

**CITY OF ST. CLAIR SHORES
HOMEOWNER REHABILITATION APPLICATION**

DATE: _____

**Applicant Name
Address**

**Applicant Name
Address**

Email _____

Email _____

Home # _____

Home # _____

Work # _____

Work # _____

Cell# _____

Cell # _____

SS # _____

SS # _____

Birthdate of Applicant _____

Birthdate of Applicant _____

Check if 62 years of age or older. _____

Check if 62 years of age or older. _____

Sex M _____ F _____

Sex M _____ F _____

Are you: Married, Single, Divorced, Separated, Widowed Are you Female Head of Household? Yes _____ No _____

You have reviewed the enclosed brochure on lead. Yes _____ No _____

All children under the age of 7 and pregnant women should have blood tested for lead elevation. Provide copy of results to City. _____

List names, birthdates, and relationships of all other persons residing in the home.

Complete following – HUD Office of Management and Budget (OMB) required.

White _____

Black/African American _____ Persons having origins in black racial groups of Africa.

American Indian/Alaskan Native _____ Persons having origins of original peoples of north & South America & maintain tribal affiliation or community attachment.

Native Hawaiian/Other Pacific Islander _____ Persons having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

Asian _____ Persons having origins in original peoples of Far East, Southeast Asia, or Indian subcontinent including: Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, Philippine Islands, Thailand, Vietnam.

Hispanic or Latino _____ Persons of Cuban, Mexican, Puerto Rican, South or Central American or other Spanish culture.

Handicapped or Disabled: _____ How: _____

Date of Purchase of House _____ Length of Occupancy of House _____

Please provide following documents with application:

1. Proof of ownership (copy of deed, land contract). If land contract, please have land contract titleholder sign the City of St. Clair Shores' agreement form. Deeds and Land Contracts should be recorded at Macomb County Register of Deeds office.
2. Copy of driver's license or state I.D. of all applicants and others over 18 years of age.
3. Copy of all utility bills. (Gas, Electric, Water-We can get her at City).
4. Copy of House insurance showing expiration date.
5. Copy of Federal and State Income Tax return from previous 2 years, 1040's, W-2s, Social Security Benefit Income Statement, Family Independence Aide Income, Child Support, Alimony, Divorce Decree, and current pay stubs of all people living in house 18 years of age and older.
6. Copy of paid real estate taxes – We can get here at City.
7. Copy of any mortgage loan, equity loan, or any other type of loan – need principal amount, monthly payment amount, balance on account amount, and 2 years written payment history on loan(s), or a copy of the recorded Discharge of Mortgage.
8. Floodplain insurance with expiration date if your house is within the floodplain.

Employer Name, Address, and Phone #

See attached employer forms.

Employer Name, Address, and Phone #

See attached employer forms.

Monthly Income (all applicants)

Base Pay _____

Social Security _____

Pension _____

AFDC _____

Child Support _____

Unemployment _____

Interest _____

Monthly Housing Expenses

Mortgage Payment _____

Hazard Insurance _____

Property Taxes _____

Gas _____

Electric _____

Water _____

Other _____

TOTAL INCOME _____

TOTAL EXPENSES _____

Assets

Cash on hand _____ Cash in bank accounts _____

Mutual Funds _____ Stocks/Bonds _____

Equity in other real estate: Market Value _____ Unpaid Balance _____

TOTAL ASSETS _____

Please list, in order of priority, repairs you would like completed through this program:

The Applicant further certifies that he is the owner of the property described in this application, and that the rehabilitation advance proceeds will be used only for the work and materials necessary to meet the rehabilitation or code standards, as applicable, which are prescribed for the property described in this application. If the Rehabilitation Coordinator determines that the rehabilitation advance process will not or cannot be used for the purposes described herein, the Applicant agrees that the proceeds shall be returned forthwith, in full, to the Government, and acknowledges that, with respect to such proceeds so returned, he shall have no further interest, right, or claim.

The Applicant covenants and agrees that he will comply with all requirements imposed by or pursuant to regulations of Title VI of the Civil Rights Act of 1964 (78 Stat. 252). The Applicant agrees not to discriminate upon the basis of race, color, creed, or national origin in the sale, lease, rental, use, or occupancy of the real property rehabilitated with assistance of the Rehabilitation Advance. The City of St. Clair Shores shall be deemed to be a beneficiary of these provisions both for and in its own right and also for the purpose of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit these provisions have been provided and shall have the right, in the event of any breach to these provisions, to maintain any actions or suits at law or in equity or any other proper proceedings to enforce the curing of such breach.

Verification of any of the information contained in this application may be obtained from any source named herein.

DATE

HOMEOWNER(S)

PENALTY FOR FALSE OR FRAUDULENT STATEMENT: U.S.C. Title 18, Sec. 1001, provides: "Whoever in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, or makes any false writing or document knowing the same to contain any false, fictitious or fraudulent statements or entry, shall be fined not more than \$10,000 or imprisoned not more than five years or both."

APPROVAL OF APPLICATION

The undersigned has examined the application for a Rehabilitation Advance described herein, including supporting data, and finds that the application meets the requirements and satisfied the rules and regulations issued by the City of St. Clair Shores pertaining to the Rehabilitation Loan Program.

