LEAD FUNDING TOOLKIT
## Contents

Welcome ................................................................................................................................................... 4

Using the Lead Funding and Financing Toolkit ......................................................................................... 4

Federal Funding ........................................................................................................................................ 5

   HUD Office of Lead Hazard Control and Healthy Homes Grant Programs ......................................... 5
   HUD Choice Neighborhoods Grant ..................................................................................................... 10
   HUD Housing Choice Voucher Program .............................................................................................. 11
   HUD Community Development Block Grant ........................................................................................ 12
   HUD HOME Investment Partnerships Program .................................................................................... 14
   HUD Low-Income Housing Tax Credit ................................................................................................... 16
   HUD Office of Policy Development and Research’s (PD&R) Research Grants .................................... 16
   DHHS Community Services Block Grant .............................................................................................. 17
   DHHS Title V Maternal Child Health Block Grants .............................................................................. 18
   Superfund, aka EPA’s Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) .......................................................................................................................... 20
   USDA Housing Preservation Grants .................................................................................................... 20
   EPA Environmental Justice Collaborative Problem-solving Cooperative Agreement ......................... 21
   EPA Drinking Water State Revolving Loan Fund & Water Infrastructure Finance and Innovation Act ............................................................................................................................................................ 23

State and Local Public Funding ............................................................................................................... 24

   General Operating Support/Budget Funds ......................................................................................... 24
   Policies Leveraging Existing Opportunities to Support Lead Remediation ......................................... 27
   Rental Registries ..................................................................................................................................... 29
   Publicly-funded Trusts ........................................................................................................................... 29
   Rental Assistance Demonstration Program for Public Housing .......................................................... 30
   Dedicated Public Revenue Sources ................................................................................................... 31
   State Attorney General Settlement Funds ........................................................................................... 31
   Lead-Based Paint and Lead Pigment Manufacturer Lawsuits ............................................................. 33

Medicaid ................................................................................................................................................. 33

   EPSDT Benefit ...................................................................................................................................... 34
   Managed Care ..................................................................................................................................... 34
   Section 1115 Waivers .......................................................................................................................... 35
   Value-Based Purchasing ....................................................................................................................... 36
CHIP Health Services Initiatives .................................................................................................................. 37
Private and Cross-Sector Funding .................................................................................................................. 38
  Hospital Community Benefits ..................................................................................................................... 38
  Social Impact Financing ............................................................................................................................... 39
  Environmental Impact Bonds ....................................................................................................................... 40
  Federal Home Loan Bank ............................................................................................................................ 41
  Utility Programs ........................................................................................................................................ 42
  Public Service Commission Funds – Utility Mergers ................................................................................ 42
  Philanthropy ............................................................................................................................................ 43
Innovative Funding Sources ........................................................................................................................... 47
  Community Reinvestment Act ..................................................................................................................... 47
  Affordable Housing Trust Funds .................................................................................................................. 48
  General Obligation Bonds ........................................................................................................................... 48
  Opportunity Zones .................................................................................................................................... 48
  DOE Weatherization Assistance Program ..................................................................................................... 49
  HHS Low-Income Heating and Energy Assistance Program ...................................................................... 50
  Fannie Mae Regulations .............................................................................................................................. 51
Bibliography ................................................................................................................................................. 52
Welcome

Lead poisoning currently affects over half a million children under six living in the United States. The Centers for Disease Control and Prevention estimate that children in over 4 million households are currently at risk for the life-long detrimental impacts of lead exposure. But, despite the scale and urgency of the problem, communities across the country continue to struggle to find sustainable funding to address residential lead hazards. The Lead Funding Toolkit has been designed as a practitioner’s guide to assist communities in assembling an array of sustainable resources to support lead poisoning prevention. The Toolkit provides specific guidance on accessing, deploying and leveraging lead funding tools, and includes examples of funding tools that are supporting communities like yours in eliminating lead poisoning.

In 2016, GHHI issued a call to action to end childhood lead poisoning in the US in five years. Since then, hundreds of partners have signed on to share our commitment as part of the National Campaign to End Lead Poisoning. We’d like to recognize the National Campaign partners in the public, nonprofit and philanthropic sectors who participated in the creation of this Toolkit, and who continue advance innovations and best practices in lead poisoning prevention. Join us in our call to action! Together, we can eliminate the toxic legacy of lead for this generation of America’s children.

Using the Lead Funding and Financing Toolkit

The Lead Funding Toolkit features over 40 sources of funding currently used to address lead hazards in residential properties, and outlines strategies on the horizon of lead poisoning prevention. Before exploring the Toolkit, we suggest you complete the brief Asset and Gap Analysis Tool, which will provide context for your search for funding to address your community’s specific funding needs. You may also wish to use the Strategic Implementation Planning Tool to create a road map to guide your community’s funding decision-making.

This toolkit provides specific implementation instructions for each funding strategy and highlights examples of funding in communities across the country. Funding tools are categorized by both funding source and funding use. The buttons below allow you to filter by each category. Clicking a button will turn that category button dark green, and produce a corresponding list of funding tools at the bottom of the page. Clicking multiple filter buttons will further narrow your list of funding tools. To clear your selections, simply click each filter button so that it appears light green. To learn more about a specific funding tool, click on the button for that tool. Each funding tool can be printed using the ‘Print This Document’ button on the left side of the page, allowing you to create a Funding Toolkit tailored to your state’s or community’s unique needs.

The ‘Current Lead Remediation Grant Opportunities’ link, below, takes you to a monthly-updated list of current opportunities for lead-related funding.

For additional information, email us at toolboxinfo@ghhi.org.
The following links below also provide information on lead poisoning prevention strategies, programs, resources and research.

Green & Healthy Homes Initiative: [https://www.ghhi.org](https://www.ghhi.org)

HUD: [https://www.hud.gov/program_offices/healthy_homes](https://www.hud.gov/program_offices/healthy_homes)

EPA: [https://www.epa.gov/lead](https://www.epa.gov/lead)

CDC: [https://www.cdc.gov/nceh/lead/default.htm](https://www.cdc.gov/nceh/lead/default.htm)

---

## Federal Funding

**HUD Office of Lead Hazard Control and Healthy Homes Grant Programs**

### Description

The U.S. Department of Housing and Urban Development’s (HUD) Office of Lead Hazard Control and Healthy Homes (OLHCHH) oversees the United States’ primary federal funding dedicated to the remediation of lead-based paint hazards in residential housing. Historically, HUD’s OLHCHH makes lead and healthy homes grant funds available to jurisdictions through two programs dedicated to addressing lead-based paint hazards in private, residential properties - the Lead-Based Paint Hazard Control (LBPHC) and the Lead Hazard Reduction Demonstration (LHRD) Grant Programs. LBPHC is the larger program in terms of dollar amount and number of grants, while the LHRD is targeted to larger and/or urban jurisdictions with at least 3,500 pre-1940 occupied rental housing units. Jurisdictions may apply as a consortium of cities and counties for LHRD funding in order to meet this specific pre-1940 occupied rental unit threshold requirement. The HUD OLHCHH lead grants are typically awarded for a period of thirty-six months, and the average funding amounts available are $2.5-3 million for the LHC program and $3-4 million for the LHRD program. In addition, the OLHCHH’s budget has designated Healthy Homes Supplemental Funds, which must be utilized in LHC and LHRD grant program recipient properties to address additional home-based environmental health and safety hazards in housing which receives lead hazard control. Jurisdictions must select through their grant application whether they are applying for LBPHC or LHRD and can also apply to receive the Healthy Homes Supplemental Funds (HHS) as part of their application. The HHS awards have averaged from

---

1 Per HUD, a jurisdiction refers to a state, county, municipality or a consortium of these entities.
The chart describes the differences between these two traditional OLHCHH lead grant funding sources:

<table>
<thead>
<tr>
<th></th>
<th>Lead-Based Paint Hazard Control (LBPHC)</th>
<th>Lead Hazard Reduction Demonstration (LHRD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Grant Amount Available</td>
<td>$2.5-3.0 Million</td>
<td>$3.0-4.5 Million</td>
</tr>
<tr>
<td>Length of Funding</td>
<td>36 months</td>
<td>36 months</td>
</tr>
<tr>
<td>Match Requirement</td>
<td>10%</td>
<td>25%</td>
</tr>
<tr>
<td>Healthy Homes Supplemental Funds</td>
<td>$200,000-$600,000</td>
<td>$200,000-$600,000</td>
</tr>
<tr>
<td>Direct Lead Hazard Costs Requirement</td>
<td>65%</td>
<td>80%</td>
</tr>
<tr>
<td>Other Requirements</td>
<td>----</td>
<td>3,500 pre-1940 occupied rental units</td>
</tr>
</tbody>
</table>

HUD Lead Hazard Control and Lead Hazard Control Demonstration Fund grants can be used for the following categories of activities:

- Direct Lead Hazard Control Cost activities (minimum of 65-80% or more of total funding amount required to be spent on these activities)\(^1\)
  - **Allowable remediation** of lead-based paint hazards in income eligible (pre-1978, child under age 6 or pregnant woman occupied, household income at or below 80% Area Median Income (AMI)) private, residential properties.
  - Activities directly related to lead-based paint inspection/lead risk assessment, resident temporary relocation, lead clearance inspections, client application processing and other unit production activities.
  - Note: HUD issued guidance that lead grant funds (LBPHC, LHRD, LHR) may be used to test for lead in drinking water as part of Direct Lead Hazard Control Costs, and that Healthy Homes Supplemental Funds may be used to replace leaded plumbing fixtures and pipes in properties receiving lead remediation through HUD LHC-funded programs.

- Other allowable program activities (Non-Direct Lead Hazard Control) such as outreach and education, blood lead testing of applicant children under age 6 in the household, and lead training.
- Program administrative costs (no more than 10% of total HUD funding amount)
  - Activities directly related to program staff and sub-grantee supervision, fiscal and programmatic grant reporting, contracting, etc.
  - Administrative costs include indirect costs

**New Funding Levels in FY 2019**
In fiscal years (FY) 2017, 2018 and 2019 HUD’s OLHCHH received substantial increases in funds from Congress, to bring the Office’s total budget to $145 million (FY2017), $230\(^2\),\(^3\) million (FY2018) and $304 million (FY2019) for lead hazard and healthy homes remediation and more limited lead and healthy

---

\(^1\) Inclusive of HUD OLHCHH administrative budget.

\(^2\) The Senate’s Continuing Budget Resolution increased HUD OLHCHH to $260 million, and set aside $45 million for three high needs jurisdictions (to be awarded over three years). These funds have not yet been awarded.
homes related research. Starting in 2018, HUD issued a single, consolidated NOFA for Lead-Based Paint Hazard Reduction (LHR) Grant Program funding in June 2018.

The 2018 LHR NOFA required 10% lead grant matching funds and placed an emphasis on larger, higher need jurisdictions. This may be the NOFA model that HUD continues to use for grant awards in the future, or they may return to the LBPHC/LHRD grant program models in 2019. For those considering applying for the first time, note that the OLHCHH often reserves a portion of the lead grant funding for new applicant jurisdictions that have never received HUD OLHCHH lead grant funding previously.

