

**1. Application Intake**

## 1.1. Required Documentation

## 1.1.1. Social Security Number or Equivalent Documentation

## 1.2. Notice According to NJ State Relocation Act

## 1.3. Significant Time Spent

**2. Determination of Application**

## 2.1. Income Eligibility

## 2.2. Income Exclusions

## 2.3. Income Verification

## 2.3.1. Earned Income Documentation

## 2.3.2. Net Rental Income

## 2.3.3. Other Income Documentation

## 2.3.4. Zero Income Documentation

## 2.4. Target Service Areas

**3. Categorical Eligibility**

## 3.1. TANF, NJ SNAP, SSI, LIHEAP, WAP, USF, Section 8, and WorkFirst NJ

**4. Determination of Property Eligibility**

## 4.1. Non-Eligible Properties

## 4.2. Vacant/Unoccupied Units

## 4.3. Property Classification with Local Municipality Division of Building Codes

**5. Lead Risk Assessment**

## 5.1. Lead Evaluation

## 5.2. Cost Estimation and Scope of Work

## 5.3. Validity of Lead Evaluation

**6. Relocation Planning****7. Cost Consideration**

## 7.1. Landlord Contribution and Other Sources

**8. Applicant is Eligible****9. “Owner’s Permission for Lead-Work” Form****10. “Landlord/Tenant Lead-Work Agreement” Form****11. Expired Client Record****12. Provision of Service to Agency Employees, Volunteers, Board Members, and their Relatives**

### 13. Personal Identifiable Information (PII)

## APPLICATION INTAKE PROCESS

This Chapter provides guidance on establishing the application intake process, eligibility, and documentation requirements for participants in the Lead Assistance Programs. Dwelling units are to be determined to be eligible for lead assistance based on the amount of household income (income eligibility) or source of household income (categorical eligibility) and presence of lead-based paint hazards.

### 1. Application Intake

The homeowner or tenant (referred to as the “Applicant”) submits an Application Package to the Lead Assistance Program Agency (hereafter referred to as “Agency”) through [DCAID](#). If the Applicant is the tenant, the property’s homeowner is required to complete the Owner’s Permission for Lead Remediation if the household is deemed eligible.

Upon submitting the Application Package online, the Agency should ensure that the applicant meets all of the eligibility requirements. Applicant must meet the following criteria:

- Reside in a one to ten family residential property
- Meet the current Low to Moderate Income (LMI) limits for the county.
- Property has presence of lead-based paint hazards.
- Property was built prior to 1978

#### 1.1. Required Documentation

The following are the forms and documents required in an Application Package:

- ***“Lead Assistance Program Application”***
- ***“Right of Entry Permit and Release of Information Form”***
- ***“Confirmation of Receipt of Lead Pamphlet”***
- ***“Owner’s Permission for Lead Remediation”***
- ***“Proof of Income”***
  - See Section 2
- ***“Proof of Identity”***
  - Non-expired MVC driver’s license or MVC non-driver’s license, passport, SSN card, SSA Verification (Award Letter), Medicaid Card (with SSN on it) 1099 Tax Form, 1040 Tax Form, or W2 Form.
- ***“Proof of Residence”***
  - Proof of Residence: Lease agreement, current utility bill, NJ MVC Driver’s License or Non-Driver’s License, County ID, Veteran’s ID, or Tenant Lease Verification Form.
- ***“Proof of Ownership”***

- Proof of ownership if owner-occupied (current tax bill, mortgage statement, deed) <https://www.taxdatahub.com/>

1.1.1. Social Security Number or Equivalent Documentation

All US Citizens or Qualified Non-Citizens that apply to the Lead Assistance Program will be required to enter a social security number/s (SSNs) for at least one household member via the online portal.

1.2. Notice according to NJ State Relocation Act

Agency sends out a Notification to tenants according to the NJ State Relocation Act (NJAC 5:11) once Application Package has been received. The first notification is called the “**General Information Notice**”. The notice informs the tenants of the property that due to the nature of the work; tenants may be temporarily displaced by the work to be done. The notice also ensures tenants that the displacement is temporary, and they will be able to return to the property; maximum relocation is 15 days.