SECTION I

CITY OF ST. CLAIR SHORES, MICHIGAN GENERAL POLICIES OF PROGRAM SINGLE FAMILY HOMEOWNER REHABILITATION LOAN PROGRAM

The City of St. Clair Shores has a financial assistance program titled “The Single Family Homeowner Rehabilitation Program.” The program is designed to assist qualified low and moderate income single family homeowners bring their home to a safe, sanitary, and livable condition, according to minimum housing code standards. The program is federally funded through the Community Development Block Grant (CDBG) program.

The program is not intended to assist families owning seriously substandard dwellings, requiring substantial reconstruction or excessive expenditures. Excessive expenditures are those that would exceed 25% of the home’s market value.

The financial assistance offered to qualified homeowners under this program include a deferred zero-interest loan, which would be paid when the homeowner ceases to reside in the home and transfers title.

After rehabilitation, the home must be, at a minimum, in a condition of safe, sanitary, and livable condition as determined by the city’s housing code standards. The necessary re-construction work completed under the program must comply with the minimum requirements of the city’s existing codes and ordinances, I.E.: Building Code, Electrical Code, Plumbing Code, Mechanical Code, Fire Code, and Property Maintenance Code.

A. GENERAL PROGRAM ELIGIBILITY

Following are the eligibility requirements to qualify for a 0% deferred loan:

- 1) The applicant must be an owner-occupant of a single-family residential dwelling for a period of at least one (1) year.
- 2) The sum of all liens on the property cannot exceed 135% of market value. This includes the proposed 0% interest deferred loan. Market value is determined by multiplying the assessed value by a factor of two.
- 3) The applicant must meet the total household income and other liquid asset limits established by the current HUD Family Size and Income Guideline for the City of St. Clair Shores. (See attachment A)

- 4) The applicant must not be delinquent on and mortgage, utility, or tax payments. Additionally, the applicant must submit a 6 month payment history for any mortgages that demonstrates all payments have been completed on time.
- 5) The dwelling must be determined to be economically feasible to rehabilitate utilizing the standards set forth by the City of St. Clair Shores Rehabilitation Coordinator.
- 6) The City, upon review of the application and required documents, will determine eligibility.
- 6) The applicant must be willing to adhere to the conditions set forth in the Lead Safe Housing Regulation [24 CFR Part 35] as described herein.

B. EMERGENCY LOAN PROVISION

Loans are available to qualified homeowners for emergency repairs. An emergency is defined as a current violation, which requires immediate attention to alleviate a dangerous or unsafe condition, which in the opinion of the Rehabilitation Coordinator may cause bodily harm to the occupants or permanent damage to the dwelling if not immediately corrected. Examples are hazardous wiring, unsanitary plumbing conditions, a broken furnace, seriously leaking roofs, unsafe steps or porches, or similar situations.

The Rehabilitation Coordinator must confirm in writing that an emergency situation exists. The details of the emergency must be stated. If, based on the information submitted prior to verification, it appears that the applicant will qualify for the deferred loan program in some manner, the Rehabilitation Coordinator may issue an emergency loan in an amount needed to alleviate the emergency, ie: roof, furnace, sanitary sewer.

C. REHABILITATION BOARD OF APPEALS

Any homeowner shall have the right to appeal a decision of the City's Rehabilitation Coordinator to the Board of Appeals. A written application for appeal, within the required time limit, shall be based on a claim that the intent of the Rehabilitation Program policies have been incorrectly interpreted and not followed or they have unique or unusual circumstances.

The Board shall consist of the City Manager, Community Services Director, and the City Planner. The decision of the Board, after hearing the case, shall be by resolution and furnished to the applicant. The decision shall be final.

D. APPLICATION AND REHABILITATION PROCESS

The following represents a simplified outline of the rehabilitation process:

- 1) Submit application and required documentation.
- 2) Rehabilitation Coordinator reviews application to determine initial eligibility. (status of homeownership, income limits, etc.)
- 3) If initial requirements of eligibility have been met, preliminary inspections will be made to determine the extent of the needs and violations. An estimate of cost will be prepared to determine final eligibility for the overall program.
- 4) Once final program eligibility has been determined, inspection will be completed on the property. If the home was built before 1978 and the project will disturb painted surfaces, a paint inspection and/or risk assessment will be completed on the property. Bid specifications will be written by the Rehabilitation Coordinator. If results from the risk assessment indicate a lead based paint hazard exists, procedures to conform to the Lead Safe Housing Regulation [24 CFR Part 35] will be incorporated into the specification. The project specifications will be submitted to the homeowner for review and approval. For details regarding lead based paint assessments, see Section H.
- 5) Bid specifications for the proposed work will be posted to MITN and sent to the list of qualified contractors. If lead based paint regulations must be met, these contractors will have appropriate training and/or certifications to meet all Lead Safe Housing Regulations [24 CFR Part 35].

Only contractors that qualify to bid on any given project will be solicited. The Homeowner Rehabilitation Coordinator will allow a contractor to submit information to prove that the company qualifies at any time.

- 6) All bids are to be sealed and submitted to the City Clerk's office prior to the opening date and time. No late bids will be accepted.

The Rehabilitation Coordinator will open the bids. The bids will be opened and read at the time and date and place specified.

Selection of the bid will be made to the lowest bidder, if determined to be proper and complete. Any bids received that are over \$10,000 are required to be submitted to City Council for approval.

- 7) A meeting will be set at the job site with the contractor, homeowner and Rehabilitation Coordinator to review the proposed work and the Contract, which will be executed by

the homeowner and contractor. A Notice to Proceed will then be issued by the Rehabilitation Coordinator.