<table>
<thead>
<tr>
<th>Total Lead and Healthy Homes Funding</th>
<th>2018 Lead-Based Paint Hazard Reduction Grant Program (LHR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead Grant Amount Available</td>
<td>$212 million</td>
</tr>
<tr>
<td></td>
<td>$2.0-3.5 million per grantee</td>
</tr>
<tr>
<td></td>
<td>$1M minimum; $3.5M maximum</td>
</tr>
<tr>
<td>Length of Grant Funding</td>
<td>42 months</td>
</tr>
<tr>
<td>Match Requirement</td>
<td>10% of HUD lead grant funds</td>
</tr>
<tr>
<td>Healthy Homes Supplemental Funds</td>
<td>$600,000 per applicant</td>
</tr>
<tr>
<td>Direct Lead Hazard Cost Requirement</td>
<td>65%</td>
</tr>
<tr>
<td>Other Requirements</td>
<td>3,500 occupied, pre-1940 rental units in the grant’s target jurisdiction</td>
</tr>
</tbody>
</table>

Strategic Implementation

HUD historically releases an annual Notice of Funding Availability (NOFA) in the spring for funds to be awarded by the end of September. In more recent years the release date has been impacted regularly by federal budget negotiation timelines. The grant application includes a Rating Factors narrative, program abstract, budget, budget narrative and several mandatory forms that are submitted to HUD via the grants.gov federal grant portal. The timeline for responses to HUD OLHCHH lead grant NOFAs is typically 45 days, which can be a brief timeframe for applicants to put in place the partnerships, program design and match resources needed for a successful grant application. Successful applicants begin to put in place partnerships to support match funding and program design, implementation and evaluation in the months leading up to anticipated release of the NOFA’s. These partners may include:

- A primary applicant with experience in housing repair and construction project management, for example a housing department with a current weatherization or housing rehabilitation program is ideal to ensure that the unit production goals set forth in the application can be met and the HUD grant reviewer has confidence in the organization and project management team.
  - A unit production plan should include a plan to engage a pool of certified lead hazard reduction inspectors and contractors, expedite the bidding or job assignment process, standardize pricing, conduct resident temporary relocation processes and project manage time frames for lead hazard control repair projects in order to meet quarterly benchmarks.

- Match funding (lead-related) and leveraged resource partners, and a plan to leverage HUD investment with other sources of home repair dollars (weatherization, housing rehabilitation) from
private and federal, state and local government contributions. Except for HUD’s Community Development Block Grants (more information can be found in the CDBG section of the toolkit), which are designated as local funds by federal statute, only non-federal, local and private funds can be used to meet the statutory lead grant match requirement. Leveraged funds can provide resources to holistically address housing needs beyond lead hazard control as well as increase the total resources available for lead hazard remediation in jurisdictions where the cost of the lead hazard reduction job exceeds the grant program budget, or in states where the required lead abatement standard exceeds HUD’s allowable lead hazard control measures.

- Evaluation partners that include academic institutions, state or local government departments and others who can track health, education and housing metrics over time, and establish a plan to track program impact through health outcomes (elevated blood lead levels (EBLL) prevalence), educational outcomes (special education costs) and other socio-economic indicators by engaging in data and evaluation partnerships. Data partners include state and local departments of health who engage in EBLL surveillance and case management activities. Similar pre and post health outcome indicators are necessary for also tracking the impact of the Healthy Homes Supplemental funded interventions.

- The U.S. Centers for Disease Control and Prevention has provided joint verbal guidance with HUD to partners and grantees in a number of contexts that EBL data should be shared between CDC-funded lead surveillance programs and local HUD-funded housing programs, both to target lead remediation resources to the most at-risk homes with EBL children, and to evaluate the impact of lead poisoning prevention or housing remediation programs. This data can be shared under HIPPA regulations by putting Business Associate Agreements or Memoranda of Understandings in place between agencies at the local or state level that allows data sharing.

Developing a strong work plan is key to successfully implementing a HUD-funded lead grant program. The work plan, while not required to be submitted as part of the most recent version of the LHR NOFA in 2018, should be initiated prior to applying for funding, as it will inform the proposal and ensure success in setting program implementation in motion when the funds are awarded. A HUD lead grant program work plan describes and sequences tasks over the life of the grant, and typically includes the following elements:

- Project staff roles and project management plan, including who will handle key roles and project administration such as programmatic and fiscal benchmark tracking and reporting.
- Project partners and sub-grantees roles and deliverables
- Plan for match and leverage funding
- Unit Production and Fiscal Benchmarks and Timeline
- Unit Production Process
  - Community outreach and marketing
  - Client application processing and unit selection
  - Lead-based paint inspection/lead risk assessment and healthy homes environmental assessment (if applicable)
  - Scope of Work creation
  - Contractor bidding or assignment
- Resident temporary relocation
- Lead hazard control remediation process, including lead-based paint hazards, drinking water hazards, soil hazards and other sources of lead exposure as allowed using HUD lead, Healthy Homes Supplemental or leveraged funds
- Healthy homes interventions (where applicable)
- Unit clearance inspection

- Fund Dispersal
- Reporting
- Evaluation

Strategic planning and continuous process improvement can ensure that HUD lead grant programs are successfully implemented. HUD also provides a Government Technical Representative (GTR) to every grantee who provides guidance as well as tracks and rates grantee performance on a quarterly basis. Transparent and consistent communications with a grantee’s GTR is often helpful in solving for challenges as they arise and keeping an LHC project on track to achieve planned benchmarks.

HUD lead grants are an important source of funds for interventions to address residential lead-based paint hazards as part of any local lead poisoning prevention strategy. While these lead grant resources can be awarded every three years where program performance is strong, in order to effectively address residential lead hazards on a broader scale, communities need to supplement and leverage these funds with additional resources from public, private and philanthropic sources.

Example
GHHI Rhode Island partners align and braid HUD LHRD funds with Community Development Block Grant funding, Weatherization Assistance Program and local utility funds, housing rehabilitation and other housing, health and energy efficiency resources, to offer a holistic set of services to meet the housing needs of families of children with EBLs and to preventive address potential lead exposures in other properties. For homes that require extensive lead hazard reduction or have other structural defects that need to be addressed prior to lead remediation, the partnering agencies braid together multiple lead, housing rehabilitation and other gap funding to prevent the property from being deferred from the LHRD grant programs. The comprehensive services include reducing exposure to lead-based paint hazard and other health and safety hazards as well as reducing energy costs in order to help families improve financial and housing stability, so they can remain in the home that has been made safe. GHHI Rhode Island works closely with the HUD funded LHRD Programs, Rhode Island Housing’s LeadSafe Homes and the City of Providence’s Lead Safe Program, as well as the Community Action Program’s energy efficiency services throughout the state. Together, partners have developed a work plan model that leverages strong state and local health and housing code enforcement and tracks the health and educational impact of HUD’s lead poisoning prevention funding through partnerships with academic institutions. GHHI Rhode Island also leverages their HUD LHRD lead grant investment with innovative sources of support including Attorney General settlement funds (additional information available in the Attorney General Settlement Funds section of the Lead Toolkit). Recently, the GHHI Rhode Island partners completed a statewide lead poisoning prevention policy analysis and produced a brief for state lawmakers that has become the agenda for updates to the state’s lead poisoning laws and regulations in the current legislative cycle.
HUD Choice Neighborhoods Grant

Description
HUD’s Choice Neighborhoods Program began in 2010 to leverage public funds and private dollars in support of community revitalization. The program seeks to accomplish these goals:

- Replace distressed public and HUD-assisted housing with high-quality mixed income housing that meets the needs of neighborhood
- Improve career, financial stability, health and educational outcomes of these households, and
- Facilitate public and private re-investment in disinvested neighborhoods to increase families’ access to improved safety conditions, good schools, and commercial activity.

This program provides an opportunity for lead remediation in a neighborhood as part of a broader, more comprehensive plan for neighborhood revitalization. Grants are available to help finance planning and implementation. Local governments, Public Housing Authorities (PHA’s), tribal entities, and non-profit organizations are eligible to apply if they meet these requirements:

- Neighborhoods must have at least one “severely distressed” public housing or HUD-assisted housing project at the core of its revitalization plan.
- A comprehensive, collaborative neighborhood Transformation Plan is produced, that includes converting target housing into healthy, sustainable housing that includes affordable units.
- A neighborhood is considered eligible for this grant if at least 20% of residents have very low incomes or live in poverty, based on the most recent data from the US Census Bureau, and the neighborhood is experiencing distress due to either high rates of vacancy or high rates of crime.
- The Transformation Plan also requires measurable outcomes for rejuvenation of the neighborhood where the target housing is located, and stipulates that neighborhood residents who choose to not return to the redeveloped target housing should have affordable living options elsewhere in the neighborhood that are as good as or better than the redeveloped Target Housing.

Strategic Implementation
In order to deploy this resource to address lead hazards in your community’s housing, include residential lead remediation in the Transformation Plan that specifically addresses lead remediation to rehabilitate distressed public or HUD-assisted housing within the defined boundaries of the target neighborhood. These allowable costs could be used to remediate lead hazards in properties undergoing rehabilitation that are public or to HUD-assisted such as project-based housing choice vouchers. Funds cannot be used to remediate lead hazards in tenant-based housing choice voucher units. Implementation funds could also be used to address lead hazards in properties prior to demolition. Any public or HUD-assisted property would also have to comply with the Lead Safe Housing Rule and EPA Renovation, Repair and Painting Rule requirements during the lead remediation and post intervention unless the remediation measures resulted in the property attaining a lead-free status.

The FY 2018 NOFA indicates that Planning and Action Grants can be awarded for $1.3 million, while the maximum for Planning Grants alone is $350,000. The grantee must also commit to match funds of at
least five percent of the grant award. For more information about this program visit: https://www.hud.gov/cn.

HUD Housing Choice Voucher Program

Description
HUD’s Housing Choice Voucher (HCV) Program is a federal program that provides financial assistance to low-income families to assist them in residing in affordable, safe and sanitary housing. Every year HUD receives an appropriation of funds for the HCV Program that is funneled to local PHA’s that administer the program. Families can apply to the HCV Program at local PHAs directly, who will collect the necessary information and determine eligibility based on the total annual gross income, family size, and citizenship. According to federal law, 75 percent of a PHA’s vouchers must go to applicants whose incomes do not exceed 30 percent of the area median income. Generally, an applicant’s income cannot exceed 50 percent of the area median income of the county or metropolitan areas in which they choose to live to be eligible. If the applicant is determined to be eligible to receive a voucher, they will be placed on the waiting list at the local PHA until a voucher can be issued.

Families that receive a voucher are then HCV Program. The owner of the property is responsible for ensuring that all Housing Quality Standards (HQS) are met. This standard includes a certification that the property follows HUD’s annual housing quality standards (HQS) related to lead-based paint. This requirement allows PHA’s to verify that any home that is chosen by an HCV recipient is lead-safe before the family is able to move in.

Strategic Implementation
There are two ways to deploy Housing Choice Voucher Program resources to address lead hazards and lead poisoning in local housing - through incentivizing private investment in lead hazard remediation and through public assistance to families with young children in obtaining lead safe housing. The first, is to utilize the HCV existing inspection and enforcement infrastructure under the Lead Safe Housing Rule to uphold lead safe housing standards in units where lead hazards are addressed but not fully abated, or to enforce lead-free requirements, where applicable in units undergoing more substantial housing rehabilitation ($25,000 or greater). HUD’s HQS annual inspections require that chipping, peeling paint (lead hazards above the de minimis level) be addressed in pre-1978 constructed HCV properties utilizing lead safe work practices.

By enforcing HQS and the Lead Safe Housing Rule standards for chipping, peeling paint, water and moisture infiltration and/or other structural defects related to the generation of lead hazards, HUD HCV funding can spur private sector investment voluntarily or by withholding the rental subsidy until the owner brings the property into compliance. Local and state housing and health authorities should actively coordinate with the Housing Choice Voucher Program to ensure that these enforcement activities are taking place, particularly where a child has an elevated blood lead level, which triggers a 30-day lead hazard remediation response period in HCV housing.