The Agency, after receiving the application package, can proceed with determination of application. These include, but are not limited to, verification of income, and application checklist review and verification.

1.3. Significant Time Spent

Abatement Units for the Lead Programs:

A child-occupied facility is a building, or a portion of a building, constructed prior to 1978, visited regularly by the same child, under six years of age, on at least two different days within any week (Sunday through Saturday period), provided that each day's visit lasts at least three hours and the combined weekly visits last at least six hours, and the combined annual visits last at least 60 hours.

## 2. **Determination of Application**

2.1. Income Eligibility

A household must meet income eligibility criteria of 80% of Area Median Income (AMI) for the county of residence as defined by HUD Income Guidelines.

The Income Guidelines can be found: [LRAP\\_Update\\_Income\\_Guidelines\\_4.1.2024.pdf](#)

2.2 Income Exclusions

Income calculated for the purpose of determining program eligibility excludes the following:

- Earned income of children under the age of 18 years of age.
- Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.
- Adoption Subsidies
- Earned income of dependent full-time students

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- Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation
  - Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.
  - Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.
  - Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965)
  - Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses.
  - Temporary, nonrecurring, or sporadic income (including gifts)
  - Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit
  - Paid portion of health insurance or other employee fringe benefits, food or housing received in lieu of wages, the value of food and fuel produced and consumed on farms, the imputed value of rent from owner occupied non-farm or farm housing, depreciation for farm or business assets.
  - Federal noncash benefit programs such as Medicare, Medicaid, Food Stamps, school lunches, and housing assistance
  - Combat zone pay to the military

### 2.3 Income Verification

The Agency shall obtain proof of income eligibility from all applicants. Agency is required to maintain such proof in the client files. The original documentation verifying income may include:

- Paystubs (Last 30 Days)
- Most Current Tax returns with all Schedules (for applicants who are self-employed)
- Financial statements
- Self-Certification of Income
- Compensation award letters
- Other documentation verifying income
- Retirement Income
- Social Security Income
- Alimony
- Child Support

The Agency must also verify information related to the applicant's self-employment. The original documentation verifying income for self-employed applicants may include:

- Tax returns with all Schedules
- Financial statements
- Self-Certification of Income

- Statement of 3 months of profit and loss or an Accountant statement for the last 3 months

The Department shall maintain the right to request or obtain third-party verification of income for any applicant. Moreover, the Agency may, at its discretion, request a copy of an applicant's most recent Federal Income Tax Return, including all schedules if there is any question as to the eligibility of the applicant based on other forms of documentation concerning income eligibility. If an applicant does not have a copy of their Federal Income Tax Return, or if there are irregularities on the Federal Income Tax Return submitted, the Agency shall require the submission of a Tax Return Transcript for the current year. (Irregularities include but are not limited to missing pages, evidence of alterations, and other evidence that the Federal Income Tax Return submitted is not an exact duplicate of what was filed with the Internal Revenue Service.) Tax return transcripts do not reflect changes made after the return was filed. To order a tax return transcript free of charge, applicant may use IRS Form 4506T by calling 1-800-908-9946 or visiting <https://www.irs.gov/individuals/get-transcript>. If the applicant does not file Federal Income Tax Returns, s/he must sign the Certification of No Federal Income Tax Return Filed. The Affidavit of No Income Tax Filing can be found at the appendix of Chapter 1. In lieu of IRS 4506, any government income verification form is acceptable.

Any applicant household member over the age of 18 with zero income, or rental income, shall be reviewed by the Department prior to the applicant being determined to be income eligible for assistance. Members of the household over the age of 18 with zero income who are full-time students (at least 12 credited courses per semester), must provide proof that they are enrolled full-time. Files for applicant households with zero income or rental income shall contain a copy of the e-mail from the Department which verifies that the household is eligible.

Any applicant household member over the age of 18 who does not file a Federal Income Tax Return shall seek verification from the IRS that no tax return was filed by filing IRS Form 4506T or call 1-800-908-9946 with the IRS. Files for applicants that do not file Federal Income Tax Returns shall contain verification from the IRS that no Federal Income Tax Return was filed.

