

Chapter 1: Application Intake and Approval Process

Contents

- 1. Application Intake..... 3
 - 1.1. Required Documentation 3
 - 1.1.1. Social Security Documentation..... 4
 - 1.2. NJ State Relocation Act 4
 - 1.3 Significant Time Spent..... 4
- 2. Income Eligibility 4
 - 2.1. Income Exclusions 4
 - 2.2. Income Verification..... 5
 - 2.2.1. Earned Income Documentation..... 7
 - 2.2.2. Net Rental Income for Property Owners 7
 - 2.2.3. Other Income Documentation..... 7
 - 2.2.4. Zero Income Documentation 8
 - 2.3. Target Service Areas 9
- 3. Categorical Eligibility..... 9
 - 3.1. Assistance Programs 9
 - 3.2. Qualified Census Tract..... 9
- 4. Property Eligibility..... 10
 - 4.1. Non-Eligible Properties 10
 - 4.2. Vacant Units 10
- 5. Lead Risk Assessment..... 10
 - 5.1. Lead Evaluation 10
 - 5.2. Scope of Work and Cost Estimation 11
 - 5.3. Validity of Lead Evaluation 11
- 6. Relocation 11
- 7. Cost Considerations 11
 - 7.1. Property Owner Contribution and Other Funding Sources..... 11
- 8. Applicant is Eligible..... 12
- 9. Owner’s Permission for Lead Assistance Form..... 12
- 10. Landlord/Tenant Lead Assistance Agreement Form..... 12

11. Expired Client Record..... 12

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

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

This chapter provides guidance on the application intake process, client eligibility, and documentation requirements for participants in the Lead Assistance Programs. Households are determined to be eligible for lead assistance based on the total household income (income eligibility) or source of household income (categorical eligibility) and the presence of lead-based paint hazards. All forms referenced in this chapter can be found in the [DCA Lead Appendix](#).

1. Application Intake

The property owner or tenant (the “Applicant”) must submit an Application Package to the Lead Assistance Program Agency (the “Agency”) through [DCAid](#). If the Applicant is the tenant, the property owner must complete the Owner’s Permission for Lead Remediation form if the household is deemed eligible.

Upon receiving the Application Package, the Agency should ensure that the applicant and the property meets all of the eligibility requirements. The Applicant must meet the income or categorical eligibility requirements as outlined in this chapter. The property must meet the following criteria:

- A residential property with 10 or less units
- Built prior to 1978
- Has a presence of lead-based paint hazards

1.1. Required Documentation

All applicable items listed in the Intake section of the File Content Compliance Checklist must be in the Application Package and maintained in the client file. Acceptable forms of proof required are detailed below.

- Proof of Identity
 - Driver’s license or non-driver’s license issued by the NJ Motor Vehicle Commission
 - Passport
 - Social Security card
 - Social Security Administration verification letter
 - Medicaid card with social security number
 - Tax ID document or 1099 or 1040 tax form
 - W2 form
 - Birth or hospital certificate

All proofs of identity must be provided for all household members and must be non-expired.

- Proof of Income – see Section 2 in this chapter
- Proof of Residence
 - Current lease agreement
 - Utility bill within past 60 days
 - Driver’s license or non-driver’s license issued by the NJ Motor Vehicle Commission
 - NJ County ID
 - Veteran ID
 - Tenant Lease Verification form
- Proof of Ownership

- Current tax bill
- Mortgage statement
- Deed
- Verification on [Tax Data Hub](#)

1.1.1. Social Security Documentation

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

The [Certification of No Social Security Number](#) form must be completed for all members of the household who do not have a Social Security number.

1.2. 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

For abatement units, a property where a child spends significant time is defined as 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. Income Eligibility

The combined gross income of a household income must be within [80% of the Area Median Income](#) for the county of residence as defined by HUD Income Guidelines.

For abatement projects where a Notice of Violation has been issued by the local Department of Health and the affected child is expected to return to the property, the combined gross household income must be within [100% of the Area Median Income](#) for the county of residence as defined by HUD.

