

Lead Safe Housing Rule Webinar Series

Session 4 Office Hours

Thursday, February 25, 2021

Kris Richmond: Thanks, Paul. Thanks, everybody, for joining us again today. My name is Kris Richmond. I'm with ICF, and I'm accompanied today by my colleagues Les Warner and Nicole Hassman. And then we also have a couple HUD staff with us today, Karen Griego and Jerry Freese. Jerry's name is not on here, but he and Karen are with the Office of Lead Hazard Control and Healthy Homes, and they are working today on the Q&A box.

So, as Paul said, please put your questions in the Q&A box. They are not looking at the chat box, only go to the chat if you're having any trouble or you can't hear or you can't see something properly. That goes in the chat. But any questions about the exercise or any questions about Subpart K, please feel free to go into the Q&A box and type your question in there and we're going to answer those.

So what we're doing today is we are going to be reviewing our homework, and then we are going to be going over questions and answers that -- or questions that you have that you're submitting now, as well as a lot of questions that came in yesterday.

I know it's really hard to listen to the training, look at the slides, comprehend what's going on, and monitor the Q&A box. That's really hard to do. So Les has taken all the questions that came in yesterday. He's put them together in different groupings of topic areas. He's also identified a couple places where it seemed like there was a little bit of confusion. So he's going to go over a couple of slides to really hone the points in to make sure that you understand what's going on.

And then always at the end, if you're unable -- if we're unable to answer your question, you can always submit a question to HUD, and we'll post that in the chat box so you know what that e-mail is, if you run into a situation where we're unable to answer it during the session.

I also want to remind folks that this is the last time we're getting together. So our series has ended. We are doing a repeat series. So if you want to tell any colleagues that missed this or anybody that you're working with that need to know about this information, we are going to do this again in the middle of May to the beginning of June.

It is a repeat session, so you don't need to come back again. It's exactly the same information that we've just spent the last four weeks training, but it will be done again in mid-May until June. So there will be marketing materials going out soon. Please feel free to forward those on to others that you might think might benefit.

So if you recall from last time, if you were able to join us for session one when we did the exercises, what you see on the screen, you only see half of the page. So what you need to do is you need to click on the gray bar that's to the right of the slide, and you need to scroll down yourself. So if I scroll down, that does not change what you see. You need to scroll down yourself in order to see the rest of number two, three and four. Okay. So just a quick reminder about that.

So let's get started. So the first one is about homebuyer programs. And so exercise one, you're working for the city of Manorville. You are looking at these different scenarios and trying to figure out the best way to apply Subpart K. What should we be doing?

We want to assume that we're in pre-'78 housing, although there's really -- there's going to be a lot of different discussion answers in this. So it's different than a true or false. So there might not be a true right answer. We're going to give you some tips and some suggested highlights of things that we should be really focusing on.

So the first one, Manorville is in Wisconsin, and in January our realtor refers Tom and Susan to you for your program. They found a house. The house was built in 1948, and the visual assessment was done. And it reveals chipping paint on the exterior of the second-floor bathroom. And so they're trying to figure out what needs to happen, and they're saying in Manorville a lot of the houses that come into the program have some lead-based paint. So they don't push their homebuyers to go look for post-'78 housing.

So they're not really worried about older housing and they're saying, what should we do? How are we going to proceed with this particular house?

So remember, a visual assessment was done. That's what's required for Subpart K. And during that visual assessment, they did see some chipping paint in the upper bathroom.

Now, this is a down payment assistance program. So we the program can advise the buyers to have the sellers complete paint stabilization. We can provide information to the seller about the type of trained workers that would need to be used because that chipping paint on the second floor has to be stabilized.

We would want to advise the seller to do clearance after the work was done. So just remember, though, that we can't require the seller to do this. We can advise the seller to do these things, but we can't require them to do it. So the program might want to have a contingency to the sales contract that this unit or that bathroom passes clearance. So that might be something we want to put a contingency fee -- or a contingency.

But again, the seller may decide that they just don't want to do this, and the buyer may need to walk away from the sale. Okay. So that's one part.

There was a question here about, well, what about the exterior? It's January in Wisconsin. It's very cold in January in Wisconsin. I lived in Illinois for five years. So I know it's kind of chilly there.