Prior to June 30 of any given year, the prior year's Federal Income Tax Return may be considered the more reliable verification of income, and subsequent to June 30 of any year, other income verification that contains year to date payment information may be considered more reliable. Where the various sources of income verification are not consistent, (i.e., paystubs versus Federal Income Tax Returns) the Agency shall document any changed circumstances and include this documentation in the client file.

Any file for which the Agency believes to demonstrate a risk of fraud or abuse shall be provided to the State Monitor assigned for review. The assigned State Monitor will review client file and determine referral to Program Integrity and Compliance Unit (PIC) for further review. Upon that referral, Office of Low-Income Energy Conservation (OLIEC) Supervisor will request review by PIC. Upon receipt, the Department will review the file

documentation for compliance with all applicable Federal and State authority. Written correspondence on PIC review will be sent to the Agency for further action if needed. Copy of written correspondence must be retained in client file. No payment for units completed will be approved until such time that the proper income verification documentation is in the client file.

**2.3.1. *Earned Income Documentation:***

For applicants who report earned income:

The Lead Assistance Program Agency shall collect one months' worth of consecutive income prior to application date. The documentation must not be older than 60 days at the time of submission. If the pay period is week to week request 4 recent consecutive pay stubs. If the pay period is biweekly request 2 recent, consecutive pay stubs.

*The self-certification of income is now acceptable in this program.*

**2.3.2 *Net Rental Income for Landlords***

Net rental income is the difference between gross rental receipts and building operating expenses. Income can be calculated using the Net Rental Income Form.

Building operating expenses include mortgage interest, property taxes, utilities (paid by the landlord/applicant), insurance premiums, and maintenance expenses. For those landlord/applicants who reside in a unit within the building which provides the rental income, the building operating expenses must be prorated before being deducted from the gross rental receipts. For example, if the landlord/applicant resides in one unit of a two-unit building, then only ½ of the building's operating expenses can be deducted from the gross rental receipts when calculating net rental income.

**2.3.3. *Other Income Documentation:***

For all applicants who report any source of income other than earned income, the following documentation shall be considered acceptable verification documentation for non-earned income.

<b>TYPE</b>	<b>ACCEPTABLE DOCUMENTATION</b>
Alimony	Court Order, pertinent pages of separation agreement or divorce decree that identify client and amount of alimony. (If court ordered payments are not being received by the client, a statement to this effect will be accepted)
Annuities	Statement dated within 60 days of certification from issuing organization
Dividends and Interest, as regular source of income	Statement dated within 60 days of certification from bank or brokerage firm
Estates and trusts, as regular source of income	Fiduciary statement or current statement from bank or brokerage firm

Insurance proceeds or dividends, as regular source of income	Statement from insurance company
Pensions, government or private	Award letter; a letter from administrative agency
Rents	Income tax form rent receipts; listing each apartment and the rent received per month, as well as the description and amount of deductible expenses. When the tenant is a family member and is paying no rent to the owner, a statement should be received from the tenant and signed by the owner stating that no rents are being collected.
Royalties	Income tax return; current statement from company issuing checks
Self-employment Income	Most recent Federal Tax return for the Business including all Schedules, whether sole proprietorship, Limited Liability, S or C Corporation. Business records for three months prior to the date of application; reflecting gross adjusted income, including list of deductions and amounts, for previous three months, or self-certification of income
Social Security Benefits	SSA Benefit Verification letter; SSA-1099 Social Security Benefit Statement; or SSA form 2458 (Report of Confidential Social Security Benefit Information)
Strike Benefits	Award letter; copy of checks; letter from appropriate administrative agency
TANF Award Printout	Work First NJ (NJ's Temporary Assistance for Needy Families) award printout issued by the County's Welfare Agency.
Unemployment	Unemployment Income Statement issued by the New Jersey Department of Labor and Workforce Development, or a comparable statement issued by an agency or department of another State or Territory responsible for administration of unemployment benefits. Other forms of supporting documentation proving unemployment may include the following: 1099-G, bank statements showing their unemployment deposits or confirmation from the DOL database showing their unemployment disbursements.
Veteran's Benefits	Award letter from Veterans Administration or DOD.
Worker's Compensation	Award letter from Workers Compensation Board; current check