- 8) The Rehabilitation Coordinator will monitor the job while in progress.
- 9) If lead based paint procedures are required for the project, upon completion of the contractor's work, dust clearance testing will be performed. Only after clearance of the property will be homeowner be allowed to re-enter the project area. A contractor may request final payment after all work has been completed and approved by the Rehabilitation Coordinator and any necessary city inspectors, and all necessary documents and paperwork have been completed, submitted, and approved by the Rehabilitation Coordinator.
- 10) A lien and promissory note will be completed at the end of the project based on the total costs. This will be a zero-interest deferred loan. No payments are required and no interest is accrued. Full payment is required upon transfer of ownership or the homeowner ceases to reside therein. Should a homeowner voluntarily chose to make payments on the loan, a balance sheet will be established. All payment shall be made to the City of St. Clair Shores.

CITY OF ST CLAIR SHORES

SINGLE FAMILY HOMEOWNER REHABILITATION LOAN PROGRAM

DEFINITIONS

This section contains definitions of various key terms used with respect to providing financial assistance through the “Homeowner Rehabilitation Loan Program.”

1. Applicant: A family or person who is applying for a rehabilitation loan under the guidelines of the program.
2. Assets: The net equity in all real and personal property excluding equity in the property to be rehabilitated, household goods, and a motor vehicle used for basic transportation.
3. Basic Equipment: Includes such items as a furnace, hot water tank, electrical and sanitary fixtures. A kitchen stove and refrigerator may be included in extenuating circumstances.
4. Code Standards: Includes but is not necessarily limited to the city’s fire, zoning, health, nuisance, building, electrical, mechanical, and plumbing codes that protects the health, safety and welfare of the community.
5. Contract: A written agreement to perform eligible work.
6. Eligible Loan Recipients: Those persons or families who are owner-occupants of eligible properties, and meet other requirements and qualifications for a rehabilitation loan as set forth in these guidelines.
7. Eligible Properties: An owner-occupied single-family residential building, accessory structure, or real property which contains buildings and structures as set forth in these guidelines. Properties lying within the City’s established “Flood Hazard Area” are not eligible unless the homeowner provides evidence of flood insurance.
8. Existing Code Violations: A violation of any applicable building, plumbing, mechanical, electrical, nuisance, property maintenance or other local, state or federal code as determined by the Rehabilitation Coordinator.
9. Family: One or more persons related by marriage, blood or adoption.
10. Furnishings: Items such as household furniture, draperies, shades, and miscellaneous appliances not required in any City Code.

11. General Improvements: Items not specifically required by any code, but may generally improve the overall condition of the property such as room additions, landscaping, renovations, or remodeling.
12. Gross Family Income: The gross annual income from all sources before taxes of all persons or members residing in a household who are eighteen (18) years of age or older. Earned income from minors or from full-time students (excluding head and/or spouse) will not be incorporated into the calculation of a household's gross annual income.
13. Household: All the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.
14. Housing Code: All applicable codes and ordinances adopted by the city, or adopted by reference, preserving the health, safety, and welfare of residential structures. These codes shall include but may not be limited to the International Property Maintenance Code, the Building Code, the Electrical Code, the Mechanical Code, the Plumbing Code, and any other applicable local, state or Federal code.
15. Housing Expense: Principal and interest on a recorded mortgage, mortgage insurance premium, hazard insurance, real estate taxes, and special assessments, major medical expenses, maintenance costs, and all utilities except the telephone.
16. Land Sales Contract: Any transaction, regardless of the nomenclature by which it is known, in which the purchaser-occupant obtains fee title only if he completes a series of installment payments over a term of years. Land Contract properties are not eligible for the Homeowner Rehabilitation Program
17. Market Value: The highest price, in terms of money, which a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

The value of the property as determined by a state-licensed appraiser.

18. Member of Household of Loan Applicant: Includes all those persons living in the residential property at the time an application for a rehabilitation loan is submitted.

19. Owner: One or more persons who hold legal title to a property to be rehabilitated which will include those purchasing through a mortgage.
20. Owner-Occupant: A person or family who has a mortgage on the property or owns the property free and clear, and who occupies such property as their primary place of residency.
21. Program Loans: An amount necessary to bring a property up to minimum housing code standards, including general improvements, and incipient violations, or \$24,999 whichever is less. All program loans are zero-interest deferred loans, which are not required to be paid back to the City until resident ceases to reside therein or transfers title.
22. Rehabilitation Costs: The total cost of repairs and improvements extended as part of the project's job specifications.
23. Substantial Reconstruction: A property requiring rehabilitation costs exceeding 25% of its market value.

23. UNITS OF MEASUREMENT

a) μg (Microgram): A microgram is 1/100 of a milligram (one million micrograms are needed to equal a gram). To put this unit into perspective, a penny weighs 2 grams. To get a microgram, you would need to divide the penny into 2 million pieces.

b) ft^2 (Square foot): One square foot is equal to an area that has a length of one foot (12 inches) and a width of one foot (12 inches).

c) $\mu\text{g} / \text{dL}$ (Micrograms per deciliter): Used to measure the level of lead in children's blood to establish whether intervention is needed. A deciliter is 1/10 of a liter.

d) $\mu\text{g} / \text{gram}$ (Micrograms per gram of sample): Equivalent to parts per million (ppm) by weight used to measure lead in soil.

e) $\mu\text{g} / \text{ft}^2$ (Micrograms per square foot): The measurement if used to measure levels of lead in dust and soil samples. The clearance report should have the results listed in $\mu\text{g} / \text{ft}^2$.

f) mg / cm^2 (Milligrams per square centimeter): Used for paint by XRF machines.

g) Percent: Percent by weight, used usually for lead-based paint (1 percent = 10,000 $\mu\text{g} / \text{gram}$).

h) **ppm:** Parts per million by weight, equivalent to $\mu\text{g} / \text{gram}$ (10,000 ppm = 1 percent).

