenty (20) days thereafter, in accordance with the provisions of Chapters 42- 35, of the General Laws of Rhode Island of 1956, as amended.

[Insert name], Director/Administrator
Department of Administration/Agency

Notice Given on: [Month day, year]

Public Hearing held: [Month day, year - IF APPLICABLE]

Filing Date: [Month day, year]

Effective Date: [Month day, year]