#### 2.3.4 Zero Income Documentation

Applicants that apply for Lead Assistance Programs are required to submit income documentation or submit a self-certification form documenting gross household income. If an Applicant applies for Lead Assistance Programs and states that there is no income, the agency must review all the information submitted with the application to make a reasonable assumption regarding the accuracy of the statement. For example, if the household has paid current rent, utility bills, and property taxes, it is reasonable to assume that the household has income.



Lead Assistance Program Agencies cannot accept an affidavit of zero income without requiring a household to document that they have no income. If an applicant or any member of the household has no income, then the applicant must submit “Affidavit of Zero Income” form. Each applicant and/or member of household over the age of 18 that does not receive income must also provide a “Affidavit of Zero Income” form.

All zero income clients must be sent to the department’s income verification. Please email name, address, and full social security number for all zero income clients to [income-verification@dca.nj.gov](mailto:income-verification@dca.nj.gov). Income verification email requests that do not contain the full social security number will not be accepted. E-mails should be sent with a “read receipt” request to verify receipt by the Department. The Department shall respond via e-mail with verification of income for each household member, excluding the social security number. The Department shall delete the original email sent upon income verification confirmed. A copy of this e-mail shall be printed and placed in the applicant household file.

#### 2.4 Target Service Areas:

Lead Assistance Program Agencies are limited to their designated target service area(s) as per their grant agreement with NJDCA for their specific lead program or programs.

Agencies sharing service areas MUST check Hancock prior to lead testing the property.

### **3. Categorical Eligibility**

**3.1.** Categorical eligibility means that households are determined to be eligible despite a total household income which may exceed the income guidelines. Categorical eligibility exists when any member of the household receives cash assistance payments from any of the following programs:

1. TANF- Temporary Assistance for Needy Families
2. NJ SNAP- NJ Supplemental Nutrition Assistance Program
3. LIHEAP- Low Income Home Energy Assistance Program
4. USF- Universal Service Fund
5. Section 8
6. WorkFirst NJ
7. SSI - Supplemental Security Income

Valid documents to support categorical eligible include benefit letter, program acceptance letter and statement of benefits of the current year.

### **4. Determination of Property Eligibility**

After an applicant is deemed eligible from a documentation standpoint, Agency shall physically go out to the field and conduct preliminary testing for lead hazards. The Agency should use Lead Testing Kits/Swabs to detect for the presence of lead-based paint hazards in the unit or units. While the Agency is at the property for lead testing, they should take pictures of the exterior front for identification purposes.



#### 4.1. Non-Eligible Properties

The following would result in the Applicant's property to be deemed non-eligible for services:

- Property contains 11 or more units;
- Property that is being occupied by more families than its legal occupant capacity (i.e., a property classified as a two-unit property via local municipality's building codes division, but is being utilized as a three-family home);
- Property in Foreclosure;
- Property Listed for Sale;
- Building structure is not safe or structurally sound;
- Building Scheduled for Demolition;
- Sewage system has failed and requires correction prior to lead assistance measures;
- Building with other sanitary factors that are present that may prohibit the timely and efficient reduction of lead assistance measures.
- Required corrective work is beyond the scope of the Lead Assistance Program
- Illegal activities are being conducted in the dwelling unit
- The client is uncooperative (abusive or threatening Agency personnel, lead evaluators, contractors, etc.) who must work on or visit the property

#### 4.2. Vacant/Unoccupied Units

##### 4.2.1. Vacant Unit to be Occupied by Program Eligible Household

As of February 1, 2023, vacant units are eligible for lead-based paint hazard reduction either through lead remediation or lead abatement if the owner certifies that the vacant/unoccupied unit(s) will be occupied by an income eligible household within 180 calendar days of the lead clearance.

The Property Owner must complete and sign "Vacant/Unoccupied Unit Certification Form."