24. LEAD POISONING

a) **CDC Level of Concern:** As established by the US Centers for Disease Control and Prevention, a confirmed concentration of lead in whole blood equal to or greater than $10 \mu\text{g} / \text{dL}$. This is the level of lead in blood that should cause either parent education about lead hazards and close monitoring of the child, assessment of the child's environment and control of identified hazards and/or treatment, depending on the actual blood lead level and other factors.

b) **Environmental Intervention Blood Lead Level:** A confirmed concentration of lead in whole blood equal to or greater than $20 \mu\text{g} / \text{dL}$ (micrograms per deciliter) for a single test, or 15 to $19 \mu\text{g} / \text{dL}$ in two tests taken at least three months apart.

25. **LEAD-BASED PAINT:** Paint or other surface coatings that contain lead from dust-lead hazards, soil-lead hazards or lead-based paint that is deteriorated or present in chewable surfaces, friction surfaces, or impact surfaces, and that would result in adverse human health effects.

26. **LEAD-BASED PAINT HAZARDS:** Any condition that causes exposure to lead from dust-lead hazards, soil-lead hazards or lead-based paint that is deteriorated or present in chewable surfaces, friction surfaces, or impact surfaces, and that would result in adverse human health effects.

a) **Deteriorated paint:** Deteriorated paint means any interior or exterior paint or other coating that is peeling, chipping, chalking, or cracking, or any paint coating located on an interior or exterior surfaces or fixture that is otherwise damaged or separated from the substrate.

b) **Dust lead hazard:** The HUD interim standard for dust-lead (pending promulgation of EPA regulatory standards) is as follows: A dust lead hazard shall be a dust-lead level equal to or greater than the applicable loading (area concentration), based on dust wipe samples, according to the following table:

Evaluation Method	Floors, $\mu\text{g} / \text{ft}^2$	Interior window sills, $\mu\text{g} / \text{ft}^2$	Window Troughs, $\mu\text{g} / \text{ft}^2$
Lead Hazard Screen	25	125	Not applicable
Risk Assessment	40	250	Not applicable
Reevaluation	40	250	Not applicable
Clearance	40	250	800

- c) **Soil lead hazard:** The HUD interim standard for soil-lead (pending promulgation of EPA regulatory standards) is as follows: A soil-lead hazard for play areas frequented by children under six years of age shall be bare soil with lead equal to or exceeding 400 micrograms per gram. For other areas, soil-lead hazards shall be bare soil that totals more than 9 ft² (0.8 square meters) per property with lead equal to or exceeding 2,000 micrograms per gram.
 - d) **Chewable surface:** Chewable surface means an interior or exterior surface painted with lead-based paint that a young child can mouth or chew, such as an interior windowsill. Hard metal substrates and other materials that cannot be dented by the bite of a young child are not considered chewable. Under the HUD regulation chewable surfaces are required to be treated only if there is evidence that a child under age six resides in the dwelling unit and there are visible teeth marks on such surfaces.
 - e) **Friction surface:** A friction surface means an interior or exterior surface that is subject to abrasion or friction, including, but not limited to, certain window, floor and stair surfaces. Under the HUD regulation, friction surfaces are required to be treated only if: (1) lead dust levels on the nearest horizontal surface underneath the friction surface (e.g., interior window sill, window trough or floor) are equal to or greater than the above HUD interim standard for dust lead; (2) There is evidence that the paint surface is subject to abrasion; and (3) lead-based paint is known or presumed to be present on the friction surface.
 - f) **Impact surface:** An impact surface means an interior or exterior surface that is subject to damage by repeated sudden force, such as certain parts of door frames. Under the HUD regulation, impact surfaces are required to be treated only if: (1) paint on an impact surface is damaged or otherwise deteriorated; (2) the damaged paint is caused by impact from a related building component (e.g., door knob that knocks into a wall or a door that knocks against its door frame; and (3) lead-based paint is known or presumed to be present on the impact surface.
27. **LEAD DISCLOSURE:** Federal regulation requires most property owners of pre-1978 housing (both subsidized and market rate) to disclose the presence of lead-based paint and lead-based paint hazards to prospective buyers/tenants and provide them with all documentation on known lead-based paint hazards in the dwelling unit. Sellers must allow purchasers 10 days to inspect the dwelling for lead-based paint or lead-based paint hazards. Violations of these disclosure requirements should be reported to the Federal Lead Clearinghouse at 800-424 LEAD (800-4245323).