So the exterior paint also needs to be stabilized, but that could wait until spring because weather conditions are unsuitable for conventional construction activities. After it's been stabilized, it does have to pass clearance.

Exterior clearance involves a visual check for deteriorated paint and paint chips. And then there's two different options that could be followed. The first option is extending the escrow period, and the second is an escrow set-aside or a hold-back if the lender and the escrow company permits that. So just a couple of things to keep in mind there.

Let's look at question number two. A city council member complains on behalf of one of his elderly constituents who is selling her home to a family who is getting homebuyer assistance, and the family wants the property tested for lead paint. And the councilman is saying, who's going to pay for this? Who's going to pay for the tests? And what if there's lead in the paint? What are we supposed to do? How is this going to be maintained?

So what do you say? What are some of the answers? Well, remember, buyers have the right to test by federal law. And if they have small children, if they think they're going to have children it's a good idea for them to take that option and to have that home tested. In the normal market, the cost for the testing really falls to the buyer. But we can set our program up so that maybe our program will pay for that test.

So you want to have in your policies and procedures very clear who's going to pay for what. Is the administering agency going to pay for certain things? Is the seller? Is the buyer? You want to have really clearly identified who's going to pay for what? And then also just keep in mind this is Subpart K. So anything that's identified needs to be stabilized, and we need to have clearance.

If for some reason the homebuyer wanted to go even further in addition to paint testing, maybe they want to do a risk assessment, again, that could be something that they want to have done. That would be part of the negotiations that would be in there. We -- and if for some reason, if a risk assessment was done and there's a lot of hazards, again, the seller is not obligated to fix those. The seller can walk away.

We might want to advise our family to find another home. We might want to work with our family and perhaps give them the rehab loan to help address these hazards. We also want to be -- in our community we want to be working with these realtors, let them know the type of condition that these houses need to be in in order to pass through our down payment assistance program. So just a couple things to keep in mind there.

Also, if the risk assessment did find -- let's say someone has paint testing and hazards, if they find that the paint testing, if there is lead-based paint but it's not damaged or deteriorated, if it's intact, then that's not a hazard. Okay. So just keep in mind that.

We would also want to educate our buyers. We would want to give them the protect your family from lead in your home. Want to teach them about how to do proper maintenance to make sure they can keep their home safe. We might also want to give that RRP renovate right pamphlets so that in the future, if they decide they want to do any type of renovation.

So let's remind them, there is lead in your home. If you have somebody start to break down a wall or causing all this work that's causing a lot of dust, that could cause a hazard to your family. So just remember that these things need to be done safely in the future. So that's a good chance for you to educate your buyers as well.

So let's look at number three. During an inspection of the 1950's home being purchased by a young family with down payment assistance, you note the property passes all housing standards,

but there's a distinct odor of fresh paint in all the rooms. So do you investigate why the seller just painted?

Well, the agency has no obligation to investigate the seller, but if I was running the agency, I would want to have a clearance test done just to ensure that my new homebuyer is not walking into a house that's going to be -- that's going to be unsafe for them. So I would want to have a clearance test done.

So I'd want to have that written into my program policies and procedures that, if this is what happens, if we -- if it appears that work had recently been done and we don't know if who's done the work or if the work with even done safely, that we would require a clearance test be done.

What can we tell the homebuyer about ongoing maintenance of their home? So we always want to instruct our new owners about how to maintain their home, especially if lead-based paint's been identified in the home. We want to tell them that paint needs to be stabilized, how to clean up, encourage them to perform clearance. And again, we're going to give them the protect your family, and we might also want to give them that renovate right pamphlet.

And then the last one here, number four. Remember, you have to scroll down yourself to see number four on the screen. So we have Tony and Tania want to buy a house built in 1930 that has deteriorated paint in several rooms, and the seller is unwilling to pay for the work. And Tony and Tania already are receiving the maximum down payment amount allowable under your program and have no additional funds to put into the purchase and occupancy.

And the market for the house is in the right price range. It's a very hot market. That means houses are going fast. What can we do to help the buyer?

Well, perhaps we have another program. Maybe we have a rehab program that's going on, and we might be able to assist them that way. If we give them funding for acquisition and rehab and we do that calculation and the rehab costs come under \$5,000, then we would still be following Subpart K. If it's over \$5,000, then we need to be following Subpart J.

