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APPLICATION INTAKE PROCESS

This Chapter provides guidance on establishing the application intake process, eligibility and documentation requirements for participants in the HUD Lead-Based Paint Hazard Reduction (LBPHR) and Healthy Homes Grant Program. Dwelling units are to be determined to be eligible for lead abatement 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 HUD LBPHR Sub-Grantee (hereafter referred to as “sub-grantee”). If the Applicant is the tenant, the property’s homeowner is required to be the signatory on all documents.

Prior to the Applicant filling out and submitting the Application Package, the sub-grantee should ensure that the applicant meets all of the eligibility requirements. Applicant must meet the following criteria:

- Reside in a one-to-four family residential property
- Meet the Very Low (50% AMI) to Low (80% AMI) Income limits for the county;
- Property has presence of lead-based paint hazards;
- Unit contains a Notice of Violation from the local Department of Health

1.1. Required Documentation

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

- Signed “HUD LBPHR Program Application”
- Signed “Right of Entry Permit and Release of Information Form”
- Signed “Confirmation of Receipt of ‘Renovate Right’ and ‘Protect Your Family’ Lead Pamphlets”
- Photo Identification
- Verification of Income Eligibility
- Social Security Number or Equivalent Documentation for all household members
- Proof of Ownership (copy of mortgage deed, or rental agreement, or county tax record)
 - https://tax1.co.monmouth.nj.us/cgi-bin/prc6.cgi?menu=index&ms_user=monm&passwd=data&district=1301&mode=11
- Order of Abatement from local Health Department
- Permission from the owner (or designated agent) to perform the lead-abatement work (“Owner’s Permission for Lead-Abatement Work” Form)
- Documentation of recent blood level tests of children under the age of 6 or consent or non-consent of testing

1.1.1. Social Security Number or Equivalent Documentation

All applicants that come to the HUD LBPHR Program will be required to submit social security numbers (SSNs) for the applicant and documentation of social

security numbers for all household members. A copy of the documentation must be retained in the client file.

Acceptable documentation of a social security number includes:

- an original SSN card issued by the Social Security Administration (SSA)
- an original SSA issued document which contains the name and SSN of the client, or
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual.
- Medicare card (with SSN on it)

If a member of the household does not have an SSN, the household member or guardian (if household member is a minor) must sign a Certification of No Social Security Number. The original signed certification must be retained in the client file by the sub-grantee.

If a member of the applicant household has an Individual Taxpayer Identification Number (ITIN) issued by the IRS. Documentation of the household member's ITIN must be included in the client file as well as a completed and executed Certification of No Social Security Number.

If an applicant does not have an SSN or an ITIN, s/he shall provide one of the following: Green card, birth certificate, driver's license, or I-688 work approval. A copy of such documentation must be included in client file.

The Certification of No Social Security Number can be found in the [Appendix](#).

1.2. Zero Income Documentation

Applicants that apply for Assistance are required to submit income documentation. If an Applicant applies for Assistance and states that there is no income, the sub-grantee 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.

Sub-Grantees cannot accept an affidavit of zero income without requiring a household to document that they have no income. A household must provide a notarized "**Affidavit of No Income**" form. If a household member over 18 also has no income, he or she must fill out an "Affidavit of No Income for Member of Household" form. Each applicant and/or member of household over the age of 18 that does not receive income must also provide a, "Certification of No Income Tax for Applicant" form or a, "Certification of No Income Tax for Member of Household" form. A household can certify that they have no income by obtaining an income printout from the unemployment office. If the household is living on savings, interest from those savings is considered income and must be reported to the IRS. The household must submit a copy of the most recent income tax return or a tax return transcript (for more information on this see Section 2.2 "Income Verification")

showing the reported interest and signature of filer. If the household is unwilling to cooperate in establishing eligibility for the HUD LBPHR they cannot be served. Sub-Grantees must submit all zero income for review to the Department.

All zero income clients must be sent to the department income verification. Please email name, address, and full social security number for all zero income clients to 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.

The Affidavit of No Income can be found in the [Appendix](#). This affidavit must be notarized.

1.3. Notice according to NJ State and Federal Uniform Relocation Act

Sub-Grantee sends out a Notification to tenants according to the Federal “Uniform Relocation Act” and 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.