The second is to utilize Housing Choice Vouchers as part of an overall jurisdictional strategy to permanently relocate families from lead hazardous properties where children with EBLs reside to lead
certified housing. HCV Programs can establish preferences for their vouchers and a program can be established to utilize HCVs for EBL families who do not have sufficient income to be approved for new rental housing nor afford the monthly rent to maintain themselves in affordable, lead certified housing that has been treated and inspected. This occurs most frequently when a larger household is unable to afford a three or four bedroom lead certified rental property. To justify the lead preference to the PHA and ensure that the Program remains sustainable, it is recommended that the following Program criteria be followed:

- EBL child must reside in the property
- Property must have active, verified lead-based paint hazards
- Rental property owner must be unresponsive to enforcement actions for the remediation of lead hazards in the property if a rental property
- Homeowner does not have the financial resources to remediate lead hazards, property is structurally unsound and/or homeowner is ineligible for local lead grant/loan programs
- Family must be unable to afford new rental home and other resources have been exhausted

Example
GHII’s Maryland Family Advocacy Program partnered with the Housing Authority of Baltimore City’s HCV Program to establish an HCV preference for lead affected families. The Program has resulted in 250 vouchers being allocated specifically for use by families of an EBL child to relocate permanently from lead hazardous housing to lead free or lead certified housing. Through this partnership, families of EBL children are provided with a safe, healthy and affordable housing alternative in Maryland. This model may be limited by the availability of Housing Choice Vouchers in your community, though children with special health needs can be given priority on waitlists for federally-assisted housing.

HUD Community Development Block Grant

Description
The Community Development Block Grant (CDBG) is a HUD funded program that aims to provide communities with resources to help address their community development needs. As a flexible spending program, CDBG is administered through seven program areas outlined below:

- **CDBG Entitlement Program**, which is designed for population dense cities and counties, otherwise known as Metropolitan Statistical Areas (MSA);
- **CDBG State Program**, which allows states to distribute grants to local governments;
- **CDBG HUD Administered Non-Entitled Counties in Hawaii Program**, which is specifically for the Hawaii, Kauai, and Maui counties;
- **CDBG Insular Area Program**, which provides grants to American Samoa, Guam, Northern Mariana Islands, and the U.S. Virgin Islands;
- CDBD Program Colonias Set-Aside, which is earmarked for Arizona, California, New Mexico, and Texas to use a specified percentage of their CDBG funds to meet the needs of residents that occupy areas bordering Mexico;

- Section 108 Loan Guarantee Program, which is the loan guarantee provision of CDBG; and

- The Neighborhood Stabilization Program (NSP), which focuses on helping communities purchase and redevelop homes that are foreclosed and abandoned.

Any activity that is performed through CDBG must meet at least one of the following national objectives: benefit low- and moderate-income residents, prevent or eliminate blight or and areas of distressed housing, or address urgent community development needs, where these conditions pose a serious threat to the health or welfare of the community, and for which other funding is not available. In addition, over the lifetime of the grant, which may be one, two, or three-years, at least 70% of CDBG funds must be used to benefit low- and moderate-income persons. If these two requirements are met, CDBG funds can be used flexibly.

State and local participating jurisdictions (also called PJs) are also required to develop a 5-year Consolidated Plan that describes program activities, lays out funding allocations and outlines implementation plans. The Consolidated Plan process provides an important opportunity to advocate, during the public comment period, for lead poisoning prevention and funding for lead hazard remediation to be included in the local PHA or housing department’s priorities. For more information related to the required Consolidated Plan, review HUD’s budget allocation website.

The allowable uses for CDBG funds are broad and includes the creation or rehabilitation of affordable housing and the remediation of lead-based paint hazards. The primary CDBG programs to target for lead hazard reduction funding are the CDBG Entitlement Programs and the CDBG State Programs. The CDBG Entitlement Programs are often operated by local City and County housing departments where applicants can apply for lead hazard reduction grant funding directly through the annual CDBG application and award process. Applicants should monitor the CDBG public announcements of the local application period for any such funding.

Since CDBG is a flexible grant program, many jurisdictions can utilize CDBG funds for direct lead hazard reduction activities or as match for HUD’s LHC, LHRD, or LHR lead grant programs including CDBG State Programs allocations to support local lead hazard remediation. Funding for lead efforts can be approved if done during the planning processes of either the consolidated plan or the annual action plans. The CDBG regulations require that any projects that disturb paint above the de minimus level must comply with the Lead Safe Housing Rule including pre-inspection, lead safe work practices and post intervention clearance inspection requirements.

**Strategic Implementation**

Deploying CDBG funds to address lead hazards in homes within your community requires the following strategic steps:

1. Read the current, local 5-year Consolidated Plan and annual Action Plan updates and identify the use of the funds in your state and community by the local administering agency. Contact
information for your state, county or city’s administering CDBG agency is here: HUDExchange.com. In addition, states and participating jurisdictions are required to post their Consolidated Plans both digitally and physically in a public forum.

2. It is beneficial to attend any public hearings on CDBG and provide testimony for why CDBG funds are needed for lead hazard activities in the jurisdiction or at an increased amount. If CDBG funds are not allocated to lead hazard remediation in your state or jurisdiction, make the case to the appropriate administrative agency that using CDBG funds to improve housing health and safety leads to positive community-level outcomes via improved individual health and educational outcomes, improved housing and neighborhood stability, long-term reduction in special education, criminal justice and other costs, and increased tax revenue as a result of avoided loss of IQ from lead exposure.

3. If your jurisdiction is eligible to receive CDBG but does not currently receive lead hazard reduction funding (either through the state or directly from HUD), contact the administering agency to find out more about the application process which may vary depending on the jurisdiction. Submitting an application that outlines the plan of action for using CDBG funds for lead hazard remediation activities, specifies how the action plan meets at least one of the three national objectives for CDBG as well as local needs, and adheres to the protocols of the application process. Some jurisdictions have also steadily increased their annual CDBG appropriations for lead hazard reduction intervention activities after witnessing the benefits of lead hazard control grants and increased investments in reducing lead poisoning, increasing family housing stability and reducing neighborhood blight.

Example
Two examples of a successful use of CDBG funding for lead hazard reduction are with Baltimore Department of Housing and Community Development’s LIGHT and Lead Hazard Reduction Grant programs, where CDBG funds support lead hazard control activities by DHCD and local non-profit CDBG grantees. The CDBG funds are used as match funding for the HUD LHRD lead grant program that is part of the City’s LIGHT and Green, Healthy and Sustainable Division programs. GHHI receives $185,000 annually in CDBG funding as a non-profit grantee to conduct lead hazard reduction and healthy homes interventions by its in-house GHHI Baltimore hazard reduction crew in the homes of low-income families. GHHI’s CDBG funding also provides relocation assistance grants for the temporary relocation of families while lead hazard control work is being undertaken in their home or permanent relocation to lead certified housing for other families to move from lead hazardous housing to lead certified housing.

HUD HOME Investment Partnerships Program

Description
The HOME Investment Partnerships Program (HOME) is a formula block grant program administered by HUD and provided to States and local jurisdictions to fund affordable housing activities. The participating jurisdiction provides funding primarily to local nonprofit housing development organizations with a mission of constructing or rehabbing affordable housing units to eligible low-to moderate-income individuals and families. HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. Funding allocated to states is typically disseminated to local jurisdictions or non-profit partners via a request for

---

4 80% Area Median Income
proposals or a grant application. Like CDBG, HOME funds may also be awarded directly to participating jurisdictions. HOME funding can be used for acquisition, demolition, rehabilitation, and construction of residential properties. HUD requires that 15% of HOME funds in a participating jurisdiction be set aside for affordable housing development activities of Community Housing Development Organizations (CDHO’s). CDHO’s are private, non-profit community-based service organizations that develop affordable housing in the community that they serve.

Lead hazard control interventions are an allowable cost for HOME programs. Any unit with HOME investment must comply with Title X of the 1992 Housing and Community Development Act (24 CFR Part 35) and the Lead Safe Housing Rule which requires lead disclosure, testing, and abatement for covered housing rehabilitation and lead hazard reduction activities. HOME funding also requires participating jurisdictions or states to complete a five-year Consolidated Plan, which is approved by HUD. This plan describes program activities, lays out local housing needs and funding allocations, and outlines implementation plans. For more information related to the required Consolidated Plan process, review HUD’s budget allocation. Funding hazard remediation efforts can be approved if done during the planning processes of either the consolidated plan or the annual action plan update.

**Strategic Implementation**
Deploying HOME funds to address lead hazards in housing in your community requires the following strategic steps:

1. Reading the current 5-year Consolidated Plan and annual updates and identify the administering agency and the use of the funds in your state and community. Contact information for your state and local jurisdiction’s administering HOME agency is here: [HUDExchange.com](#). In addition, states and participating jurisdictions are required to post their Consolidated Plans both digitally and physically in a public forum.

2. If HOME funds are not allocated for lead hazard reduction as part of housing rehabilitation in your state or jurisdiction, make the case to the appropriate administrative agency that using HOME funds to improve housing health and safety leads to positive community-level outcomes including improved individual health and educational outcomes, and long-term reduction in special education, criminal justice and other societal costs. Provide public comment through the Consolidated Plan process for the inclusion of lead hazard reduction funding in the Plan.

3. In the event that your jurisdiction is eligible to receive HOME but does not currently utilize funds for lead hazard remediation (either through the state or directly from HUD), contact the administering agency to find out more about the application process, which may vary depending on the jurisdiction.

4. Submit an application that 1) outlines the plan of action for using HOME funds for lead hazard remediation on housing rehabilitation projects, 2) specifies how the action plan meets at least one of the three national objectives and local goals for HOME, and 3) adheres to the protocols of the application process.

5. Ensure that HOME funded housing rehabilitation projects in pre-1978 constructed properties meet all the lead safe work practices, pre and post clearance inspections, and certified contractor requirements of the Lead Safe Housing Rule and the EPA Renovation, Repair and Paint Rule.
HUD Low-Income Housing Tax Credit

Description
The Low-Income Housing Tax Credit (LIHTC), created by the Tax Reform Act of 1986, is a critical resource for creating affordable rental housing for low-income populations in the United States today. In 1997, HUD created a publicly-available database of LIHTC projects that now contains information on 46,554 projects and 3.05 million housing units placed in service between 1987 and 2016.15 Overseen by the Internal Revenue Service (IRS), the federal LIHTC allocates tax credits to each state based on population. State housing finance agencies (HFA) then have the authority to issue tax credits to housing developers for acquisition, rehabilitation, or new construction of affordable rental housing based on the state’s specific housing needs.

While a critical resource for developers, LIHTC credits usually don’t cover the full cost of development or rehabilitation. Four percent (4%) credits usually cover about 30 percent of the full cost of construction that uses additional subsidies or the acquisition cost of existing buildings while 9% credits cover about 70% of new construction without any additional federal subsidies. Nonetheless, leverage funding is usually needed to complete projects. Each state agency is required to develop an annual Qualified Action Plan (QAP) that outlines the selection criteria and priorities for LIHTC awards. As of 2007, fifteen states mentioned lead-based paint in their QAP (Arizona, Arkansas, Connecticut, Georgia, Illinois, Indiana, Iowa, Massachusetts, Missouri, Nebraska, New Hampshire, North Carolina, North Dakota, and Pennsylvania) and four states required elimination or remediation of lead-based paint hazards in units being rehabilitated under the program.16 Lead hazard remediation is an eligible expense for LIHTC program activities and is usually incorporated in the developer’s pro forma.

Strategic Implementation
Utilize LIHTC to finance lead hazard remediation by ensuring that states include addressing lead-paint hazards in their QAP for any properties that were constructed prior to 1978.

1. Check your state’s QAP to see if a plan to test for and address lead-based paint hazards is required in the rehabilitation of existing buildings.
2. Contact your state’s HFA to find out about the QAP development process. Many states undergo public comment, before and/or after the QAP is drafted, to ensure that all relevant requirements are included. If there is no public comment period, then advocates will need to submit comments informally to the state HFA on the inclusion of requirements related to lead testing and remediation of lead-based paint hazards.
3. If the state’s QAP does include requirements related to lead testing and remediation of lead-based paint hazards, ensure that those requirements reflect the best practices in proactive lead-hazard remediation, including requiring certified inspectors and contractors, lead safe work practices and clearance inspections to meet at lead dust clearance standard.