#### 4.3. Property Classification

The number of units identified on the Property Tax Record should be used to determine the number of legal dwelling units.

### 5. **Lead Risk Assessment**

#### 5.1. Lead Evaluation

Once a household and unit are deemed eligible and initial testing has resulted positive, the grantee must contact the designated DCA coordinator to schedule a Lead Inspection Risk Assessment (LIRA) of the property by a Lead Evaluator. See Flowchart in Appendix.

In the projects where not all units on a property are being provided lead assistance services, the LIRA must identify hazards in the common areas and the exterior of the property.

In projects where the Health Department has issued a Notice of Violation, the grantee must contact the designated DCA coordinator to schedule their own Lead Inspection Risk Assessment (LIRA) of the interior, exterior, and common areas of the property by a DCA certified Lead Evaluator.

5.1.a All abatements as a result as a Notice of Violation must be completed within 10 days.

5.2. Cost Estimation and Scope of Work

Once the Lead Evaluator completes the Lead Inspection Risk Assessment, a scope of work and cost estimation of scope of work will be produced by the Lead Construction Manager (LCM).

5.3. Validity of Lead Evaluation

The Lead Inspection Risk Assessment is valid for the program up to 6 months after the date in which it was conducted for a grantee to provide lead remediation/abatement services.

If after 6 months, the grantee has not completed work, a reassessment of the unit is required for additional lead-based paint hazards and ancillary work that may have arisen during that time frame.

**6. Relocation Planning and Maximum Time Allowable for Temporary Relocation**

The Lead Assistance Program Agency and LCM will then have to review the scope of work produced by the contracted Lead Evaluator. The Lead Assistance Program Agency and LCM must determine whether or not the work scope will require the occupants to be temporarily relocated.

If the occupants must be temporarily relocated, the Lead Assistance Program Agency must produce a temporary relocation plan for the occupants (where will the occupants be temporarily housed, for how long, etc.) and estimate costs of temporary relocation.

If occupants must be temporarily relocated, the maximum time allowable for them to be temporarily relocated is 15 calendar days. If more time is needed, then requests for a waiver must be submitted to NJDCA via email explaining the circumstances in which the occupant(s) need to be temporarily relocated for longer than the allowed time frame. Maximum reimbursement for lodging and meals is based on the Federal GSA Per Diem Rates: [Per diem rates | GSA](#). **All relocation expenses must be approved by DCA's assigned program specialist prior to moving forward.**

**7. Cost Consideration**

Before approving an applicant for the program, the Agency shall calculate any foreseeable costs related to the project. The average cost per unit is expected to be **\$13,000** for **lead remediation** projects and **\$25,000** for **lead abatement** projects.

Lead Remediation projects with costs that exceed the above stated caps may be undertaken with **prior approval** from New Jersey Department of Community Affairs' Office of Lead Prevention.

(See Chapter 3 Section 3.9)

#### 7.1. Landlord Contribution and Other Sources

If the cost of the unit exceeds the maximum allowable costs, the landlord or owner of the property may contribute.

If landlord/owner are contributing to the cost, an addendum to the existing contract would be necessary allowing the landlord/owner to pay the contractor directly.

### 8. Applicant is Eligible

If applicant's project cost falls within the allowable cost per unit, and Lead Assistance Program Agency approves to proceed, the Lead Assistance Program Agency shall notify the applicant via the CRM stating that Applicant is eligible for lead assistance services.

### 9. "Owner's Permission for Lead Assistance" Form

After the Applicant has been determined to be eligible, the Lead Assistance Program Agency must transfer the general measures of the scope of work to the "Owner's Permission for Lead Assistance" form. The Lead Assistance Program Agency must go over the lead assistance measures with the Owner and obtain the Owner's signature as authorization for the Lead Assistance Program Agency to install or sub-contract the lead measures to the property. The Owner's signature also certifies that the property is not in foreclosure or scheduled for demolition within the 12 months from the date of work.