The sub-grantee, 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.

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. If the applicant falls within the 50% area median income, which is defined as “very low” income, they should be identified as such. If the applicant falls above 50% of AMI but below 80% of AMI, they should be identified as having “low” income.

The Income Guidelines can be found:

https://www.nj.gov/dca/divisions/dhcr/offices/docs/wap/LEAD/HUD_LBPHR_Income_Guidelines.pdf

2.2. Income Verification

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

- Paystubs
- W-2 forms

- Tax returns (for applicants whom are self-employed)
- Financial statements
- Compensation award letters
- Other documentation verifying income

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

- Tax returns
- Financial statements

The Department shall maintain the right to request or obtain third-party verification of income for any applicant. Moreover, the sub-grantee 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 sub-grantee 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 or call 1-800-829-1040. 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, with proof that they are enrolled as full-time students do not require prior approval of the Department. 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 1-800-829-1040 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 sub-grantee shall document any changed circumstances and include this documentation in the client file.

Any file for which the sub-grantee 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 if sub-grantee can proceed with application or forward to Office of Low-Income Energy Conservation (OLIEC) Supervisor for further review. And compliance with all applicable Federal and State authority. Written correspondence on review will be sent to the sub-grantee 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 sub-grantee shall collect 4 of the most recent 5 weeks' worth of pay stubs to establish annual income provided the paystubs show year to date (YTD) earnings representing at least 3 months of earnings.

In cases where the paystub does not show year to date earnings or the YTD earnings shown represent less than three months' pay, the agency must collect additional pay stubs to verify a total of 3 months income; or if paystubs are not available, an original signed letter from the applicant's employer on employer letterhead must be obtained by the sub-grantee directly from the employer. This letter is not to be hand delivered to the sub-grantee by the applicant but must be mailed or faxed to the sub-grantee by the employer.

Under no circumstances shall the sub-grantee accept a self-certified letter from an applicant in lieu of the acceptable earned income documentation stated in this policy.

2.2.2. Net Rental Income

Net rental income is the difference between gross rental receipts and building operating expenses.

Applicants must submit a "Net Rental Income Calculation" form (in [appendix](#)) if there are 2 or more units on the property and the landlord occupies one of the units.

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.

2.2.3. 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.

TYPE	ACCEPTABLE DOCUMENTATION
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 notarized 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; notarized statement from applicant 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 notarized 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; notarized statement of gross adjusted income, including list of deductions and amounts, for previous three months
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.
Veteran's Benefits	Award letter from Veterans Administration or DOD.
Worker's Compensation	Award letter from Workers Compensation Board; current check

3. Property Determination

The applicant's property shall also be determined "eligible" in order to qualify for the HUD LBPHR program.

3.1. Non-Eligible Properties

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

- Property contains 5 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 abatement measures;
- Building with other sanitary factors that are present that may prohibit the timely and efficient reduction of lead abatement and healthy homes measures.

3.2. Property Classification with Local Municipality Division of Building Codes

The number of legal dwelling units on a property is to be determined only by the local municipality's Division of Building Codes. The number of units potentially identified on the Property Tax Record is not sufficiently able to determine the number of legal dwelling units.

4. Lead Inspection/Risk Assessment

4.1. Lead Inspection / Risk Assessment

For units that have received a "Notice of Violation" from the local Department of Health, the local Department of Health may have conducted their own lead assessment. Sub-grantees must ensure that the local Department of Health conducted a full Lead Inspection/Risk Assessment (LIRA) and verify that it was conducted less than 1 year ago. If only a lead inspection was completed, the sub-grantee is required to send their procured DCA certified lead evaluator to conduct a full LIRA. If the local Department of Health only performed a lead risk assessment, the sub-grantee is required to send their procured DCA certified lead evaluator to conduct a full LIRA. If the LIRA that the local Department of Health was conducted more than one year ago, the sub-grantee must send their procured lead evaluator to conduct a full LIRA.

4.2. 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 shall be provided by the Lead Evaluator.

5. Relocation Planning

The sub-grantee and the HUD LBPHR Program Manager (DCA) will then have to review the scope of work produced by the contracted Lead Evaluator. The sub-grantee must determine whether or not the work scope will require the occupants to be temporarily relocated.