2.1. Income Exclusions

For the purpose of determining program eligibility, total household income does **not** include:

- Earned income of children under 18 years of age
- Payments received for the care of foster children, foster adults, State or Tribal kinship, or guardianship care

- Adoption subsidies
- Earned income of dependent full-time students
- Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, or workers' compensation
- Funds received by the household that are specifically for, or in reimbursement of, the cost of health and medical care expenses for a 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, 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 household 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 an owner-occupied non-farm or farm housing, or depreciation for farm or business assets
- Federal non-cash benefit programs such as Medicare, Medicaid, food stamps, school lunches, and housing assistance
- Combat zone pay to the members of the military

2.2. Income Verification

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

- Paystubs within the last 30 days of the application date
- Financial statements
- Self-Certification of Income
- Compensation award letters
- Retirement income statement
- Social Security Income
- Alimony or child support payments – see Section 2.2.3 in this chapter
- Other documentation verifying income

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

- Financial statements
- Self-Certification of Income
- Statement of most recent 3 months of profit and loss or an Accountant statement for the last 3 months and most current tax return

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.

2.2.1. Earned Income Documentation

For applicants who report earned income, the Lead Assistance Program Agency shall collect one month's 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, the Agency is required to collect the 4 most recent, consecutive pay stubs. If the pay period is biweekly, the Agency is required to collect the 2 most recent, consecutive pay stubs.

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

2.2.2. Net Rental Income for Property Owners

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 property owner), insurance premiums, and maintenance expenses. For those property owners who reside in a unit within the building which provides rental income, the building operating expenses must be prorated before being deducted from the gross rental receipts. For example, if the property owner resides in one unit of a two-unit building, then only half of the building's operating expenses can be deducted from the gross rental receipts when calculating net rental income.

2.2.3. 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. Agencies must use gross benefit amount listed in the documentation.

INCOME TYPE	ACCEPTABLE DOCUMENTATION
Alimony and/or child support	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

2.2.4. 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 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.

The applicant or any member of the household that has no income must submit an Affidavit of Zero Income form. Agencies cannot accept an Affidavit of Zero Income without requiring the household to document that they have no income.

All zero income clients must be sent to DCA for verification. Agencies must send an email with the name, address, and full social security number for all zero income household members to income-verification@dca.nj.gov. Income verification email requests that do not contain the full social security number will not be accepted. These emails must be sent with a read receipt request to verify receipt by DCA. DCA shall respond via email with the verification of income for each household member, excluding social security numbers. DCA shall delete the original email sent upon confirming verification. A copy of this verification confirmation email must be included in the client file.

2.3. Target Service Areas

Lead Assistance Program Agencies are limited to their designated target service area(s) as outlined in their grant agreement with DCA for each specific lead program.

Agencies sharing service areas MUST check in CRM and HESWAP that the client is not already being serviced by another Agency prior to testing the property.

3. Categorical Eligibility

Households where the total income exceeds the income guidelines may still be able to participate in Lead Assistance Programs if they meet categorical eligibility criteria.

3.1. Assistance Programs

Categorical eligibility exists when any member of the household receives cash assistance payments from any of the following programs:

- Temporary Assistance for Needy Families (TANF)
- NJ Supplemental Nutrition Assistance Program (SNAP)
- Low Income Home Energy Assistance Program (LIHEAP)
- Universal Service Fund (USF)
- Section 8
- WorkFirst NJ
- Supplemental Security Income (SSI)

Valid documents to support categorical eligibility include benefit letters, program acceptance letters, and statements of benefits for the current year or program cycle. These documents must be included in the client file.

3.2. Qualified Census Tract

Categorical eligibility also exists when the property falls within a Qualified Census Tract (QCT). A QCT is defined by HUD as an area where at least 50% of households have income below 60% of Area Median Gross Income. Agencies can verify if a property is within a QCT by searching for the address in the [HUD QCT map](#) and ensuring the “QCT Qualified Tracts” layer is visible. Agencies using QCT status to determine client eligibility must include a screenshot of the property on the QCT map in the client file.

4. Property Eligibility

Once the household is deemed eligible, the Agency must conduct a field visit to the property and perform a preliminary test for lead hazards using Lead Test Kits or Swabs. While Agency staff is at the property, they must take pictures of the exterior front for identification purposes.

4.1. Non-Eligible Properties

An application must be deferred if any of the following criteria is met.