HUD Office of Policy Development and Research’s (PD&R) Research Grants

Description
The role of the Policy Development and Research (PDR) office at HUD is to examine novel ideas, relevant policy issues, and other data to help the Secretary and other HUD senior staff make educated decisions
regarding HUD policies, standards, procedures, and programs. In 2012, the HUD PDR office was authorized, by way of a notice, to begin accepting unsolicited proposals and entering unsolicited research partnerships with U.S.-based academic institutions, philanthropies, state and local governments, and non-profit institutions through non-competitive, cooperative agreements. These research partnerships present a good opportunity for organizations and entities to perform timely research projects, though HUD’s PDR office requires that half of the costs are funded by a partnering agency or organization.

In addition, any proposal that is submitted to HUD’s PDR office must align with one of the priorities outlined by HUD. Furthermore, while it is not necessary, HUD’s PDR office encourages the use of HUD’s available resources, specifically HUD demonstrations, HUD data infrastructure, and HUD administrative data linkages. More information on these resources can be found here.

**Strategic Implementation**

Proposals can be submitted to ResearchPartnerships@hud.gov at any time and do not have to follow a standard format. However, they should include the contact information of the lead applicant and provide evidence of the required 50% cost share. Jurisdictions can consider proposals to PDR that advance innovative funding mechanisms for lead hazard remediation or groundbreaking demonstration programs.

**DHHS Community Services Block Grant**

**Description**

The Community Service Block Grant (CSBG) is a federal grant that is administered to states, which then allocates a minimum of 90% of grant funds to local Community Action Agencies (also called eligible entities). Up to five percent of the grant can also be allocated to other non-profit organizations and programs at the discretion of the state government. The goal of the grant is to address conditions that relate to poverty and promote self-sufficiency and community engagement. The regulations stipulate that the money must be used to target conditions related to poverty, including inadequate housing conditions and unhealthy home environments. Allowable activities include hazard remediation to address inadequate housing conditions related to lead-based paint.

For FY 2019, national CSBG funding totaled $725 million. Amounts allocated from this amount vary by state according to the Economic Opportunity Act of 1964. CAAs make their financial reports public, which allows access to information about CSBG the funding levels in these community organizations. States must submit an annual or bi-annual State Plan, outlining the implementation plan for CSBG funds. CAA’s are also required to submit annual plans as well that include a community needs assessment, an in-depth strategy for addressing identified needs, and proposed outcome measures. The priorities of these plans are dictated by the stipulations of the grant, but also by the results of the local community needs assessments conducted by the CAAs. As is the case with other strategic plans, these are mandated to be available publicly and digitally.

**Strategic Implementation**

To deploy CSBG funds to address residential lead hazards in your community:

1. View the State Plan to learn about your state’s allocation of CSBG funds.
2. Identify the currently-funded Community Action Agencies active in your jurisdiction (a full list of CAA’s is available here: https://communityactionpartnership.com/find-a-cap/). View annual reports related to grant allocations and activities for the relevant CAA’s.

3. Explore partnerships with CAA’s within your jurisdiction. Learn more about how these agencies conduct their community needs assessments in order to advocate to include lead remediation on the list of priorities and funded activities.

4. Present a case for lead remediation that includes data on how lead affects your community, the lack of funding to address lead hazards in low income housing, how lead hazards contribute to housing instability and offer insights from community members. Some CAAs also have housing programs, including weatherization assistance programs (WAP). In addition, make the case that lead hazard remediation using CSBG dollars can address the health and safety conditions in units that might otherwise prevent them from being weatherized. As with other federally-funded programs, CSBG reports require outcomes measures. Your case should include specific outcome measures related to lead remediation, including health, education, and cost-related impact measures as well as reductions in client deferral rates for weatherization programs.

**DHHS Title V Maternal Child Health Block Grants**

**Description**
The Title V Maternal Child Health Block Grant (MCH) is administered by the Maternal and Child Health Bureau (MCHB) and aims to promote and improve the health and well-being of children and mothers. As one of the largest federal U.S. grant programs, over 59 states and jurisdictions were funded by this program, providing healthcare and public health services to about 56 million people. The MCH Block Grant is composed of three separate funding programs. The first and largest funding program is the block grant, which is provided to and allows states and territories to provide services to mothers and children. The second funding program is the Special Projects of Regional and National Significance (SPRANS) program, which is a competitive grant program that funds research and training projects on low-income pregnant women, mothers and children. The third and last funding program area is the Community Integrated Service Systems (CISS), which is also a competitive program that funds projects that support the development and expansion of integrated services at the community level. It is estimated that 86% of all pregnant women, 99% of infants, and 55% of children in the United States benefitted from services supported by Title V in 2017.

**Block Grant Program**
Under the block grant program, there are four types of eligible funded services that states can deliver: 1) direct health care services, otherwise known as “gap filling” services, that may not be covered by health insurance or other funding sources; 2) enabling services which can include transportation, health education, and outreach services; 3) population-based services such as immunization, lead screening, nutrition, and injury prevention; and 4) infrastructure building services, which includes needs assessments, policy development, monitoring, applied research, and standards development. While lead abatement or remediation is not explicitly called out as an allowable service, states have the power to determine the services that can be funded through their respective block grant programs. States must submit an application to the Secretary of the Department of Health and Human Services that includes a statewide needs assessment (conducted every 5 years) and a plan for meeting the needs outlined in the assessment in order to receive block grant funds.
State block grant allocations from the federal government are determined by a formula that compares the proportion of low-income children in a state with the total number of low-income children within all states. In addition to the federal allocation, there are four other categories of funding for the federal-state partnerships under this program: local MCH funds from local jurisdictions, program income from funds that are collected by maternal and child health agencies that include health maintenance organizations (HMO) payments and Medicaid reimbursements, state MCH funds of at least a $3-$4 match to federal allotments, and other funds from the Centers for Disease Control, the Women, Infants, and Children program, and other agencies that support maternal and child health.\textsuperscript{27,28}

States are required to spend at least 30\% of their allocation on children with special health care needs (CSHCN), 30\% for services for preventive and primary care services for children, 40\% or services for either of these groups and for other appropriate maternal and child health activities and may use no more than 10\% on administrative costs.\textsuperscript{28}

**Special Projects of Regional and National Significance (SPRANS)**

By law, fifteen percent of the money appropriated to the MCH Services Block Grant Funding is awarded competitively through SPRANS to public and private not-for profit organizations.\textsuperscript{28} Priority research areas for SPRANS awards are often determined by the Health Resources and Services Administration. Though Congress sometimes specifies focus areas, including set-asides funding, in legislation. Since the SPRANS program is primarily for research and training programs and services, it is unlikely that lead hazard remediation would be funded through this program.

**Community Integrated Service Systems (CISS)**

The CISS program receives 12.75\% of any amount that Congress appropriates to the MCH Services Block Grant Similarly, applicants for the CISS program must “seek to increase service delivery capacity” at the local level and promote community-based health systems for mothers and children.\textsuperscript{28} Thus, it is unlikely that CISS would fund lead abatement or remediation directly but could fund the development of a lead remediation program.

**Strategic Implementation**

Under Title V MCH program, activities related to lead hazard remediation would likely fall under the scope of the Block Grant Program since it is the most flexible. For lead hazard remediation to become an eligible expense, three things need to happen:

1. A statewide needs assessment should be conducted that outlines the need for homes to be remediated of lead.
2. The state should develop a plan to address the need to remediate lead in homes that includes cross-sector partnerships, workforce considerations, opportunities to leverage other sources of funding and financing.
3. Lead hazard remediation must be outlined in the state’s application to HHS and must be approved by the Secretary.
Superfund, aka EPA’s Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)

Description
The Superfund Program was created in 1980 under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).\(^\text{14}\) The fund provides financial resources for cleaning up sites that are contaminated with hazardous materials.\(^\text{14}\) It can be applied to residential areas that are built near contaminated areas such as previous mining sites, previous smelting sites, or pre-1978 paint manufacturing sites.\(^\text{15}\) While this monetary source focuses less on lead paint hazards within the house, it is a possible source of funding and programming if your jurisdiction faces lead contamination in the water or in the soil of residential yards due to close proximity to a contaminated site.\(^\text{15}\) While the Superfund aims to have the party responsible for the contamination to either take responsibility for the cleanup or to reimburse the cost of the cleanup, if no responsible party can be found then all funds and authority necessary to clean the site are administered through the EPA.\(^\text{14}\)

Strategic Implementation
1. If you believe your jurisdiction may qualify for this program due to lead hazard contamination, start by reporting it to the EPA.\(^\text{16}\)
2. The site will then be evaluated for the potential need for cleanup based on the EPA’s Hazard Ranking System (HRS).\(^\text{16}\)
3. If your area’s HRS score is high enough, the site will be placed on the National Priorities List, meaning it will be eligible for Superfund grants.\(^\text{16}\)
4. A Description of this process can be found here and a handbook for management of residential lead contamination at superfund sites can be found here.

Example
In 2003, the City of Omaha was placed on the Superfund National Priorities List because of severe soil lead contamination from the Asarco lead refinery.\(^\text{17}\) Approximately 14 square miles of at-risk residential properties were eligible for soil testing and cleanup as well as remediation of exterior lead-based paint hazards, paid for by the EPA.\(^\text{17,18}\) The EPA Superfund program also supported outreach and education, performed by the Omaha Healthy Kids Alliance.\(^\text{18}\) As of January 2018, the EPA has spent over $3.2 million dollars during the nearly two decades the local program has been in existence and has addressed over 93% of the lead hazards in the site.\(^\text{18}\) Concurrently, the number of kids testing positive for lead poisoning dropped from 33% in 1998 to 2% in 2015.\(^\text{18}\) More information is available here and an update on the project can be found here.

Another example is the Bunker Hill Superfund Site (Coeur d’Alene River Basin Cleanup Site), which is located in northern Idaho and eastern Washington. This site is was plagued with early mining and milling methods that led to environmental contamination from mine wastes.\(^\text{19}\) The primary method of cleanup for residential properties is removal of lead contaminated soil on the surface of properties and replacing it with uncontaminated soil.\(^\text{19}\) More information on the Bunker Hill Cleanup can be found here.

USDA Housing Preservation Grants
Description
USDA Housing Preservation Grants (also called Section 533 Housing Preservation Grants) provide money to organizations for the rehabilitation of tribal or rural housing for low income families (50-80% of the Area Median Income) or very low-income families (less than 50% of the Area Median Income). This grant program defines rural areas as towns or jurisdictions with no more than 20,000 people. State and local governments, as well as non-profit organizations are eligible to apply. The national total for the grant allocation is up to $10 million. Amounts requested during the 2018 application process can be seen here. If you are unsure about whether a property may be eligible, click here to check.

The grant is designated for properties owned by low or very low income individuals, or rental properties where the landlord agrees to rent to low or very low income households. The money can be used for various housing preservation activities (full list here) including the installation of energy conservation measures, roof replacement, relocation costs, and for the removal of health and safety hazards to bring properties in compliance with federal and local codes. Thus, lead hazard remediation can be included as part of the renovation process for Housing Preservation Grants (HPG). In addition, in 2011 the USDA entered into a memorandum of understanding with EPA to promote rural water and water system infrastructure sustainability through Rural Housing Preservation Funding, which can include support for lead service line replacement, and addressing lead hazards in private well water or other systems in rural jurisdictions.

Example: In 2016, the Warren-Washington-Issaquena-Sharkey Community Action Agency in Mississippi utilized $40,000 in HPG grant funding in 2016 to remove lead-based paint hazards and perform weatherization and energy efficiency improvements in homes in the project’s target area.

Strategic Implementation
Applications for this grant are open once per year. When the application window is open, a Notice of Solicitation of Applications will be published in the Federal Register with instructions on how to submit an application. The application must specify how the applicant proposes to use the grant funds and indicate the type of assistance that would be needed. If you would like further information about this grant you can contact your Rural Development State Office, listed here.