If the occupants (owner occupied or tenant occupied) must be temporarily relocated, the sub-grantee must produce a temporary relocation plan for the temporarily relocated occupants (where will the occupants be temporarily housed, for how long, etc.). The relocation plan is to be provided to the temporarily relocated household and the HUD LBPHR Program Manager. On the version specifically for the sub-grantee and LBPHR Program Manager, the relocation plan should also include the estimate costs of temporary relocation.

For owner occupied units, where the household must be temporarily relocated due to the scope of work, the owner must first exhaust all options to stay with family or friends during the period of lead abatement work. After the homeowner occupant has exhausted all options to stay with family or friends and is still unable to find temporary accommodations during lead abatement work, the sub-grantee shall provide the homeowner occupant with temporary relocation accommodations within the GSA Per Diem Guidelines. To properly document that the homeowner occupant has exhausted all options to stay with family and friends, the homeowner shall provide a signed letter to the sub-grantee stating that he/she has exhausted all options and does not have temporary accommodations during the work period.

The temporary relocation of the household(s) is a maximum of 10 calendar days, with the lead clearance being conducted at the latest on the 10th day. In the event that unusual and unforeseen circumstances arise, the sub-grantee must notify NJDCA and HUD LBPHR Program Manager immediately by the end of the 5th day. No request notifications after the 5th day will be accepted and there are no waivers will be allowed. HUD LBPHR Program Manager must seek approval from HUD for all extension requests.

6. Cost Consideration

Before moving the applicant forward for the program, the sub-grantee shall calculate any foreseeable costs related to the project. The average cost per unit is expected to be \$20,000.

Projects with costs of beyond \$20,000 per unit may be undertaken with Prior Approval from NJDCA and the HUD Grant's Technical Representative. The sub-grantee must submit a Request to Exceed for those units that they expect to be over \$20,000. A "[Request to Exceed Allowable Cost Per Unit](#)" form must be completed with the following supporting documentation:

- "Request to Exceed Allowable Cost Per Unit"
- LIRA Report
- Bids from Contractors
- Explanation letter detailing any unusual circumstances or factors that may have led to the unit needing an approval.

NJDCA HUD LBPHR Program will then compile the information provided by the sub-grantee and submit to the HUD Grants Technical Representative (GTR). The HUD GTR will analyze the information approve or deny the request based on the information provided.

6.1. Landlord Contribution and Other Sources

Landlord Contributions are not required for the HUD LPBHR. If the project exceeds \$20,000 and if requests to exceed the allowable average cost per unit have been denied, then the sub-grantee may have to identify additional funding sources, which may include Landlord Contribution.

Logistically, the Landlord Contribution should be provided from the Landlord/Homeowner to the sub-grantee directly. No contributions are to be made to the contractor directly from the Landlord/Homeowner. There is no contract between the contractor and the Landlord/Homeowner, but there is a contract between the sub-grantee and the Contractor.

7. Applicant is Eligible

If applicant's project cost falls within the allowable cost per unit, and sub-grantee approves to proceed, the sub-grantee shall send the Applicant a letter stating that Applicant is eligible for lead-abatement services.

8. "Owner's Permission for Lead Abatement and Healthy Homes Work" Form

After the Applicant has been determined to be eligible, the sub-grantee must transfer the measures of the scope of work to the "Owner's Permission for Lead Abatement and Healthy Homes Work" form. The sub-grantee must go over the work to be done measures with the Owner and obtain the Owner's signature as authorization for the sub-grantee to install or sub-contract the lead abatement and healthy homes 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.

9. "Landlord/Tenant Agreement" Form

For properties that are occupied by a tenant(s), the sub-grantee is required to obtain and execute the "Landlord/Tenant 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 HUD LBPHR's investment are protected, and that the benefits of lead abatement and healthy home services accrue to the low and very low-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 (NA).

10. Expired Client Record

If a client has not been served within six (6) months, the application will expire, and the client would have to complete a new application and to recertify income and other requirements. The sub-grantee must update the certification field on the Client Information Screen in HESWAP to reflect the new recertification date.