And Subpart J -- I'm pulling up this chart here -- has different requirements depending on the amount of assistance. Okay. So you may end up doing interim control. If you're over \$25,000, you may end up doing abatement. So you just need to be aware of which of these categories you fall into, if you end up being -- going over into Subpart J.

Let's see. What else do we have here?

We also can be thinking about creative, different types of funding sources. And then since this is a federally funded project, it doesn't matter the source of funding of the rehab. Subpart J is still triggered if it's more than \$5,000 based upon that.

Okay. Before we move on to exercise two, Less, are there any questions that came up about exercise one or anything you want to expand upon or, Karen or Jerry, anything else you want to expand upon for exercise one?

Les Warner: Well, I will just mention having somewhat recently sold my father's 1950's house, it might smell like paint because they were trying to get rid of the 1970's decor. So there may be some good reasons other than lead paint that would be part of that.

I think for the most part, the questions that we have, we probably will -- it would probably make sense to just hold it for our question-and-answer session.

Kris Richmond: Okay. Then you want to dove into exercise two, Les?

Les Warner: Sure.

Kris Richmond: Paul, do you want to hand over the controls to Les?

Les Warner: All right. So while we're switching controls, I think we can go ahead and get started. And so let's see. There we go.

All right. So exercise two, kind of switching gears away from the homebuyer scenario, then was looking at our leasing, supportive services, operations funding. And so in this scenario -- let me get my little pen. So we've got a community action agency. Oh, that's a bit thick, isn't it? Let's try this. Yeah. That's a little better.

So they are providing homeless housing services, and they've been acquiring buildings. So they're the owner and then providing services, and they are doing this in partnership. They have a management company, Dwellings and Company, who are handling sounds like the day-to-day operations, but also, they are experts in maintenance. And as part of this then, they have applied for continuum of care funding. And with that funding, that's going to cover operations and supportive services.

So this is the first time that they've had federal funds in the project, and so we're looking at what are the implications of that? So first question here is, what subpart of lead safe housing rule is going to apply to this?

So since we're talking about supportive services and operation, that is Subpart K, and so we're going to be focusing on, so what does Subpart K require on this?

Then we're asked to list the actors that are involved in the program. So we have the owner of the property, which is Maddentown [ph], and they are the applicants that received the continuum of care funding, and then we have our property management firm, Dwellings and Company, and then, of course, we have the occupants for that structure are going to be part of the players in this that we're needing to consider as part of this process.

So question number three we're asked, what needs to be done immediately to comply with the lead safe housing rule?

So we have existing occupants in the housing units, and we presumably are also -- as there's turnover, we would be determining eligibility and having folks move in.

So I would say that the first thing we need to do is get the pamphlet out, the lead safe pamphlet to folks and also any disclosures that we have. So if we had existing information about what has been done to date on the property, that would be something that would be provided as part of providing tenants that brochure. So we would be bringing that function current on this property.

We also would need to perform a visual assessment of the facility. So in our visual assessment, we're going to be looking for signs of deteriorated paint. So that would be in our residential units and also in the common areas for that facility.

When we locate or when we find deteriorated paint surfaces, as -- by doing our visual assessment, then we're going to treat those surfaces by doing paint stabilization on that. And so we're going to be needing to use a certified contractor. So they have the appropriate training. They're going to be working in a lead safe manner.

And when that work has been completed, we're going to bring in a clearance -- a certified clearance tester who is someone separate from the folks that actually did the work so that we can verify that, yes, in fact, this has been dealt with.

So, for instance -- and we don't really know this, but it might be that Dwellings and Company, the management company who we are told has this -- a great deal of experience in maintenance, they may have staff that are qualified to be able to complete that not only inspection but perhaps to be doing the work.

We always want to make sure that whoever is doing the clearance testing, A, needs to have appropriate certification. But there can't be -- they can't have a conflict of interest. They can't have a connection to the folks that actually did the work. So we talked under Subpart J about the fact that the clearance tester is going to be sampling within those work areas to determine whether the levels of dust are -- have been brought down to an acceptable level.