EPA Environmental Justice Collaborative Problem-solving Cooperative Agreement

Description
The Environmental Justice Collaborative Problem-Solving (EJCPS) Cooperative Agreement Program provides funding to support community-based organizations in collaboration and partnership with local stakeholder groups to develop and implement solutions that address environmental and/or public health issues for underserved communities. Partners can include local businesses and industry, local government, medical providers, and academia. The EPA considers underserved communities to be those with environmental justice concerns and/or vulnerable populations including minority, low income, rural, tribal, and indigenous populations. Awarded projects must demonstrate use of the Environmental Justice Collaborative Problem-Solving Model to support their collaborative efforts. The EJCPS Program aims to help build the capacity of communities with environmental justice concerns and to create self-
sustaining, community-based partnerships that will continue to improve local environments in the future.

**Strategic Implementation**

Ten awards are made by the EPA on an annual basis, one award per EPA region. Award amounts do not exceed $120,000 for a two-year project period. Cooperative agreements will be awarded to local community-based organizations, tribes, and tribal organizations seeking to address environmental and public health concerns in local underserved communities through collaboration with other stakeholders, such as local businesses and industry, local government, medical providers, and academia. The following actions should be taken in order to deploy EJCPS funds for residential lead remediation:

1. Convene community residents and stakeholders, through a community-based organization, to identify specific environmental justice-related needs. If this process identifies concerns or needs around addressing lead hazards in housing, consider partnerships that would best advance solutions to these issues.

2. Identify both a principal community-based organization and a diverse set of partners who can address lead hazards in housing. Leverage existing partnerships, but also use this opportunity to partner outside of traditional health, housing and energy agencies in your community.

3. Identify specific goals and outcomes for these partnerships with input from community residents and other stakeholders. Utilize the tools that EPA provides to maintain a focus on increasing equity and environmental justice through your efforts.

4. Apply for the funds through the EJCS annual NOFA.

**Example**

Central Maine Community Health Corporation (CMCHC) received these funds in 2018 to partner with other community organizations in Lewiston, ME. These partners are working with underserved community residents of downtown Lewiston who experience extreme poverty and disproportionate housing-related health impacts including lead exposure and asthma. The goal of this effort is to increase the number of healthy residential housing units available and empower those residents to access lead hazard reduction and healthy housing resources.

Project activities include: 1) creation of a Safe Housing Public Database of local rental units that have passed a recent health inspection, 2) outreach and education for the underserved community residents in downtown Lewiston to notify them of new resources for finding safe housing, 3) recurring First-time Investment Property Owner workshops, 4) creating a Landlord Network for landlords and other housing stakeholders, 5) creating a Rental Registration and Inspection Program in Lewiston; and 6) marketing and promotion of local rental property owners who are working to provide safe housing.

This project was born out of a community-driven effort and CMCHC’s Neighbor-to-Neighbor program, which engages community residents in identifying the need for leveraged funds to support local landlords in improving their housing stock and remediating environmental housing hazards. Through convening diverse stakeholders, CMCHC identified and implemented strategies that provide tools and resources to landlords to create healthier housing and empower the underserved community to access safe housing.
EPA Drinking Water State Revolving Loan Fund & Water Infrastructure Finance and Innovation Act

**Description**

The 1996 amendments to the Safe Drinking Water Act (SDWA) established the Drinking Water State Revolving Fund (DWSRF) through which EPA awards grants to establish capital for drinking water infrastructure loan funds. The goal of the DWSRF is to help achieve the health protection objectives of the Safe Drinking Water Act (SDWA). Through 2017, the federal investment has been over $19.1 billion, which has been leveraged by state awardees to produce over $35.4 billion in loans and grants to water systems.

Funded activities include:

- improving drinking water treatment
- fixing leaky or old pipes (water distribution)
- improving source of water supply
- replacing or constructing finished water storage tanks
- other infrastructure projects needed to protect public health

DWSRF funds are awarded to state agencies, in addition to a mandated portion of the annual federal appropriation that goes to tribes, District of Columbia, and other territories. DWSRF opens funding and financing avenues for drinking water infrastructure improvements. Funds can be used to fund loans, refinancing, purchasing, guaranteeing debt and purchasing bond insurance.

SDWA also allows grantees to set aside up to 31% of their annual capital grants to support drinking water infrastructure, including capacity-building and development activities like community project development, and building technical staffing and financial capacity for water utilities. Water systems can also access additional support, including principal forgiveness, negative interest rates or outright grants.

The Water Infrastructure Finance and Innovation Act (WIFIA) was enacted into law in 2014. WIFIA is intended as a compliment to DWSRF and is focused on providing low interest rate financing for the construction of major water and wastewater infrastructure projects that exceed $20 million (projects must have a total cost of at least $5 million in jurisdictions of 25,000 or more). These types of projects are typically more difficult to finance through DWSRF, due to the health-based and regulatory focus of that funding stream.

**Strategic Implementation**

Documentation of long-term need is required to apply for these funds, and funds must be directed to under-resourced communities. In order to be awarded and deploy these funds, states or territories must develop annual Intended Use Plans (IUPs), as mandated under the SDWA, which address the following:

---

5 Additional subsidies through DWSRF may be limited by states, according to criteria like utility size or public vs. private ownership
6 EPA reviews and approves IUPs as part of the DWSRF grants award process..

23
• Demonstrate that they are prioritizing infrastructure projects on the basis of risks to human health, improving compliance with the SDWA, and improving affordability for communities.

• Demonstrate that the loan funds can be managed to provide financial assistance in the long term, including maintaining repayment streams and balancing subsidization and other set-asides with the need to maintain the revolving loan funds.

In developing IUPs, states are required to solicit public comment. This presents an opportunity to interact with your state’s Environmental Protection authorities and local utilities to advance strategies for DWSRF and WIFIA investment.

Examples
In Indiana, the Indiana Finance Authority (IFA), which manages the State’s Drinking Water State Revolving Loan Fund (SRF), implemented the Lead Service Line Replacement Incentive program in 2018, to support full replacement of Lead Service Lines. IFA ranks eligible communities to receive interest rates as low as 0% for LSL replacement projects. These funds come from a 2017 award of WIFIA funding totaling $436 million to support the DWSRF.

The New Jersey Water Bank (NJWB) is a partnership between the New Jersey Department of Environmental Protection (NJDEP) and the New Jersey Environmental Infrastructure Trust (NJEIT) to provide low cost financing for the design, construction, and implementation of projects to protect and improve water quality and help ensure safe and adequate drinking water. The NJWB finances projects through two funding sources. NJEIT issues revenue bonds that are used in combination with 0% interest funds to provide very low interest loans for water infrastructure improvements. The NJDEP administers a combination of Federal Drinking Water State Revolving Fund (DWSRF) capitalization grants, State of New Jersey matching funds, loan repayments, state appropriations and interest earned on such funds.

Since 1988, the NJWB has funded 1,350 projects totaling $6.3 billion, provided an estimated $2.3 billion in interest cost savings to the State’s taxpayers and ratepayers, and provided over 130,000 direct construction jobs. More information here: [https://www.nj.gov/dep/dwq/pdf/NJEIFP_Funding_Booklet20170517.pdf](https://www.nj.gov/dep/dwq/pdf/NJEIFP_Funding_Booklet20170517.pdf)

State and Local Public Funding

General Operating Support/Budget Funds

Description
Individual states can utilize taxpayer dollars and allocate funds from their annual general fund or other operating budgets for lead hazard remediation. These funds can either work in isolation or supplement HUD OLHCHH funding for lead grants at the state or local level.

Strategic Implementation
State and local investment in lead poisoning prevention is often leveraged with federal grants or allocation, and sometimes with philanthropic investment, to provide a flexible source of lead remediation funds. State of local lead grant funds are important to develop in order to scale up to meet
the need for lead hazard remediation financial assistance, to reduce dependence exclusively on HUD lead grant funding and to assist smaller jurisdictions that may not be able have the capacity or target population size to apply for HUD lead funding directly. Funding requests for lead hazard reduction program funding should be supported by local EBL data, housing needs data (including Consolidated Plan indicators) and where possible, benefit/cost data related to lead poisoning’s impact on special education costs, juvenile justice expenses and other services related to services for children with EBL, including environmental investigation, medical case management and housing and health code enforcement.

Example
An example of general funds support is the State of New Jersey. Beginning in 2017, the State of New Jersey allocated $10 million annually for a lead remediation/lead abatement pilot project, administered through the New Jersey Department of Community Affairs. New Jersey has also invested an additional $10 million in the annual budget for lead public health case management. A few other states have also allocated state funds for lead inspection, lead case management and/or lead remediation including the State of Maine ($4 million), Michigan ($1.75 million annually), and Maryland ($1.0 million annually).

The Illinois Comprehensive Lead Education, Reduction, and Window Replacement (CLEAR-WIN) Program Act presents another example of a dedicated state fund for lead remediation. In August of 2007, the state of Illinois passed the CLEAR-WIN legislation and the corresponding $5 million appropriations, designed to help low-income properties address lead hazards through window replacement.23 The CLEAR-WIN program was piloted in the City and County of Peoria and the Englewood and West Englewood neighborhoods on the south side of Chicago.24

A 2014 report highlighted the results of the pilot. The average cost of remediation per building and per housing unit was $9,108 and $7,407, respectively.24 Of the overall total program costs, about 40% was spent on lead free replacement window purchases, while 49% was spent on contractor expenses.24 The main purpose of the CLEAR-WIN program was to assist property owners, of both single- and multi-family, of buildings built prior to 1978 to replace windows that had the potential to be lead hazards. As such, the funds generated by the CLEAR-WIN program did not support lead remediation in other parts of the home.24 However, in Peoria, CLEAR-WIN funds were braided with HUD lead hazard reduction funds, so properties could receive a full lead risk assessment, replace hazardous windows, and remediate other lead-based paint hazards.

U.S. Conference of Mayors

Description
The U.S. Conference of Mayors (USCM) was created in 1932 as a partnership among cities with populations greater than 30,000 feet. There are currently 1,408 member-cities in the U.S. Conference of Mayors, each represented by their mayor. While its main purpose is to give cities the opportunity to discuss, collaborate on, and develop organizational policies and goals on various issue areas, the organization also administers numerous programs and initiatives that also include grant funding. There are two particular grant programs that could be used to address residential lead hazards: the
The DollarWise Program is focused on increasing economic mobility for low-to-moderate income households through promoting affordable homeownership, affordable healthcare, educational opportunities, financial education, job and livable wage creation, justice reform, youth development and youth employment.

The CommunityWINSSM Program is a partnership with Wells Fargo bank and the Wells Fargo Foundation to support local non-profits in supporting long-term economic prosperity and improved quality of life in their communities. Three million dollars will be awarded over 3 years, and eight awards are available in 2019. Two awards are available in each of the following population size categories:

Metropolitan: Population greater than 500,000
Large: Population of 275,000 to 500,000
Medium: Population of 50,000 to 275,000
Small: Population of less than 50,000

While the deadline for the 2019 application passed in March, there will be a similar round of funding in 2020.

**Strategic Implementation**

The Mayors of applying jurisdictions must be part of the Conference of Mayors to qualify for awards. You can check your mayor’s status here: [https://www.usmayors.org/mayors/meet-the-mayors/](https://www.usmayors.org/mayors/meet-the-mayors/)

Applications for funding opportunities are posted on the Conference of Mayor’s website and publicized to members. While neither grant opportunity specified above is focused solely on lead remediation or housing improvement, municipalities or state can apply for funds to address lead hazards or promote lead safe work practices and build workforce capacity for lead remediation, as Lancaster did in the example below.

**Example**

In 2017, the Community Action Agency (CAP) in the city of Lancaster, Pennsylvania received $150,000 from the US Conference of Mayors to address lead-based paint hazards in home-based daycare centers and to provide on-the-job training for workers with barriers to employment so that they can become
qualified to receive a living wage while making their communities safer for children. In Lancaster, the CommunityWINSSSM program helped to foster better health and social outcomes through the elimination of harmful environmental health hazards and through community-based workforce development to support economic mobility.