28. LEAD HAZARD EVALUATION METHODS:

- a) **Visual Assessment:** A visual assessment means looking for, as applicable: (1) deteriorated paint; (2) visible surface dust, debris and residue; and/or (3) the completion or failure of a lead hazard reduction measure.
- b) **Lead-based Paint Inspection:** A lead-based paint inspection means a complete surface-by-surface investigation to determine the presence of lead-based paint in a residential property and the provision of a report explaining the results of the investigation. A certified lead-based paint inspector must perform it.
- c) **Paint Testing:** Paint testing means the process of determining, by a certified lead-based paint inspector or risk assessor, the presence or absence of lead-based paint on deteriorated paint surface or painted surfaces to be disturbed or replaced. The term “paint testing” is used when the inspection covers only certain surfaces. The term “lead-based paint inspection” is used when the inspection covers all surfaces. A certified lead-based paint inspector or risk assessor must conduct paint testing.
- d) **Risk Assessment:** A risk assessment is a comprehensive evaluation to identify lead-based paint hazards. It must include a visual assessment and dust sampling. Depending on the situation, it may also include occupant and owner interviews, paint testing and soil sampling. The risk assessment report identifies lead hazards and appropriate interim control and abatement options. A certified risk assessor must conduct the assessment.
- e) **Lead Hazard Screen:** A limited risk assessment activity that can be performed instead of a risk assessment in units that meet certain criteria (e.g. good condition). A certified risk assessor must perform the screen. If the unit fails the lead hazard screen, a full risk assessment must be performed.
- f) **Clearance Examination:** Clearance is performed after hazard reduction, rehabilitation or maintenance activities to determine if a unit is safe for occupancy. It involved a visual assessment, analysis or dust samples and preparation of a report. A certified risk assessor, paint inspector or clearance technician (independent from entity/individual conducting paint stabilization or hazard reduction) conducts clearance.

29. LEAD HAZARD REDUCTION METHODS

- a) **Paint Repair:** When paint is disturbed during rehabilitation work, it must be repaired by repainting.
- b) **Paint Stabilization:** An interim control method that stabilizes surfaces with deteriorated paint by repairing the underlying cause of deterioration and repairing defective surfaces, removing loose paint and applying new paint.

- c) **Interim Controls:** A set of measures to temporarily control lead-based paint hazards. Qualified workers must complete interim control methods using lead-safe work practices. Follow-up monitoring is needed.

Interim control methods include:

- 1) **Paint Stabilization.** Deteriorated paint can be controlled by stabilizing surfaces with deteriorated paint and repairing the underlying causes of deterioration and repairing defective surface, removing loose paint and applying new paint.
 - 2) **Friction and Impact surface treatments.** Windows, doors, stair treads and floors, can be treated by re-hanging doors and placing rubber stoppers along impact surfaces and cushioning window tracks with plastic liners to reduce friction or otherwise ensuring that rubbing of window sashes does not generate leaded dust.
 - 3) **Dust Controls.** Lead contaminated dust can be temporarily controlled by cleaning surfaces to reduce dust lead levels.
 - 4) **Soil Treatments:** Lead contaminated soil can be controlled by limiting resident access, covering contaminated surfaces with grass, mulch or other appropriate material, and land use controls such as fencing, signs or deterrent landscaping.
- d) **Standard Treatments:** A complete set of interim control methods that when used together temporarily control all potential lead hazards. A risk assessment or other evaluation is not needed. Standard treatments must be completed by workers using safe work practices. As with interim controls, follow-up monitoring is needed.

Standard Treatments Require:

- 1) **Paint Stabilization.** Stabilize all deteriorated or to-be disturbed painted surfaces on interior and exterior.
- 2) **Providing Smooth Cleanable Horizontal Surfaces.** Treat floors, windowsills and troughs and stairwells. For example, re-coat hardwood floors with polyurethane, replace or recover worn-out vinyl floors, and cover interior windowsills with metal or vinyl. Rough, pitted and porous surfaces that trap lead-dust can make it difficult to clean these surfaces thoroughly.
- 3) **Correcting Conditions in which Painted Surfaces are Rubbing, Binding, or Otherwise Produce Dust.** For example, re-hang binding doors, install door stops to prevent doors from damaging painted surfaces, and install window jamb liners and strip sash edges when there is evidence of abrasion or otherwise prevent window sashes from rubbing against lead painted jambs.

- 4) **Covering or Restricting Access to Base Residential Soil.** For example, cover bare soil with gravel, mulch or sod, or physically restrict access to bare soil with fencing or landscaping.
 - 5) **Specialized Cleaning.** Conduct specialized cleaning or work areas using a HEPA vacuum (or other method of equivalent efficiency) and a detergent solution and a clean water rinsing of floors and walls upon completion of lead hazard reduction treatments.
 - 6) **Clearance.** After cleaning is completed, clearance examination must be performed in accordance with HUD requirements.
- e) **Abatement:** Measures to control lead-based paint or lead-based paint hazards when the primary intent is to control such paint and/or hazards for at least 20 years.

For buildings, abatement methods are:

- 1) **Component Replacement.** The removal of building components that contain lead-based paint. It is most appropriate for items such as doors, windows, trim, and cabinets.
- 2) **Paint Removal.** The separation of paint from the substrate using safe heat, chemical or abrasive methods. It may be done on or off site. Abrasive methods can create a great deal of dust, are the most hazardous and require the greatest care and most thorough cleanup. They are most appropriate for hard to remove items like stairwells and doorjamb.
- 3) **Enclosure:** The installation of a barrier (such as gypsum board or paneling) that is mechanically attached to the building components, with all edges and seams sealed to prevent escape of lead-based paint dust. It is most appropriate for large surfaces, such as walls, ceilings, floors and exteriors.
- 4) **Encapsulation:** The application of a liquid or adhesive material that covers the component and forms a barrier that makes the lead-based paint inaccessible by relying upon adhesion. This may be appropriate for many kinds of smooth surface but it cannot be used effectively on friction surfaces, surfaces in poor condition, or surfaces that may become wet. It also must be compatible with existing paint.