If the same entity that had done the work also had the clearance testing, they would know, essentially -- they might know exactly where they were going to test and have taken -- kind of carefully chosen the areas that they thought were most likely to be acceptable. So we always need this third-party separation of the person that's going to do the clearance testing and, of course, the appropriate certification on that.

And then we also need to make sure that we begin to build the files for the overall property and then also for the individual unit. So we've taken that step of providing brochures and any additional disclosure to the existing tenant and folks that are moving in. So we would have that documentation in those individual files.

But we also -- since we're doing a visual inspection and any needed paint stabilization and clearance for the overall building, we would also be -- begin that process of collecting that documentation and having that in place going forward.

Let's clear out a lot of these scribbles on here. Make this a little better. All right. And so let's see.

Let's talk then about what needs to be done on an ongoing basis. So in this case, it would appear with our continuum of care funding that we're going to have an ongoing relationship with this property for the period of time that we have continuum of care funding that is paying for operations and supportive services.

So during that period where we have that ongoing relationship, we're going to have to continue to do our visual assessments of the units and also of common areas, either on a -- on an annual basis or at moved in, and that's whichever is more frequently. So that's kind of needs to be added to our standard operating procedures, and we're going to make sure that we continue to provide a brochure to folks.

And then, of course, if our visual assessments that we're doing at turnover or annually, if we discover that we have new deteriorating paint, we are again going to follow the protocol of doing paint stabilization. And we also then would be doing clearance testing once that work had been completed.

We're always going to use appropriately qualified staff. So we're going to have a -- someone who's taken the visual assessment training and then also someone who is certified to do the paint stabilization work and a certified clearance testing to be done on that.

So our last question that we're asked here is about who's responsible for the activities listed above. Well, I'm going to frame this a little bit in terms of, where does the liability lie?

So these requirements are in conjunction with the federal dollars that have been received for the continuum of care. And so liability on this is really with the CAA, the community action agency, who is the owner of the building.

Now, it may make sense for many of these tasks to be handled by their property manager on their behalf. And so that will be something that we'd want to clarify with Dwellings and Company, and part of that would be things like providing the brochures to existing tenants and then also as we have turnover.

They're the folks that are going to be determining eligibility, providing -- that can provide that information to that tenant prior to a lease -- a new lease being executed or a renewal of the lease. So it probably makes sense for them to be providing the brochure and any disclosure information.

We know that we need to have a visual assessment that's going to be done at unit turnover. It's going to be done on an annual basis, otherwise, for the property. So depending on the qualifications, it might be that that's something that Dwellings and Company would be able to undertake. Might be something that the CAA is going to be providing.

We talked about the fact that training is something that's available online. I would presume that as part of Maddentown's agreement as the property owner with Dwellings, that there are some mandated ongoing maintenance operations. And so it may be appropriate to add that essentially to their duties, and they would be reporting back to the community action agency who's going to make sure that that has been completed.

We also will have the function of where we have deteriorated paint surfaces of needing to have work completed on that. So we need to make sure that we have a certified contractor who's going to be completing that work. I would generally make the assumption that's probably someone that is going to be -- we're going to contract for that service.

I suppose it's possible that Dwellings and Company, with their extensive experience in maintenance, has that certification in place. That's something that Maddentown, the owner of the property, would need to determine who was going to be appropriate on that and make sure that we had appropriate qualifications in place for the folks that are going to complete that work.

Then, as we mentioned, we're going to need to have a certified clearance tester, and that needs to be someone that is a third party, not with some kind of a relationship with the contractor that did the paint stabilization work. And so probably, again, that's going to be somebody that's going to be procured for those services.

All right. Kris, unless there are questions that have come in in the Q&A that relate to the exercise, I think we can go ahead and move into some of the questions that have come in through the Q&A, if that works for you.

Kris Richmond: Yeah. I just -- just a couple things that did come in through the Q&A that I think would be helpful for everybody to hear.

One is we know for Subpart K we have to do a visual assessment and somebody asks, "Well, if we do the visual assessment and we look through and everything is fine, we don't see any peeling, chipping, flaking paint, there's no dust, do we still have to do clearance?"

And the answer to that is no, because that's that first step is you're doing the visual assessment. If it passes visual assessment, you don't need to do anything else as it relates to paint stabilization or clearance. I mean, there are still -- we want to give a disclosure notice. We want to be educating our buyers or our tenants about possible hazards. But there -- if it passes a visual assessment, you do not need to do paint stabilization or clearance. So I thought that would be really helpful for everybody to hear.