Policies Leveraging Existing Opportunities to Support Lead Remediation

RRP Rule Requirement for Building Permits
The building permitting process can be used to ensure that building renovations are conducted using lead-safe work practices. Where state or local code housing code enforcement officials are charged with administering, overseeing, and enforcing the building permitting processes, there is an opportunity to increase the utilization of lead safe work practices by requiring contractors to have the Environmental Protection Agency’s (EPA) Renovation, Repair, and Painting (RRP) Program certification in order to obtain a building permit.

The RRP program is enforced by the EPA or administered at the state level by states (14 total) that have been authorized by EPA to provide oversight of the RRP Rule’s in their jurisdictions. By requiring contractors to be RRP certified, local jurisdictions can promote primary lead poisoning prevention through private investment as potential lead hazards are addressed before children are poisoned.

Example
The State of Minnesota passed a law that was effective in 2011 and requires that a permit should not be issued for work on pre-1978 residential structures unless the licensed residential contractor requesting the permit has the required lead certification or one of the exceptions under the EPA RRP Rule. The Minnesota statute reads: “Subd. 13. Lead certification. When issuing permits in compliance with the State Building Code to a residential building contractor, residential remodeler, manufactured home installer, or residential roofer licensed under section 326B.805, municipalities must verify lead certification qualifications of the licensee required under subdivision 14 for renovations performed on residential property constructed prior to 1978.”

In Minnesota, municipalities may levy a surcharge for verification of this certification under section 326B.815, subdivision 2. The state or any political subdivision must not impose a fee for the same or similar certification as required under Code of Federal Regulations, title 40, section 745.89.” For more information, please visit: https://www.revisor.mn.gov/statutes/cite/326B.106

Strategic Implementation
States and jurisdictions can require compliance with the EPA RRP contractor and worker certification and training requirements. States, counties and/or cities can utilize the residential building permitting process as an opportunity to verify RRP certification. RRP training and certification applies where housing repair contractors and/or building owners are conducting renovations on pre-1978 residential properties which disturbs painted surfaces above the de minimus level and/or where window
replacement is occurring that requires a permit. Enforcement of this requirement involves providing proof of RRP training and certification for the firm, supervisors and/or workers that are performing this work, and denial of permit, and possibly reporting of a contractor to the RRP-enforcement entity in your state, where training and certification proof are not present in the permit application. Tying RRP certification to building permitting is an effective enforcement mechanism for the RRP, incentivizes certification in the contractor workforce, results in wider use of lead safe work practices in your community and reduces the risk of lead exposure as a result of home repair and renovations.

Lead Safe Housing Registries

Description
Rental housing registries can be a useful tool in disseminating information to consumers about where lead-safe or lead-free rental units exist, and in regulating and incentivizing lead remediation and lead certifications for rental housing. Registries may be a simple listing of properties that have received a lead inspection certification or may be a platform that is linked to housing code enforcement data, and/or other data sources, to promote transparency in your community’s rental housing market, increase the market demand for lead safe housing, and maximize the information available to the tenant consumer.

Strategic Implementation
The most usable Lead Safe Housing Registries are searchable, web-based tools, rather than static documents which can be more difficult to update. Any Lead Safe Housing Registry is beneficial, however, to increase lead safe housing options for parents, increase market demand for lead certified housing and to incentivize rental property owners to invest in remediating lead hazards in their units. There are several free or low-cost geo-coding programs available online which can be used to geo locate lead safe and lead-free housing for the user. Lead Safe Housing Registries are often administered through a state, county or community’s lead poisoning prevention program (as a record of properties which have been made lead safe, lead free, or similar certification through the state, county or community housing department (as a record of properties with lead safe or lead-free certifications). Lead Safe Housing Registries can also be tied to other data sources, for example outstanding and historical housing code violations records, or water utility data about lead service line location, and marketed directly to young families or other consumers at-risk for lead exposure in the home environment.

Example
Maryland’s rental registries were established in 1994 as a part of the state’s flagship lead poisoning prevention law. The Maryland Reduction of Lead Risk in Housing Law (Environmental Article § 6-801-852) was the first law in the nation to require mandatory and proactive rental inspections as well as remediation of lead hazards in all pre-1978 rental property. Among the other critical components, the law requires properties owners to register their rental properties, which involves paying an annual fee of $30 per unit as well as certifying through an inspection that each property is lead-safe. The collection of the registration fees directly supports enforcement of the law by paying for 4-5 full-time Attorney Generals at the Maryland Department of the Environment (MDE), who administers the registration process and pursues enforcement actions against non-compliant rental units. Every year
MDE issues between 400-800 notices of violations for which heavy fines are often collected, an enforcement mechanism that is made possible by the rental registry.

**Rental Registries**

A Rental Registry is a system used to ensure that all rental properties in a jurisdiction are properly registered according to that jurisdiction’s policies and procedures and meet inspection or certification requirements where they exist. In Maryland, per the [Maryland Risk Reduction and Lead Risk in Housing Law](#) that was passed in 1994 and went into full effect in 1996, rental property owners must register any affected rental property annually with the Maryland Department of the Environment (MDE). The annual registration and the lead inspection certification requirements are documented in an MDE database. Registration and inspection certification information is loaded into MDE’s [public database](#) which allows anyone to check to see if a property is properly registered and if they have a valid lead inspection certificate. As a part of the registration, the property owner is also required to pay $30 per unit a year. The revenue generated by Maryland rental registration fees are placed in a fund that pays for lead inspectors, mostly for enforcement purposes, but does not contribute to lead remediation.

**Strategic Implementation**

The Maryland Reduction of Lead Risk in Housing Law and the Rental Registry Database has spurred significant private investment in lead poisoning prevention but required a policy change in the state of Maryland. To implement a rental registry in your jurisdiction, you must:

1. Make the case to policymakers that rental registries are needed. Rental registries provide a mechanism for ensuring that property owners comply with state and local housing, health and safety codes as well as other relevant policies and regulations.
2. Address concerns from the potential opposition. Here are some common concerns that surface regarding rental registration:
   - It can be costly to property owners
   - It will negatively impact the rental market by increasing rental rates
   - Enforcement is expensive

**Publicly-funded Trusts**

**Description**

Publicly-funded trusts leverage public funds to attract private investment (typically in the form of state revenue bonds) for improvements to public infrastructure, housing and/or land preservation, and support for housing improvements to promote homeownership. These agencies are public or quasi-public authorities, created through legislation at the state or local level, and funded, at least in part, through state budget allocations. Public trusts may utilize funding and financing vehicles such as subsidized low-interest loans, provide support for capital improvement planning, and other innovative funding mechanisms for lead hazard remediation in housing, drinking water and soil.

**Strategic Implementation**

The following steps should be taken in order to employ public trusts or financing agencies in addressing residential lead hazards:
1. Identify existing public trusts or financing agencies related to housing, infrastructure or land in your state or community. Explore the extent to which these agencies currently fund or finance lead remediation or lead-safe housing rehabilitation, lead service line replacement, soil remediation or other lead hazard remediation-related activities.
   a. Where needed, engage policy makers, legislators and elected leaders in maintaining and expanding current financing vehicle, and directing resources to vulnerable communities.
   b. Identify and partner with a legislative champion to advance/increase state or community bond funding for investment in lead remediation through an existing public trust.
   c. Identify and partner with stakeholders who can access the funding and financing mechanisms offered through your state’s or community’s public trust for lead hazard remediation, including property owners, non-profit developers, and local utilities.

2. If no public trusts or financing agencies related to housing, infrastructure or land currently exist in your state or community, engage policy-makers, legislators, and elected leaders in creating a public trust as a vehicle for leveraging public investment with private dollars to sustainably support lead remediation.
   a. Identify and partner with a legislative champion to advance the creation of a public trust to address lead hazards in your state or community.
   b. Reference national examples of successful public trusts at the state and community level and put together state and local statistics to demonstrate the need for leveraged investment in housing, infrastructure and/or land use (for lead safe demolition and soil remediation).

Examples
The New Jersey Environmental Infrastructure Trust (NJEIT) is a state financing authority that provides low interest loans to qualified public water systems to finance water quality infrastructure projects. Currently, NJEIT has set aside $33 million in annual grants ($30 million) and no-interest loans ($3 million) for water systems to fully replace lead service lines in low income communities. New Jersey American Water has a project in Irvington, NJ that makes use of this program.

Rental Assistance Demonstration Program for Public Housing

Description
Rental Assistance Demonstration (RAD) represents a solution to lead based paint in public housing developments. This HUD program allows PHAs to convert existing developments into Housing Choice Voucher (Section 8 programs), enabling them to utilize private capital investment. This can generate additional monies to provide needed rehabilitation, including the remediation of lead-based paint hazards in public housing. Under the RAD model, residents are still only charged a monthly rent that is 30% of their income, and they maintain the same rights that they had under the previous public housing model. Relocation expenses are covered and residents have the right to return to their unit after the completion of renovations if they choose.
Strategic Implementation
Public Housing Authorities must develop a plan for managing the transition of a portion of their currently-owned properties to Housing Choice Voucher (Section 8). HUD requires submission of a RAD application or letter of interest on a per-property basis. More details about the application process can be found here. Training materials for implementing RAD for public housing units can be found at this link and a list of case studies outlining jurisdictions that have implemented RAD can be seen here.

Dedicated Public Revenue Sources

Paint Tax, Fee or Surcharge

Description
A dedicated tax, fee or surcharge on the purchase of paint is another source of funding for lead hazard remediation, environmental investigation and lead poisoning prevention activities. The State of Maine is a current example of this funding strategy that is working well. Beginning in 2006, a 25 cent per gallon fee was added to the cost of all paint produced and/or purchased wholesale in Maine. Revenue from this fee supports the Lead Poisoning Prevention Fund which is currently used for lead poisoning medical case management and other lead-related public health costs. In the early 2000’s, the State of New Jersey passed a surcharge on the sale of new paint, the revenue from which was originally dedicated to the Lead Hazard Control Assistance Fund. However, due to the specific regulations around state budgeting in New Jersey, the funds eventually reverted to the general fund rather than being allocated specifically to addressing lead hazards due to the state laws around budget allocations.

Strategic Implementation
The first step in deploying revenue generation strategies to address lead hazards in housing is to ensure that revenue can be allocated to a specific pot of funds or for a specific purpose within your state or jurisdiction. It will be important to make a strong, evidence-based case for increased resources to address lead hazards, while highlighting best practices, and to learn from and adapt strategies implemented in other jurisdictions. In addition, passing state and local legislation requires political will and a champion within the legislature as you consider the unique needs and resources of your community to find a model that works best for you. Lastly, identify, engage and create a plan to address the concerns of opponents of the proposed legislation.

State Attorney General Settlement Funds

Description
Attorney General settlements are a non-traditional source of funding that can be used to fund lead remediation. Settlements occur when an entity that violates a law or regulation and agrees to pay a fine instead of going to trial or reaches settlement through other means. Settlement funds are received and overseen by the Attorney Generals either at the state or federal levels. Attorneys General determine allowable uses for the settlement funds, often in coordination with state or federal policy-makers. Strategic uses for Attorney General settlement funds include gap funding to foster cross sector collaboration between housing, health and energy partners in your community or state, funds to
facilitate coordinated leveraging of funds (including to fund a GHHI outcome broker or learning network activities) and reduce client deferral rates for families that would otherwise be deferred due to home-based environmental health hazards in their property.

Strategic Implementation
In order to secure and deploy Attorney General Settlement funds in your state or jurisdiction, start by developing a relationship with your state’s Attorney General. Schedule and meeting and effectively communicate the needs around lead hazard remediation in your state with the Attorney General even if there is no current or pending settlement fund availability. Make the business, health and social impact case for lead remediation, by discussing how these efforts can improve health outcomes, energy efficiency, housing quality and financial stability for families in your state as well as reducing criminal justice and special education costs. Research potential opportunities to access Attorney General funds in your state (a Google alert is a good tool to learn about these settlements). At the appropriate decision point (usually after the case is filed but before the settlement is announced) convene your GHHI Learning Network or a group of stakeholders that includes community providers and community member directly impacted by lead poisoning and approach your Attorney General to make the case for an allocation of funds to address lead hazards in your state and community. Consider these Attorney General funds as an opportunity catalyze the development of a broader partnerships of cross sector stakeholders, and collaboratively develop or adopt an integrated housing assessment and intervention process.