Soil Abatement Methods are:

- 5) **Soil removal.** The removal of at least the top six inches of topsoil is adequate for most projects. In areas with heavy contamination, up to two feet may have to be

removed, and must be disposed of using proper waste management techniques that comply with local requirements. The maximum lead concentration in replacement soil shall not exceed 200 µg/g. Sodding or seeding of the new soil should occur.

6) **Soil Cultivation.** The mixing of low lead soil with high lead soil is an appropriate method if the average lead concentration of the soils to be abated is below 1,500 µg/g. Thorough mixing is required, and pilot testing of various techniques may be needed to ensure that thorough mixing does occur.

7) **Paving.** The covering of highly contaminated soil with high quality concrete or asphalt. Paving is common in high traffic areas but not appropriate in play areas. The need for uncontaminated replacement soils is eliminated as is waste disposal costs. Paving often turns out to be the most economical recourse, despite its aesthetic disadvantage.

30. **LEAD SAFE WORK PRACTICES:** Lead-safe work practices include provisions for: (1) avoidance of prohibited practices (e.g. open flame burning or torching, machine sanding or grinding without a HEPA local exhaust control, abrasive blasting or sandblasting without HEPA local exhaust control, using a heat gun operating in excess of 1,100 degrees Fahrenheit, dry hand sanding or scraping, and paint stripping in a poorly ventilated areas using volatile stripper such as methylene chloride); (2) occupant protection and relocation (if necessary); (3) work site preparation and containment; and (4) performing a thorough work site cleanup using specialized cleaning methods. **De minimis levels:** Lead safe work practices are not required when maintenance or hazard reduction activities do not disturb painted surfaces that total more than 20 square feet on exterior surfaces, 2 square feet in any one room or space, or 10 percent of the total surface areas on an interior or exterior type of component with a small surface area (e.g. windowsill, baseboard and trim).
31. **CERTIFIED:** Certified means licensed or certified to perform such activities as risk assessment, lead-based paint inspection, clearance examination or abatement supervision, either by a State or Indian tribe with a lead-based paint certification program authorized by the US Environmental Protection Agency.
32. **DESIGNATED PARTY:** A Federal agency, grantee, sub-recipient, participating jurisdiction, housing agency, Flexible Subsidy-Capital Improvement Loan Program (CILP) recipient, Indian tribe, tribally designated housing entity (TDHE), sponsor or property owner responsible for complying with applicable requirements.
33. **RESIDENTIAL PROPERTY:** A dwelling unit, common areas, building exterior surface and any surrounding land including outbuilding, fences and play equipment affixed to the land belonging to an owner and available for use by residents, but not including land used for agricultural, commercial, industrial or other non-residential purposes, and not including paint on the pavement or parking lots, garages or roadways.

34. **WORKSITE:** An exterior area or interior room area where lead-based paint hazard reduction activity takes place. There may be more than one work site in a dwelling unit or residential property.

SECTION II

CITY OF ST CLAIR SHORES, MICHIGAN

SINGLE-FAMILY HOMEOWNER REHABILITATION LOAN PROGRAM

The City of St. Clair Shores has established, as part of the “Community Development Block Grant Consolidated Plan,” a deferred loan program to financially assist qualified homeowners in improving their homes to a safe, sanitary, physically sound, and livable condition, and at a cost the owners can afford.

A. TYPES OF LOANS

The program offers a zero interest deferred loan payable upon title transfer or when the loanholder ceases to reside in the home.

The maximum amount of the loan for property rehabilitation shall not exceed the amount necessary to bring the property to a safe, sanitary, and sound condition as set forth by the City’s housing code, or \$24,999, whichever is less. Extenuating or unique circumstances where the cost of rehabilitation exceeds \$24,999 may be reviewed by the Rehabilitation Board of Appeals.

All homes that receive rehabilitation assistance that are 50 years old or over, must be reviewed for designation of Historical Significance, and granted clearance by the State Historical Preservation Office before any rehabilitation work can begin.

Homes that are within the boundaries of the City’s most current flood hazard area are not eligible unless flood insurance has been obtained and in effect for the life of the loan, or the map has been changed that excludes the property from the flood hazard area.

Repairs completed must meet minimum housing code standards after rehabilitation. All homes built before 1978 must be assessed according to Lead Safe Housing Regulation [24 CFR Part 35].

B) ELIGIBLE COSTS

Eligible expenditures are those necessary to bring the property up to minimum housing code standards, correcting incipient violations, and general improvements, more particularly described as follows:

1. Housing code violations.

2. Repairing incipient violations. An incipient violation is considered to exist if, at the time of inspection, it is thought that the physical condition of an element in the structure will deteriorate into an actual violation within two years.
3. Repairing or purchasing and installation of a kitchen stove, and/or refrigerator, when existing equipment is determined to be unsafe by the Rehabilitation Coordinator.
4. Weatherization or energy efficiency improvements such as window replacement, insulation, exterior siding, entry and storm doors.
5. General improvements such as repairs and renovations, waterproofing of basements, siding, exterior-housing protection on weatherization measures.
6. Obtaining title reports, recording, permit and filing fees, and other costs related to securing the loan.

C. INELIGIBLE COSTS

The following items are considered ineligible:

1. New construction, substantial reconstruction, expansion of the structure or the finishing of unfinished spaces.
2. Materials, fixtures, equipment, or landscaping of a type or quality, which exceeds that customarily, used in the locality for properties of the same general type as that being rehabilitated.
3. Freestanding appliances except when replacing built-in appliance, such as a stove or dishwasher.
4. Acquisition of land.
5. Any delinquent mortgage payments, taxes, penalties, and/or special assessments.
6. Lead-based paint related costs as described in Section D below.