And then there was another question that asked, "Well, if I have a two-person household, do I need to have both of them sign the disclosure notice?"

And the answer to that is no. We only need to have one person sign -- one person of the household sign, either the buyer -- one person that is either buying or one person in a rental type of situation. So I thought that would be helpful to share with everybody.

Les Warner: Yes. I agree.

So I put up on the screen -- I'm assuming folks can see it -- we had charts in the slides from yesterday, one that we kind of highlighted for homeownership and one for our leasing, supportive services, and operation that just walk through, again, what Subpart K requires.

And so our approach for the evaluation and reduction is to be identifying and stabilizing deteriorated paint. So our method of evaluation, again, is going to be a visual assessment. And then we talked about the level of treatment is going to be paint stabilization. With that, we're going to make sure that the safe work practices are completed. We need to make sure that the contractor has the certification to be able to complete the paint stabilization. And then we're always going to do a clearance test on that.

And as we mentioned in the homework example, in the particular case we were dealing with, there is an ongoing relationship. And so because there is ongoing assistance, we then have this trigger for having ongoing maintenance responsibilities. And that's where we talked about at turnover and also out of -- and on an annual basis that we're going to be inspecting the units and the common areas to make sure that they continue to be free from deteriorated paint.

When we find evidence of deteriorated paint, then we will follow that same process of paint stabilization, safe work practices, and then clearance testing as part of that.

And we mentioned yesterday, and I think it's just important to note here, so one of the options we have is to test the deteriorated paint. So if we find that we have six locations on that property that have deteriorated paint, if we have -- if we don't do the actual testing, we are going to presume that all of that deteriorated paint may be lead. And so we're going to do paint stabilization with a certified contractor and the clearance on that.

It might be that maybe five of the six places where we have deteriorated paint, that the paint actually doesn't contain any lead. And so a less, I guess, stringent requirement would apply on that paint stabilization work if we do that.

So one of our options is to go ahead and do testing on that paint using an XRF machine or taking paint chips samples, sending them off to a lab. And if we determine that there is no lead paint, then we're not required to do lead safe work practices and do the clearance on that. So in some cases, it may make sense to go ahead and do that testing.

So a couple of sort of overall comments I wanted to make before we go into some of the questions, and I know some of the questions we've gotten in relate directly to some of the things that I pulled from yesterday's section that we intend to talk about in some level of detail.

First up, I just want to mention that, as we went through the questions from yesterday, what we are going to try to address in today's session were really things that addressed Subpart K.

So there were quite a few questions that came in that really were questions that related to Subpart J, and we kind of standardly recommended to folks, go back and look at those two sessions.

Those are posted. There is also a recording of those sessions, and, hopefully, your questions will be answered there. If not, as part of our resources, we do have an e-mail address, and you can follow up with the HUD team and be able to get answers to your particular question.

With that, I'll just remind folks that all of our sessions, as Kris mentioned, have been recorded, are being posted. And so you do have that as an ongoing resource to be able to look back at.

And, Kris, I hope I'm not going too far ahead, but I believe that there is going to be another delivery of this series in the future. And so you may want to, if you've got other staff or you've got grantees, subrecipients, folks that ought to participate in this series and need this information, you might let them know that we expect for another round on this and watch for -- hopefully, you're signed up on the HUD Exchange listserv, and there will be notices coming out about when those future sessions are scheduled.

So I'm going to jump into the questions that I kind of pulled from yesterday, and then, as they're appropriate, also pulled in some of the questions in the Q&A section. And I've kind of arranged these by categories.

So I'm going to start with -- we had just a couple of questions about disclosures and so providing the brochure, the pamphlet, and the requirements on that.

So Kris already mentioned the question that came in about, if we've got two household members, do they both have to sign? And our answer was no on this.

There's quite a few questions about, where do I find that pamphlet and disclosure form? And that's available at the EPA.gov/lead. And so those are posted for you.

There was a related question that we didn't get to yesterday, and we had someone saying, well, we're doing a homebuyer education counseling virtually. And we, of course, have lots of programs that some portion of it is being done in a virtual manner. And so their question was, can that disclosure form and pamphlet be provided virtually?

