

Financing Strategies: How to Pay for Health-Related Repairs in Low Income Housing

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November 6, 2007 - APHA

Federal Sources

- US Department of Housing and Urban Development – HUD
- US Department of Energy – DOE
- US Department of Health and Human Services - HHS
- US Department of Agriculture Rural Development – USDA-RD
- Medicaid and State Children’s Insurance Programs (SCHIP) - waivers

HUD's Community Development Block Grant (CDBG)

- 1,180 “entitlement areas” and states
- Eligible housing activities: basic systems repairs, lead hazard control, counseling
- Allowable non-housing investments: code enforcement, “services”
- Funds can *match* other federal programs
- Priorities affected by Consolidated Plan

HUD's Consolidated Plan

HUD requires local and state agencies that get CDBG funds (or HOME) to submit:

(1) a multi-year Con Plan that

- Estimates housing needs
- Discusses housing supply and demand
- Describes funding and program priorities in a five-year strategic plan

(2) annual action plan re: use of funds

Influencing Consolidated Plans

- Citizen participation is required
 - Attend hearings and meetings
 - Submit written recommendations
 - Critique priorities
 - Urge officials to integrate radon mitigation into rehab
- Required consultation on lead poisoning prevalence and estimate of need:
- Impediments to fair housing – env'l justice
- Resources: www.nlihc.org; 24 CFR 91;
<http://www.hud.gov/offices/cpd/about/conplan/>

HUD's Lead Hazard Control Program

- Cities, counties, states can apply
- Basic program + demonstration program
- Expectation: average \$8,000 per unit
- Production goals
 - Secondary prevention
 - High risk housing
- Building capacity + establishing precedent
- Not scaleable

HHS' LIHEAP and DOE's Weatherization Assistance

- LIHEAP
 - Used for utility/fuel subsidies
 - Can be used to weatherize homes
- Wx expectation: average \$2600 per unit
 - 10% max. for health and safety
 - Work lead-safe
- Congruent specifications:
 - Vapor barriers
 - Caulking/sealing openings
 - Window repair/replacement

Other Options

- Fold mitigation into mortgage transaction – 203(k)
 - <http://www.hud.gov/offices/hsg/sfh/203k/203kmenu.cfm>
- Agriculture's USDA-RD programs
 - Section 504 Loans and Grants
 - Single Family Housing Direct Loan Program
- Refinancing
- Home equity loan

Resources for Programs Supporting Hazard Mitigation

- Housing Trust Funds
 - Local and state: www.communitychange.org
 - National: www.nlihc.org
- Partnering with Financial Institutions
 - Community Reinvestment Act www.ncrc.org
 - §§ __.12(i) & 563e.12(h) – 1: What are examples of community development loans?...may include the abatement or remediation of, or other actions to correct, environmental hazards, such as lead-based paint, that are present in the housing, facilities, or site.

Mechanisms Used for Reducing Lead Hazards

- Access electric utility benefit funds
- Create a special real estate funding mech.
- Establish a revolving loan fund
- Impose fees on real estate transactions
- Income tax credit
- Local property tax credit

Already Funded Mandates: Federal Housing Assistance

- Housing Quality Standards apply for occupants of—
 - Homes subsidized by a Housing Choice Voucher
 - Public Housing
 - Homes constructed using HOME or other federal \$
- 24 CFR Part 35 Lead-based paint
 - Requirements vary depending on the level and duration of aid
 - E.g. repair peeling paint using lead safe practices + clearance
- 24 CFR 982.401(h) Interior air quality—
 - (1) Performance requirement. Dwelling unit must be free of air pollutants at levels that threaten the health of occupants.
 - (2) Acceptability criteria. Dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.

Federal Resources for New Construction/Major Rehab

- Low Income Housing Tax Credit
 - Increasing emphasis on green design
 - Same agencies manage state block grant \$ and mortgage revenue bonds
- HOME (“Home Investment Partnerships”)
 - Awarded to participating jurisdictions, states
 - HOME rehab and new construction must result in compliance w/Housing Quality Standards (HQS)

Federal Policy Horizons

- Title X of 1992 H&CD Act re lead
 - Con Plan provisions
 - Dedicated grants
 - HUD Regulation
- FIFRA re pesticides
 - Guidance
- McKinney Act 1989 reauthrzn. re radon

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