### 10. "Landlord/Tenant Lead Assistance Agreement" Form

For properties that are occupied by a tenant(s), the Lead Assistance Program Agency is required to obtain and execute the "Landlord/Tenant Lead Assistance Agreement". This form is required to be filled out and signed individually for each tenant. This Landlord/Tenant Agreement ensures that the rights of tenants, as well as the Lead Assistance Program's investment are protected, and that the benefits of lead assistance accrue to the low- and moderate- income persons that the program intends to serve. Signed copies of this document are provided to both the Tenant and the Landlord. The document is enforceable by the tenant(s). Copy of document must be maintained in the file.

If the property is owner-occupied and does not have any tenants residing in the unit(s), the Landlord/Tenant Form would be non-applicable.

### 11. Expired Client Record

If a client has not been served within one (1) calendar year, the application will expire, and the client would have to complete a new application. The client record in HESWAP will also automatically lock and require recertification of the client record.

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**12. Provision of Service to Agency Employees, Volunteers, Board Members, and their Relatives**

If the eligible applicant is affiliated to the Lead Assistance Program Agency, s/he may receive services per standard procedures, as augmented by the additional steps required below. All lead assistance program personnel must be alert to the potential for an appearance of conflict of interest which could harm the public reputation of the Lead Assistance Program Agency and the program.

Affiliated Applicants are defined as, but not limited to:

- Agency employees
- Board members or volunteers
- Related to someone who is an agency employee, board member or volunteer
- A tenant residing in a building which is owned or managed by someone connected to the Lead Assistance Program Agency

The appearance of conflict of interest will be avoided through a policy consisting of three parts: DISCLOSE, DELEGATE, and DOCUMENT Lead Assistance Program Agency actions.

1) DISCLOSE - Whenever an “affiliated” applicant is identified, written notification should be made by the person who recognizes the connection. This notification should be addressed to the Lead Assistance Agency Executive Director and routed to him/her through the agency chain-of-command. If the applicant is connected to the Executive Director, this notification should be addressed to the Chairperson of the agency's Board of Directors and copied to the agency Executive Director. In addition, the Lead Assistance Program Manager will inform the OLIEC in writing of the identification at the time of application. These notifications must state:

- a) How the applicant (or the occupant's landlord/building manager) is affiliated to the Lead Assistance Agency.
- b) When did the identification take place. (Date, Time, Location)

2) DELEGATE - The decision to proceed with service to a affiliated applicant must be delegated to the Lead Assistance Program Agency's Board of Directors. The Lead Assistance Agency Board of Directors must grant written authorization to proceed with the provision of service. The Lead Assistance Agency Board of Directors should meet in Executive Session when considering the authorization of service to an affiliated applicant in order to preserve client confidentiality. This authorization must explicitly certify that the applicant will not receive any extra benefits as a result of their affiliation. These benefits may include, but are not necessarily limited to, the position of the dwelling unit on the agency's waiting list and the amount and/or type of services provided (undue or excessive enhancement). In addition, the various activities involved in providing service (verifying eligibility, conducting pre- and post-lead hazard reduction inspections, etc.) should also be delegated to someone who is not personally involved with the affiliated individual.

3) DOCUMENT - The purpose of the client file contents is to provide a clear and accurate history of the client's involvement with the lead assistance program. This is especially important whenever there is a potential for the appearance of conflict of interest. The written notifications to the OLIEC and the Lead Assistance Program Agency Executive Director (or Board Chairperson) that an affiliated applicant has been identified and the Board's authorization/certification to proceed with the provision of services must become part of the client file.

Failure to follow the procedure described above may result in a decision by the OLIEC to disallow the costs of providing assistance to a property owned or occupied by an affiliated applicant.

A **mandatory** state inspection will be performed on all units under this category.

### **13. Personal Identifiable Information (PII)**

Lead Assistance Agencies agree to comply with the Privacy Act of 1974 and HUD rules and regulations related to the protection of personal identifiable information. Lead Assistance Agencies shall provide and require all staff, consultants, contractors, and sub-contractors to sign a Non-Disclosure Agreement to protect any personal identifiable information necessary to complete its scope of work. If Lead Assistance Agency is procured for the design, development, or operation of a system of records on individuals, it shall do so in compliance with 48 CFR 24.102, et seq.