I would think that that would be acceptable. I think the key here is that we need to have evidence of that that was provided to that household. So I would think you're going to want to adopt some kind of process where they are going to respond back, acknowledging that they have received that.

Okay. So those were questions about disclosure.

You had a bunch of questions that were related to testing and treatment levels of the assistance. And so one of the areas that I saw kind of a common confusion on this was in kind of asking about what was required and using this level of assistance, kind of combining that with when we talk about how much assistance are we providing overall.

So, for instance, this calculation that we talked about yesterday on determining the level of rehabilitation assistance, this is determining what the level of -- whether this actually fits this

under Subpart K or whether it needs to be under J. And it also would determine that the level of treatment that's going to be required on that and evaluation under Subpart J.

So this isn't total cost. We sort of have two tests here. This is looking at the level of rehabilitation assistance. So we're looking at the lower of part costs for rehab itself. As we mentioned, that's excluding a whole bunch of things, all the soft costs and the lead hazard control work itself, versus the federal assistance.

And so in a lot of these cases, you were asking questions about let's say emergency assistance or let's say a homebuyer program. So -- and we gave this example of \$10,000 in assistance. It might be that all -- let's say all you're doing is providing down payment and closing costs assistance. It might be that the total amount that you are providing is \$10,000 dollars in federal assistance, and none of it may be part of rehab.

And so, first of all, we don't have any rehab happening. So we're not calculating level of assistance for rehab. And so we're taking the lower. Could be that this would actually be zero. And so this fits well under Subpart K.

So I saw a number of questions that came through yesterday that, when they were kind of thinking about this calculation of, are we talking about being under \$5,000 in rehab, it's this level of assistance calculation, which isn't the total dollars that you've provided. It's the lower of the two which is looking at rehab.

And so it's important you not get the two confused, or you will think that you have just bumped yourself into Subpart J when perhaps you have no rehab happening at all.

Let's see. So I'm going to continue down that path a little bit on levels of assistance and treatment. I'm going to go back to -- I think I'm going to go back to 221 just for sort of the visual reminder on this.

So we had a question and they were saying they wanted to make sure that, if they were providing purchased assistance only for a pre-'78 unit, is the only thing that they're required to do is this visual assessment? If they observe deteriorated paint, they would need to stabilize it, which is correct, using paint stabilization.

We talked about they needed to be using an RRP contractor. And then the clearance we talked about has to be a third party and they need to be certified to be able to do the clearance testing on that.

And so the question of who performs clearance, it's either going to be someone on your own staff that has the appropriate certification or, for a lot of folks, it's going to be that you are going to be contracting with someone to be able to do that.

And then we have sort of similar question where -- on the same sort of scenario where they said, okay. Well, we did a visual assessment on a pre-1978 unit. We didn't find any deteriorated paint. So in that situation, because we have not identified any lead hazard, we don't have to do paint

stabilization. We don't have to do clearance testing, and we would simply be documenting that our visual assessment has been completed and did not identify any deteriorated paint. And so that would be documentation for the file, and that would be complete.

Let's see. A whole number of questions about how do we document the visual assessment.

So we're going to -- you're going to need to have a form or report that you would use for that. I think yesterday we made the suggestion that that be -- since most programs are going to require an inspection of property standards above and beyond the lead safe housing rule, that that be something that's added to that tool so that everything is documented within that. And of course, those are going to be kept in your files.

And Karen made a great suggestion yesterday that photos are really good addition to that. They're kind of a great addition to any inspections that are being done. And so being able to then document where you have deteriorated paint or where you have stable paint surfaces, pictures will be really helpful on that.

We also had -- and I just want to clarify this, because I think this is, again, where folks are kind of getting a little confused.

We had a project. They were saying, we're going to go in and we're essentially going to do a gut rehab. So we're removing all of these components that had lead in them. And I think we talked about with exemptions yesterday that are demolition was something that was exempt as long as it was going to remain unoccupied until it was demolished. We're talking about demolishing the entire structure in this case.

In this case, this person is talking about we're going to do a gut rehab on the inside. We're going to be demolishing all these components and removing them that would have contained the lead paint.