D. LEAD-BASED PAINT RELATED COSTS

St. Clair Shores Single Family Homeowner Loan Program will pay for soft/administrative costs associated with Lead Safe Housing Regulation [24 CFR Part 35], including initial and clearance testing. Increases in construction costs due to Lead Safe Housing Regulation [24 CFR Part 35] will be paid by the St. Clair Shores Single Family Homeowner Loan Program at a rate determined by the contractor's cost increase or by HUD recommended cost increased, to be determined on a case by case basis as directed by the St. Clair Shores Community Services Director.

E. LOAN ELIGIBILITY

1. The applicant must be an individual or household who has owned and occupied a one-family residential property for no less than one year. The property must not be in the established flood hazard area of the city, unless flood hazard insurance is in effect,

or be a dwelling considered to be historically significant, or considered to be a non-conforming use under the City's Zoning Ordinance.

2. Income Limitations – Eligibility shall be determined on the basis of gross family income (definition #12) and the number of members in the household (definition #9) according to the most current standard metropolitan statistical area (MSA) income guidelines set forth by the U.S. Department of Housing and Urban Development (HUD) (see attachment A). The gross household income must be equal to or less than 80% of the Median Family Income for the MSA as defined by HUD.
3. Asset Limitations – An applicant must not have liquid assets, which exceed \$15,000. (items which can be turned into cash within a 30-day period, such as cash, stocks, bonds, etc.) One exception to this requirement would be where the stocks, bonds, annuities, or insurance proceeds are used as monthly income, and that income is within the income schedule.
4. Property Tax and Utility Payments – To be eligible for a rehabilitation loan, the property taxes and utility payments owed by an applicant must be paid-to-date.
5. Homeowner's Insurance – To be eligible for a rehabilitation loan, a homeowner must have homeowner's insurance. If the policy expires before work is initiated, a renewed policy statement must be presented to the Community Development office before work can begin.

F. OTHER CONSIDERATIONS

1. Self-Help – All work to be undertaken from funds issued under a rehabilitation loan shall be performed on a contractual basis by a qualified licensed contractor. A rehabilitation loan shall not be issued for the purpose of the loan recipient personally undertaking the work.
2. Termination of Applicant – Applicants not meeting the eligibility requirements of the Homeowner Rehabilitation Loan Program will be notified both verbally and in writing of the termination of their application. All notices of termination will be placed in applicant files.
3. Appeals Mechanism – If an applicant disagrees with the decision of the Rehabilitation Coordinator, he/she may request an appeals hearing before the Rehabilitation Board of Appeals to present their arguments. A request for an appeals hearing must be done in writing and mailed to the Rehabilitation Coordinator within 30 days following written notification of termination. The

determination of the Rehabilitation Board of Appeals shall be the final decision. All requests for appeal hearings will be kept in applicant files.

4. Lead Based Paint

HUD estimates that over 60 million occupied homes, or approximately 80 percent of the homes built before 1980 have some lead based paint. Childhood lead poisoning is the “most common environmental disease of young children, eclipsing all other health hazards found in the home.”

To curb this alarming disease for children under the age of seven, the Department of HUD issued a new regulation published on September 15, 1999 that affects all housing programs financially assisted by the Federal government entitled, “Requirements for Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally owned Residential Property and Housing Receiving Federal Assistance.”

The regulation sets hazard reduction requirements to include reducing lead in dust and testing the dust after paint has been disturbed to make sure the home is lead safe. The types of homes covered by this regulation include housing receiving Federal assistance for rehabilitation, in which the City of St. Clair Shores has participated since the inception of the Block Grant Program back in 1975.

The following actions will be completed on homes within this program based on the dollar value of the project in its entirety:

- 1) Property receiving less than \$5,000 rehabilitation assistance.
 - a) Provision of information pamphlet,
 - b) Paint testing of surfaces to be disturbed or presumed to be lead based paint,
 - c) Safe work practices in rehab work,
 - d) Repair disturbed paint,
 - e) Notice to Occupants.
- 2) Property receiving \$5,000 and up to \$25,000 of rehabilitation assistance.
 - a) Provision of informational pamphlet,
 - b) Paint testing of surfaces to be disturbed or presumed lead based paint,
 - c) Risk Assessment,
 - d) Interim Controls,
 - e) Notice to Occupants.
- 3) Property receiving more than \$25,000 of rehabilitation assistance.
 - a) Provision of informational pamphlet,
 - b) Paint testing of surfaces to be disturbed or presumed lead based paint,
 - c) Risk Assessment,
 - d) Abatement of lead based paint hazards,
 - e) Notice to Occupants,

f) Ongoing lead based paint maintenance.

Lead Safe Housing Regulation (24 CFR Part 35) will be considered according to the attached SUMMARY OF LEAD-BASED PAINT REQUIREMENT ACTIVITY.