Example
The Cities of Buffalo, Rochester and Syracuse and the State of Rhode Island were all able to strategically utilize Attorneys General settlements as gap funding to address health and safety issues for energy efficiency projects. In these jurisdictions, lead hazard remediation was considered an allowable expense for settlement funds, along with other health and safety measures where properties were receiving energy efficiency interventions.

In New York State, Attorney General Eric Schneiderman has provided the following funding to collaboratives to address identified needs in the local housing stock but also to spur innovative practices: $2.3 million to collaboratives in the City of Buffalo, $1 million to the City of Buffalo and $1 million to the City of Syracuse. The GHHI Buffalo and GHHI Greater Syracuse sites have utilized that funding to solve for health and safety issues where funding was inadequate and have used the funding to implement integrated housing intervention processes through their local GHHI Learning Networks and housing triage teams.

In 2014, Rhode Island Attorney General Peter F. Kilmartin provided $597,00 in funding to GHHI Rhode Island to support the development of an integrated health energy services platform including direct funding support for energy efficiency and healthy homes interventions in low income homes in jurisdictions throughout Rhode Island. The first Rhode Island Attorney General awards supported comprehensive interventions in 175 homes in 23 different jurisdictions in Rhode Island. In 2016, Volkswagen entered into a settlement with both the federal government and individual states for allegedly cheating emissions standards. The federal settlement totaled about $14.73 billion, which includes payments to individuals and states. Rhode Island Attorney General Kilmartin determined that
$4.1 million in grants would be invested into various environmental projects, including storm water remediation, fresh food access, and more effective transportation. \(^{34-36}\) GHHI Rhode Island and its partners such as Rhode Island Housing, Community Action Programs and the City of Providence Department of Community Development coordinate lead hazard control, healthy homes, energy efficiency and housing rehabilitation through an integrated process. GHHI Rhode Island recently received a new $500,000 grant to provide gap funding to support the partnership’s work to address lead hazards and home-based health hazards in properties receiving energy efficiency interventions through a coordinated process that is improving health and energy outcomes and reducing client deferral rates for families in poverty that may otherwise not receive the comprehensive services their homes require.

**Lead-Based Paint and Lead Pigment Manufacturer Lawsuits**

**Description**
On October 15\(^{39}\)th, 2018, the United States Supreme Court refused to grant the Writ of Certiorari to review the California Court of Appeals ruling that Sherwin Williams, Conagra and NL Industries are responsible for lead paint contamination in thousands of homes built before 1951. \(^{29,30}\) This decision concludes the 18-years of litigation between 10 California cities and counties the lead paint industry. The cities and counties claimed that the lead paint and lead pigment manufacturers violated California’s public nuisance law by actively selling and promoting the use of lead paint despite knowledge of its health hazards. \(^{29-32}\) With the State of California Court of Appeals issuing this ruling and the U.S. Supreme Court declining to hear any further appeals in the case, the two paint companies are now responsible for paying $409 million to a fund that will support the cleanup and remediation of lead-based paint hazards in residential housing in the following 10 California counties and cities: Cities of Oakland, San Diego, and San Francisco and the Counties of Alameda, Los Angeles, Monterey, San Mateo, Santa Clara, Solano, and Ventura. NL Industries also reached a settlement with the parties for $60 million in damages that will contribute to the total of $469 million in lead inspection and lead hazard control intervention costs. This is an unprecedented and landmark decision that can have major implications for the current state of funding for the elimination of lead poisoning in residential settings. Note: While affirming the lower court decision, the California Court of Appeals did remand the case back to the trial court and restricted the damage award to damages related to lead hazards in properties constructed prior to 1951. The original bench trial award of $1.15 billion was reduced by the trial court as a result to $409 million.

**Strategic Implementation**
First, your state or jurisdictions should consider litigation against the lead paint and lead pigment manufacturers, both as a means to generate revenue that will contribute towards the total amount needed for lead hazard remediation and as part of a lead poisoning elimination strategy. Advocates should consider meeting with their local city or county leaders and/or the state attorney general to see whether suing the lead paint and pigment companies is a viable option for their respective jurisdictions to generate sufficient revenue to address lead hazards at scale.

**Medicaid**
Description
The National Academy for State Health Policy (NASHP) compiled a comprehensive list of state healthcare policies to address lead poisoning prevention and treatment.\(^7\) The resource highlights policies specific to Medicaid. Below is an overview of the primary Medicaid levers that can be utilized to address lead.

EPSDT Benefit
All children enrolled in Medicaid are eligible for the Early Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit,\(^3\) which mandates the provision of blood lead screening tests to all children at 12 and 24 months of age. Also, any child between 24 and 72 months who has not previously received a blood lead screening test must receive one.\(^4\) According to the specific guidelines, as noted on the Medicaid website for EPSDT, “state Medicaid agencies are required to:

- Inform all Medicaid-eligible individuals under age 21 that EPSDT services are available and of the need for age-appropriate immunizations;
- Provide or arrange for the provision of screening services for all children;
- Arrange (directly or through referral) for corrective treatment as determined by child health screenings; and
- Report EPSDT performance information annually via Form CMS-416.” If states have data to support discontinuing blood lead screening for every child covered by Medicaid, states may request approval from the Centers for Medicare and Medicaid services (CMS) to implement “targeted lead screening programs.” CMS and the Centers for Disease Control and Prevention have provided guidance for states interested in making this transition.\(^5\)

Managed Care
Coverage for lead screening and treatment services beyond the EPSDT benefit varies across specific state plans and these services are often overseen or provided by managed care organizations (MCOs). Contracting directly with state Medicaid agencies, MCOs are health plans that receive per member per month capitation payments to provide health benefits and manage its membership’s healthcare utilization, quality, and costs. MCOs can directly provide case management services or contract out for them. Some states such as Rhode Island and Missouri offer Medicaid-reimbursable case management services for children with elevated blood lead levels.\(^6\)

MCOs increasingly participate in incentive programs to meet performance goals. One of the primary performance-based strategies for states is Performance Improvement Projects (PIPs), which help MCOs better track and report quality metrics. Many states use a common measurement system known as the Healthcare Effectiveness Data and Information Set (HEDIS). Some states require HEDIS reporting from MCOs, for which they can receive incentive payments for surpassing certain measures or penalties for failing to meet goals. One of the approved HEDIS measures targets lead screening in children so states in which HEDIS reporting is required may have more participation from MCOs in supporting lead screening services.\(^5\) New Jersey is an example of a state with a more aggressive approach to lead prevention and treatment efforts through managed care. Its MCO contracts require lead case management,\(^8\) monitoring

---


\(^8\) In New Jersey, like many states, the extent to which children universally receive follow-up testing is not tracked.
of providers’ screening rates, outreach to caregivers for unscreened children, and an action plan for
MCOs with low HEDIS screening rates.\textsuperscript{38,39}

\textbf{Section 1115 Waivers}

There are a number of Medicaid delivery system and payment reform initiatives currently underway
across the country, some of which are unlocking additional resources for lead poisoning prevention.
Medicaid Section 1115 Waivers enable states to deviate from the standard classifications of allowable
medical costs to run pilot programs that are reasonably likely to improve healthcare quality and
outcomes. Several states are running Delivery System Reform Incentive Payment (DSRIP) programs,
which are enabled through 1115 Waivers, that direct significant funding to help healthcare payers and
providers improve the quality and efficiency of care provision. DSRIP programs are performance-based
initiatives in which states implement changes that are expected to produce savings that they can then
reinvest in further delivery system reform.\textsuperscript{40} Some DSRIP programs specifically include incentives to
address lead—New York’s DSRIP program, for example, has a performance metric for lead screening
that provider networks can obtain bonus payments for meeting.

\textbf{Example}

A noteworthy example of an 1115 Waiver used to address lead poisoning is in Michigan. In response to
the water crisis that attracted national attention to lead poisoning in Flint, the state submitted an 1115
Waiver proposal to CMS expanding Medicaid services for Flint residents over five years. The waiver was
approved in March 2016 and, according to a summary by the Kaiser Family Foundation,\textsuperscript{41} it includes:

1. “An expansion of Medicaid and Children’s Health Insurance Program (CHIP)\textsuperscript{2} eligibility for
children and pregnant women with incomes up to 400% of the federal poverty level (FPL,
$80,640 per year for a household of three in 2016) served by the Flint water system;
2. A waiver of cost-sharing and premiums for Flint beneficiaries, and
3. An expansion of the Medicaid Targeted Case Management benefit to coordinate health and
related community support services for all Medicaid-eligible children and pregnant women
served by the Flint water system.”

The targeted case management includes “services such as comprehensive assessment; development
and management of individualized care plans; communication with beneficiaries’ primary care
physicians and health plans; coordination of physical and behavioral health-related services, nutritional
supports, and early education programs; and referrals to and assistance with obtaining additional social
supports, such as financial, housing and transportation assistance and lead assessment and abatement
resources.”

Lead abatement activities in the original waiver proposal were not approved, but CMS subsequently
approved a CHIP Health Services Initiative to provide $119 million in funding for these services over five
years (see CHIP Health Services Initiatives section). The following states currently have in place Health
Services Initiatives addressing lead and other health and safety hazards in housing: Maryland, Michigan,
Island is a noteworthy waiver example because its expanded Medicaid benefits include the cost of
lead-poisoned children.\textsuperscript{42}
Value-Based Purchasing

Medicaid value-based purchasing (VBP) programs link payments from healthcare payers to the quality and value of provider services. There are various types of VBP contracts, but they all focus on the Centers for Medicare and Medicaid Services’ (CMS) three-part aim of improving individual care, improving population health, and lowering healthcare costs. Shifting away from the traditional fee-for-service (FFS) model, VBP allows for more flexibility in the types of services Medicaid will reimburse. One application of VBP is through managed care organizations (MCOs) that have ample flexibility since the passage of the 2016 Managed Care Final Rule. This regulation allows states to permit MCOs to enter into value-based arrangements in which they provide Medicaid payments based on the value of services rather than the volume or cost of those services. There are specific requirements as to how value is determined, but they align with standards and practices to which MCOs are accustomed. As an over-simplified example of this breakthrough opportunity with VBP, an MCO would be allowed to retrospectively pay a provider for producing a 10% reduction in the MCO’s total cost of care, regardless of the underlying services that led to the savings.

Using VBP to address lead poisoning would be achievable with innovative partnerships and clear federal- and state-level Medicaid support. One of the main challenges in using VBP for lead poisoning lies in the fact that the value produced by preventing and treating lead poisoning accrues across multiple sectors over a long timeframe. In contrast, there is a clearer path for investment in asthma-related housing interventions through VBP because asthma interventions are linked directly to reductions in Emergency Departments utilization, hospitalizations and other medical costs. GHHI is working with partners nationally to explore opportunities around VBP investment in housing interventions.

Theoretically, community-based organizations or local government agencies that provide lead screening, preventive education, or follow-up services could partner with Medicaid providers and payers in a VBP contract that bases a portion or all of payments on medical savings or other valued outcomes. Due to the nature of Medicaid populations often moving between health plans, a flexible model allowing for multiple MCOs to track outcomes for transitory enrollees across several years would likely be required. VBP models to date have primarily focused on one MCO contracting with one provider or provider network, but states are gradually becoming more innovative. CMS’s State Innovation Models (SIM) initiative could be an appropriate instrument for developing a model of this sort. Through the SIM program, CMS “partners with states to advance multi-payer health care payment and delivery system reform models.” The SIM initiative has helped over 30 states transition to value-based models, aligning MCOs and providers on VBP methodologies. A partnership model in which multiple MCO payers coordinate under a shared contract and agree to pay for value created by a targeted intervention over multiple years has yet to be developed. To advance to this level of coordination would likely necessitate clear incentives and guidance from CMS and state Medicaid agencies.