So we still are going to be triggering the requirements. And, frankly, in this case, if we're doing a demo on the interior of it, obviously, we are then going to be doing a pretty significant rehab. That's going to belong under Subpart J. It's not something that would be part of Subpart K on that.

Let's see, there were questions about assessment forms, and in the link -- there was a link provided, but also mentioned -- I wanted to mention that there is a yet to be released Subpart K tool kit which is coming, and that's going to provide quite a number of useful forms and samples that I think will be very useful for you. And so that's something to keep an eye out. That will be coming, I hope, in the relatively near future on that.

There also was a question about -- on testing about the de minimis threshold, and there was a question about, does this also apply on the exterior of the property?

It does. And so the exterior de minimis standard is 20 square feet over the full exterior. That's the same as the EPA standard on that. And there is some additional guidance within the interpretive guidance, and that's found at R-17 within the compliance adviser.

So I'm going to switch gears and go to emergency assistance, where we had a lot of questions on this. And, unfortunately, we're having to say to you, hey, we believe there's some additional guidance that's coming, but it's not yet available for you.

So on our emergency assistance, which would generally -- we're talking about either rent or mortgage assistance, and where we're seeing this is both under our standard CDBG program, but particularly now under -- and I think where a lot of our questions relate are CDBG-CV funding, which is activities that are related to the COVID pandemic and either preventing or dealing with the effects of that.

And so as part of that assistance, we can be providing rent or mortgage assistance. As I mentioned yesterday, the existing CDBG requirements cap that assistance at 90 days. And so that would mean that we're looking at a three-month period, so three months of rent, three months of mortgage assistance. The waivers as part of the CDBG-CV assistance then extended that to up to six months.

So here's where the issue lies. Under Subpart K, which is where are -- this kind of assistance is going to fall under leasing assistance, we have a 100-day exemption in place. So when we were doing the 90 days of assistance, we were good because we were exempt. So we were not having to do that visual assessment and then do paint stabilization and clearance, if we found deteriorated paint surfaces.

So with our CV emergency assistance being extended and so we have folks that are going up to six months, that assistance is going beyond that 100-day exemption. So currently -- and that's what we've got on the screen here -- what would apply would be, as we have a tenant or a homeowner that is applying for mortgage or rental assistance, we would need to do a visual assessment. Let me get my pen to work here.

We need to do a visual assessment of that unit to determine if we are finding deteriorated paint. And then for any deteriorated paint, there would have to be paint stabilization work done and clearance on that. So for a lot of you that are running that kind of program, that's kind of -- that may be beyond what your current staffing has the capacity to be able to handle.

So a couple things here. First off, we know that we have some exemptions. So if we have a post-1978 building -- that might be more than I should be trying to scribble here, but if we have a post-1978 structure, then we are exempt from this. And so depending on the -- where folks live, it may be that this is not an issue for you because those -- the unit that they occupy is exempt from that.

What we expect -- so for those that are pre-1978, then we have this issue of, okay. So how do we handle this? So for the moment these requirements are in place.

I guess what I'm hopeful is going to happen is that there would be some additional guidance that would give you relief from those requirements. So I don't know that I can repeat that enough. We think that this is going to be changed and changed relatively soon, which would have an impact on what the requirements were for you to comply with this. In the meantime, we need to follow what's in place.

So we've had a lot of related questions, and one that's just come in is talking about, okay. So how do we actually calculate that 100-day exemption? Is it the total number of days or the assistance that's being provided?

So if our assistance started on March the 1st and then went through, let's say, June the 5th, so if we were to count that timeline, we would be in excess of our 100-day exemption.

But there are questions about, well, how do we -- when does the timing of that count start? And there's some question of, does it actually start with the first payment?

So if I actually make the payment -- let's say they come through my door and I approve them for assistance on the 15th of April -- I forgot what the fourth month was -- there have been questions about, do we interpret that as the start date for our 100-day count actually starts with that first payment and extends 100 days forward? Or is it for the time period that the assistance covered?

And we believe there will be a clarification on that also. So until we get additional guidance, the presumption is it's for the service period. So would start at the point where we're covering rent and go through whatever the end of that period was. But, again, stay tuned. We may have some additional guidance on that that would change much of that.

Kris, I'm just going to scroll through here and see if we have other --

Kris Richmond: Hey, Les, there's been a ton of questions of people asking, how are we supposed to know when that guidance changes?