- The property
 - has 11 or more units
 - is being occupied by more families than the legal occupant capacity
 - The number of units identified on the Property Tax Record should be used to determine the number of legal dwelling units.
 - For example, a property classified as a two-unit property per the local municipality's building codes division being utilized as a three-family home is ineligible for lead assistance.
 - is in foreclosure
 - is listed for sale
 - is not safe or structurally sound
 - is scheduled for demolition
 - has a sewage system that requires correction before lead measures can be installed
 - has other sanitary factors that may prohibit the efficient installation of lead measures
 - requires corrective work beyond the scope of the Lead Assistance Program
- Illegal activities are being conducted on the property.
- The client is abusive, threatening, or otherwise uncooperative to Agency personnel, lead evaluators, contractors, or others who must work on or visit the property.

4.2. Vacant Units

As of February 1, 2023, vacant units are eligible for participation in Lead Assistance Programs if the property owner certifies that the vacant unit(s) will be occupied by an income-eligible household within 180 calendar days of the final lead clearance by completing the Vacant/Unoccupied Unit Certification form.

5. Lead Risk Assessment

5.1. Lead Evaluation

Once the household and property are deemed eligible and initial lead testing shows the presence of lead-based paint hazards, the Agency must schedule a Lead Inspection Risk Assessment (LIRA) of the property by a DCA-certified Lead Evaluator. The [Lead Remediation and Abatement Process Map](#) provides an overview of the workflow.

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

In abatement projects where a Health Department has issued a Notice of Violation, the Agency must still schedule a full LIRA by a DCA-certified Lead Evaluator. All abatements as a result of a Notice of Violation must be completed within 10 days.

5.2. Scope of Work and Cost Estimation

Once the Lead Evaluator completes the LIRA, a scope of work and cost estimation must be produced by the Agency's Lead Construction Manager (LCM).

5.3. Validity of Lead Evaluation

The LIRA is valid for the program for up to 12 months after the date in which it was conducted for an Agency to provide lead remediation or abatement services.

If after 12 months, the Agency has not completed work, a reassessment of the unit is required to account for additional lead-based paint hazards and ancillary work that may have arisen during that time frame.

6. 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 DCA in writing explaining the circumstances in which the household needs to be relocated for longer than the allowed time frame. Maximum reimbursement for lodging and meals is based on the [Federal GSA Per Diem Rates](#). All relocation expenses must be approved by DCA's assigned program specialist prior to moving forward.

7. Cost Considerations

Before approving an applicant for the program, the Agency must calculate all foreseeable costs related to the lead reduction project. The allowable cost per unit is expected to be within \$30,000 for lead remediation projects and \$40,000 for lead abatement projects.

Lead Remediation projects with costs that exceed the above stated caps may be undertaken with prior approval from DCA. See Chapter 3, Section 3.8.2.

7.1. Property Owner Contribution and Other Funding Sources

If the cost of the project exceeds the maximum allowable costs, the property owner may contribute. The Agency may also seek alternative funding sources

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 the Applicant's household is deemed eligible, the project cost falls within the allowable cost per unit or is approved as an over-expenditure, and the Lead Assistance Program Agency approves to proceed, the Agency shall notify the applicant via CRM that their household 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 fill out the Owner's Permission for Lead Assistance form with the general measures from the Scope of Work. The Agency must go over the lead assistance measures with the property owner and obtain the owner's signature as authorization for the Agency to install or sub-contract the installation of the lead measures to the property. The owner's signature also certifies that the property is not in foreclosure or scheduled for demolition within 12 months from the scheduled date of work.

10. Landlord/Tenant Lead Assistance Agreement Form

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

This form does not apply to properties that are owner-occupied or are vacant rental units.

11. Expired Client Record

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

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

Eligible applicants that are affiliated with a Lead Assistance Program Agency are still eligible to receive services per standard procedures, as long as the steps outlined in this section to minimize the appearance of a conflict of interest are followed. All Agency 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

To avoid the appearance of a conflict of interest when dealing with affiliated applicants, Agencies must take the following steps:

1. Disclose

Whenever an affiliated applicant is identified, the person who recognizes the connection must notify the Lead Assistance Agency Executive Director and Program Manager in writing. 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 Executive Director. The Lead Assistance Program Manager must inform DCA in writing of the affiliation at the time of application. These notifications must include:

- The nature of the relationship between the applicant, property owner, or property manager and the Lead Assistance Agency
- The date, time, and location of when the identification was made

2. Delegate

The decision to proceed with lead assistance services for an affiliated applicant must be delegated to the Lead Assistance Program Agency's Board of Directors. The Board of Directors should meet in Executive Session when considering the authorization of service to an affiliated applicant in order to preserve client confidentiality and grant written authorization to proceed with the provision of service. 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 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 a 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.