4. Energy Efficiency/Weatherization Improvements – A rehabilitation loan may be used to improve the energy efficiency of a home. A loan may be used to finance siding installation, window replacement, and the insulation of attics and crawl spaces, etc. Energy efficiency or weatherization improvements may only be undertaken after all housing code violations have been financed through the loan. Any remaining loan amount may be used to finance the latter improvements provided the Rehabilitation Coordinator has approved them.
5. Improvements for Barrier Free Access – Improvements related to barrier free access may be performed in dwelling units when a member of the household is handicapped, disabled or elderly. This work may be performed regardless of whether general rehabilitation work is required as long as the homeowner meets all other eligibility requirements. These improvements include, but are not limited to ramps, handrails, gripbars, doorways, cabinet alterations and modification of lavatory fixtures.
5. Permanent General Improvements – A portion of a rehabilitation loan may be used to finance Permanent General Improvements. General improvements may entail cabinet replacement, resilient flooring, and sidewalk or driveway improvement. Public sidewalks are not eligible. Any rehabilitation efforts that will not bring a home up to code or improve its energy efficiency, but improve the basic livability of a home is considered a permanent general improvement.

G. EMERGENCY LOANS

1. Purpose – The purpose of the emergency loan is to provide rehabilitation loans to qualified homeowners for the repair of sudden or unexpected damages to a home that poses a threat to the health and safety of the household residents. All emergency repairs shall be given priority over all other applicants requesting financial assistance.

Examples include: hazardous wiring, unsanitary plumbing conditions, broken furnace, seriously leaking roofs, unsafe steps and porches, or similar conditions which in the opinion of the Rehabilitation Coordinator and/or any other inspector may cause bodily harm to the occupants or permanent damage to the dwelling.

2. Eligibility – The type and terms of the loans made available for emergency repairs are the same as those stated in paragraph A, Types of Loans. An applicant must also satisfy the eligibility requirements stated in paragraph D, Loan Eligibility.

The applicants must agree to allow the City of St. Clair Shores to inspect their property for violations of the Housing Code after the emergency repairs have been completed. If a homeowner does not wish to receive additional services through the Homeowner Rehabilitation Program, they must sign a waiver to that effect.

1. Application Process – In emergency situations, the application process is expedited to permit program staff to be highly responsive to the needs of eligible households. Upon learning of an emergency situation by a household, the Rehabilitation Coordinator shall immediately establish an eligibility appointment with the homeowner(s). At this appointment, the household shall be reviewed for eligibility; therefore, the household must:
 - a) Complete an application;
 - b) Provide proof of income;
 - c) Provide proof of homeownership, and
 - d) Provide proof of homeowner’s insurance.
 2. Inspection Procedures – Either concurrently or following the determination of eligibility, the Rehabilitation Coordinator and the designated city inspector shall visit the home to assess the repairs needed and to determine whether or not an emergency exists. Preparing specifications for the work to be performed and providing a cost estimate shall then be performed.
 3. Contracting Process – The established bidding and contract award process will be followed as outlined for deferred loans.
 4. Term of Construction Contract – The length of time of the construction contract shall be thirty 30 days for all emergency projects. As with non-emergency projects, a contractor must begin work within seven (7) calendar days from the time the Notice to Proceed was issued or as determined between the contractor and Rehabilitation Coordinator.
 5. Amount of Emergency Loan – The amount necessary to pay for the cost of the emergency repair.
- H. LOAN CONDITIONS - All loans will be made with the following conditions:
- 1) All loans are non-assignable. The balance due on a loan must be repaid to the city when the property is sold, title transferred, or original applicant no longer resides on the property.
 - 2) All loans shall be secured by a lien on the property and a promissory note.
 - 3) If the title changes to add, delete (due to divorce), or amend property owners, the city may review to consider reassigning the loan.

- 4) The city shall be designated as the first secured party on any existing mortgage. Any subordination request shall follow the program’s “Subordination Guidelines.” (See attachment)

I. LEAD SAFE HOUSING REGULATION [24 CFR Part 35]

Lead Safe Housing Regulation [24 CFR Part 35] will be considered according to the attached SUMMARY OF LEAD-BASED PAINT REQUIREMENT ACTIVITY.

SUMMARY OF LEAD-BASED PAINT REQUIREMENTS BY ACTIVITY
(From The National Center for Lead-Safe Housing)

Rehabilitation (Subpart J)			
	< \$5,000	\$5,000-\$25,000	> \$25,000
Strategy	Do no harm	Access and control lead hazards	Assess and abate lead hazards
Notification	All three types	All three types	All three types
Lead Hazard Evaluation	Paint Testing or Presumed Lead	Paint Testing and Risk Assessment or Presumed Lead	Paint Testing and Risk Assessment or Presumed Lead
Lead Hazard Reduction	Repair surfaces disturbed during rehabilitation	Interim Controls or Standard Treatments	Abatement (Interim controls on exterior surfaces not disturbed by rehabilitation)
Work Practices	Safe work practices Clearance of Site	Safe work practices Clearance of unit	Safe work practices Clearance of unit
Documentation	Notice Evaluation Clearance Report	Notice Evaluation Clearance Report	Notice Evaluation Clearance Report

J. RELOCATION

If there is an Lead Abatement Project, the contractor, Lead Supervisor, will notify the homeowner if necessary to leave the house until the lead repairs are completed. The homeowner(s) or occupants are encouraged to request a family member, friend, or neighbor to stay with them until the repair is complete. If this is not feasible, the homeowner can request the city to pay for a motel or equivalent for relocation. An agreement shall be reached between the Rehabilitation Coordinator and homeowner as to location and cost of motel or equivalent.

K. ENVIRONMENTAL HAZARDS

If an environmental hazard is identified and must be corrected as part of the repair, any necessary inspection and repair will be completed and agreed upon between the Rehabilitation Coordinator and the contractor completing the repair.