There'll be something posted on the HUD Exchange and most likely a listserv will come out. And if it doesn't come out through the HUD Exchange, it will come out through HUD.gov. So there will be some kind of notification when that change occurs.

Les Warner: I would recommend that everyone -- that you make sure that you go to the HUD Exchange, register, and you can sign up for a listserv for any programs that you're working with. And so I believe there should be a sign up for CDBG at least and probably a separate one or CDBG-CV. But -- and so when you're signed up on those listservs, they will send you immediately when that guidance comes out.

I would also have to think that, for everyone that's a direct grantee, that HUD is going to be sending out a notice to all grantees, and then grantees are going to want to make sure that all of their subrecipients or other partners get that information as soon as it comes out.

So I would kind of just make sure everyone knows that there's, I think, a high likelihood that there's going to be some additional guidance that may change this and that we all want to kind of keep an eye out for that.

Kris, I'm wondering, since we have registration lists, could we send out a a little link to people if this came out?

Kris Richmond: Yeah. I can ask our group that supports registration.

Les Warner: Okay. That might be one option, but it's something everybody needs to be watching for.

Let's see. Handled that. So I've got a couple of others about emergency assistance, and I'll just -- I think I'll keep -- clear those out and then we can kind of switch gears and go back to homebuyer. We've handled that.

So there was a question about -- for CV and this is really more of a program specific but it relates to this, asking if there's a combination of funding sources that are going into this, whether that changes that calculation.

And we said yesterday, as we were talking about this -- in fact, I think we have a slide that will handle this -- that we are tracking with the unit itself with. So it is specific to that unit itself.

So we could have a tenant that we assisted in that unit for let's say three months and then another tenant moved into that same unit, a subsequent tenant. It's cumulative for that unit, and so we kind of need to track by the unit what's been provided.

But also, we've gotten guidance from the CV program that it also would include other payments that came from other sources. So if we had regular CDBG assistance that also went into that unit, it's going to be a cumulative of those emergency payments that we're going to have to track in looking at compliance on this.

So I think we're going to have to hope that some additional guidance comes out which makes that a little bit easier for us. Let's see.

Kris Richmond: So, Les, we just have a couple more minutes. Just want to give you a time check on that.

Les Warner: Okay. So let's switch and do just a couple of homebuyer questions to make sure we've also covered that. Let's see.

So we had questions about, if we're providing direct homebuyer assistance -- and we had quite a bit of discussion about this -- can the owner complete the work that's required? So if we have a home buyer that has selected a house, we've gone out and done that visual assessment and determined that there are some deteriorated paint surfaces, the question was, can the owner themselves do that work?

So, technically, we believe that the owner does have the right to be able to complete that work, unless you as a program have put in more stringent requirements. So in everything else, we'd be saying you have to have a certified contractor. And so that's why it's so critical that, if the owner themselves is going to be doing work, that clearance test is really our protection to make sure that it's been done properly, that it is now safe, so we brought those dust levels down adequately. And that's going to be a term and condition for our putting our funding into that property.

So, as we mentioned yesterday, really important that the language within the purchase agreement option have good language that gives you an option, based on what you find during that period, to be able to cancel that sale, walk away, and help that household find a house that will not have lead hazards for them.

So, Kris, that brings us to the top of the hour. So I think we want to encourage folks, use the materials that have been provided. Use the posted recordings also as a reference. And we've been mentioning about making sure you keep an eye, that we are expecting, particularly from emergency payments, some additional guidance that may have an impact on how you implement your program.

I want to thank everybody --

Kris Richmond: And, Les, can you -- can you move real quick, Les, to slide 234 just to show folks --

Les Warner: Yes.

Kris Richmond: -- where they can contact HUD? So we know we've had a lot of questions come in. Like we said, there are still some policy things that are being worked out, and HUD has graciously said you can always still follow up with them at leadregulations@hud.gov. So I put it in the chat, but it's also right here on your screen. It's on your last slide, if you downloaded the material. So thank you.

Les Warner: Yeah. And I think we particularly want to thank Karen and Jerry and Bruce, who have been assisting us in answering the great questions that have been coming in. Thanks, everybody, for participating. We hope that this was helpful for you.

(END)