The value of lead poisoning prevention and treatment extends beyond healthcare, so a VBP model would only capture a portion of the benefits. Pay for Success financing could be an effective mechanism to entice other government agencies, particularly at the federal level, to contract as back-end payers and pay for non-medical outcomes. See the Pay for Success Financing section for more information.
CHIP Health Services Initiatives

The Children’s Health Insurance Plan (CHIP) uses federal and state funds to provide health coverage to over 9 million eligible children through Medicaid and other CHIP-specific programs. Originally created in 1997, CHIP is administered at the state level through the state Medicaid program, as a standalone program, or as a combination of the two. States partially fund CHIP out of their state budgets and receive a federal match that varies by state. The eligible federal match is based on the Medicaid Federal Medical Assistance Percentage (FMAP) formula that has ranged from 65 percent to 81 percent, compared to 50 percent to 73% for children in Medicaid. However, federal spending in CHIP is capped and states must provide matching funds to get their full federal funding allotment.

CHIP presents an excellent opportunity for states to address lead because, through Health Services Initiatives (HSIs), they can launch public health initiatives and take advantage of a match rate for federal funds that is significantly higher than the rate for general Medicaid programs. The enhanced CHIP match rate minimum is set at 88% through September 30, 2019 CHIP, meaning states can leverage significant federal funding with a relatively small allocation, though total expenditures for non-coverage services must not exceed 10% of the state’s total amount spent on CHIP health benefits. Another benefit of HSIs are that they do not require a Medicaid waiver, but only a state plan amendment (SPA). The SPA submission and approval process is generally less burdensome and time-consuming than it is for a waiver. HSIs are designed by states and must directly improve the health of low-income children under age 19 who are eligible for CHIP or Medicaid.

CMS specifically calls out lead poisoning screening and prevention services as a suitable application for HSIs in its HSI FAQ document. The FAQ document states the following regarding lead abatement activities, among other requirements, “Any state pursuing a lead abatement HSI would need to demonstrate the need for the initiative and must meet the following criteria: individuals performing abatement service must be properly certified by the state; performance of the abatement must be demonstrated to be effective in removing all lead hazards; the program must be time limited; and the state must work with CMS to develop metrics to measure the effectiveness of the lead abatement activities. Any HSI focused on water-based lead abatement must demonstrate how the strategies, either alone or in combination with other resources or state and local efforts, ensure complete and not partial abatement of service lines and other related fixtures.”

Several states have obtained approval for HSIs to provide lead abatement or follow-up services. In 2016, Michigan was approved for an HSI focused on lead abatement in relation to the Flint water crisis and the state’s Medicaid 1115 Waiver (see Section 1115 Waivers section) for $119 million in funding over five years. Maryland, Indiana, and Ohio were approved in 2017 to fund lead abatement activities through CHIP HSIs as well. In Maryland’s CHIP-funded $14.4 million program, eligible children (those with blood lead levels greater than 5) are identified by the Maryland Department of the Environment (MDE) through the state’s childhood lead registry. Patients are then matched to Maryland Medicaid and CHIP enrollees. Once confirmed, the state or local health departments then refer the family to self-enroll in the program that is administered by the state’s Department of Housing and Community Development (DHCD). Maryland DHCD then completes the housing repairs through its pool of approved lead hazard reduction contractors.
Private and Cross-Sector Funding

Hospital Community Benefits

Description
The Hospital Community Benefits program, established under the 2010 Affordable Care Act (ACA), requires nonprofit hospitals to invest in their local communities through population health initiatives, as a requirement for retaining the hospital or health system’s tax-exempt status with the federal government. Section 501(r) of the Internal Revenue Code lays out the requirement in more detail, including the following provisions that nonprofit hospitals must meet:

- Conduct a Community Health Needs Assessment (CHNA) on an every-three-year basis, and create an implementation strategy for the top priority needs;
- Establish a written financial assistance policy for medically necessary and emergency care;
- Comply with specified limitations on hospital charges for those eligible for financial assistance; and
- Comply with specified billing and collections requirements.

In many cases, hospitals and health systems direct the majority of their Community Benefits dollars to medically necessary and emergency care for patients who cannot qualify for Medical Assistance. However, according to the guidelines of the ACA, Community Benefit funds can be used to address the upstream causes of poor health outcomes, or social determinants of health. These include housing conditions, specifically lead-based paint hazards that lead to lead poisoning. In order to invest in lead remediation, the hospital’s CHNA must identify residential lead exposure as a local health priority in the community that the hospital or health system serves.

Strategic Implementation
A first step is to understand how Hospital Community Benefits dollars are currently deployed in your community or state. Then, develop a relationship with those involved in the Community Health Needs Assessment process at the non-profit hospitals and health systems that serve your geographic area of interest. For statewide efforts, it can be beneficial to work with a Hospital Association or other umbrella organization which represents the not-for-profit hospitals in your state. Hospitals are increasingly recognizing the value of making investments in healthy housing, especially where housing interventions can reduce direct costs related to emergency care for uninsured or under-insured ‘high utilizer’ asthma patients. The goal of your efforts is to effectively make the case that community benefit dollars should be used to address lead-based paint along with asthma and injury-related health and safety hazards in the home environment, or that these funds can be used for other in-home services like education and resources to mitigate lead exposure. Demonstrate the other funding sources within your partnerships that can leverage the investment of community benefits dollars in housing. Hospitals may see the value of investment in partnerships that result in tangible impacts on housing quality.

More information for hospitals on making housing investments through Hospital Community Benefits.
More information for hospitals on making housing investments through Hospital Community Benefits here.

**Examples**

To our knowledge, no hospitals have used their Community Benefit dollars for investments in lead poisoning prevention to date, but there are numerous examples of investments in housing:

- **Presence Health (Chicago, IL)** invested $35,000 of community benefit funds into a pilot project to re-mediate asthma triggers of its uninsured patients in Chicago’s West Side neighborhood.

- **Dignity Health (San Francisco, CA)** provides loans to affordable housing developers in California as part of the organization’s Community Investment Program. In September 2018, Dignity provided a $1.2M bridge loan at below market-rate interest to push forward a community revitalization project that will include 400 units of affordable housing.

- **Nationwide Children’s Hospital (Columbus, Ohio)** partnered with community organizations to form a nonprofit housing organization, Healthy Homes, with the goal to “revitalize the neighborhood adjacent to Nationwide Children’s and Columbus’ South Side.” The partnership provides home repairs and builds new affordable housing. From 2008-2017, Nationwide Children’s Hospital invested $6.6M in Healthy Homes, with additional investments from United Way, City of Columbus, Frank County Land Bank, Home Sales, and donations for a total investment of $22.6M. With this capital, the partnership built 58 affordable housing units and 15 new homes, renovated 71 homes, and distributed 149 home improvement grants.

**Social Impact Financing**

**Pay for Success**

**Description**

Pay for Success (PFS) financing models, sometimes referred to as “social impact bonds,” are cross-sector partnerships in which private funders provide working capital to scale an evidence-based intervention through an agreement tying their repayment to outcomes produced by the intervention. In addition to the upfront funders, a PFS agreement typically involves a government agency as the back-end payer, an independent evaluator to measure the outcomes, an intermediary organization to develop the transaction, and one or more service providers to implement the intervention. With origins in the UK, PFS transactions arrived in 2012 to the US, which now has the largest PFS market in the world at over $200 million invested in social issues such as early childhood education, homelessness, recidivism, and workforce development.

PFS models present an opportunity to shift risk to the private market to scale and replicate effective, preventive programs with the goal of transitioning to sustainable funding from the back-end payer beyond a successful transaction. Generally, optimal interventions for PFS are those that produce short-
to medium-term outcomes that clearly benefit one payer. Homelessness and criminal justice, for example, are issues that typically produce savings within a short period for city or county government agencies when addressed effectively. While not all outcomes in PFS projects necessarily produce direct cashable savings to a payer, they are usually associated with at least social, non-fiscal benefits that a payer values.

Addressing lead poisoning through PFS financing is possible with the right combination of partners, target population, and political will. One of the main challenges in structuring a PFS transaction around lead poisoning is the fact that its effects and costs are spread across sectors stewarded by many potential payers over an extended time horizon. Lead poisoning impacts medical outcomes associated with direct and indirect costs of care as well as non-medical outcomes associated with special education, criminal justice services, and lifetime earning potential. Services related to medical outcomes fall under the responsibility of healthcare entities such as Medicaid and medical providers, while those for non-medical outcomes may be under the jurisdiction of multiple levels of government. GHHI’s publication *Pay for Success for Lead Poisoning Prevention* identifies the vast potential return on investment that a large-scale lead-focused PFS project could have, with conservative estimates at nearly $140 million in cashable savings for a conceptual 5,000-home project.52

As noted in the CDC’s *Pay for Success: A how-to guide for local government focused on lead-safe homes*, PFS would fit best with a primary prevention model since that would produce more cashable savings in a shorter timeframe than would a secondary prevention model aimed at mitigating damage for children already lead-poisoned.53 Using Cleveland as an example, the how-to guide outlines a step-by-step process a government and community at the local level would go through to develop a lead-focused PFS project. In late 2017, Cleveland partners decided to turn the project into reality and begin structuring a PFS transaction to remediate 10,000 homes in ten years. It is one of the largest PFS transactions in development, with initial figures projecting a $200 million return on a $159 million upfront investment.54 More and more state governments are enacting legislation at the state level to set aside funds for PFS transactions, with some releasing “rate cards” detailing prices they are willing to pay to any service provider for outcomes they can produce through a robustly evaluated intervention. With a committed government payer, a rate card approach for lead could be a more efficient route to a transaction than more traditional PFS development paths.

**Environmental Impact Bonds**

**Description**

The Environmental Impact Bond (EIB) is a type of social impact financing that is specifically focused on improving environmental conditions.56 Over the past couple of decades, there has been a renewed interest, globally, in fostering and maintaining a healthy environment. In practice, this involves sustainable consumption of natural resources and minimizing waste. In light of this resurfacing environmentalist movement, there has been a large volume of innovative ideas for solutions that seek to address some of the current global and local environmental concerns. Often, the responsibility to invest in these types of strategies falls on governments since the environment and its many components are considered public goods. Unfortunately, many of these proposed ideas are new and unproven. As
such, governments would assume all of the risk associated with investing in a project that is uncertain to achieve the desired goals and would lose out on their investment if the project fails.

EIBs have been developed as a way for innovative ideas to be put into practice without governments assuming the risk and could be utilized to generate funding for lead hazard remediation at a larger scale. Like in Pay for Success transactions, a private investor covers the initial costs of an environmentally focused project. If the project is able to meet an agreed-upon set of performance measures, the government will pay the initial investor an agreed-upon return. Through EIB transactions, governments can transfer risk to private investors.

Example

The first EIB transaction was executed in 2016 between the District of Columbia Water and Sewer Authority (DC Water) and two investors, the Goldman Sachs Urban Investment Group and the Calvert Foundation. This EIB transaction was issued to be the financing mechanism needed to enable DC Water’s plan to reduce Combined Sewer Overflow as required in the 2005 Consent Decree that DC Water entered with the Environmental Protection Agency. Per the Consent Decree, DC Water was expected to “manage stormwater runoff produced by 1.2” of rainfall on 365 impervious acres of land in the Rock Creek Sewershed and 133 impervious acres in the Potomac River Sewershed.” With the upfront costs covered by the investors, DC Water launched a large-scale green infrastructure project. Under the terms of the agreement, DC Water would pay a pre-negotiated rate of return if project success metrics were met. However, unlike traditional Pay for Success transactions, where the investor receives no return if the project fails, DC Water agreed to share some of the risk by paying a portion of the original investment to investors if the project fails. For more information, visit the following three links to read full case studies on the D.C. EIB: the EPA, Neighborly, and the Conservation Finance Network.

Federal Home Loan Bank

The mission of the Federal Home Loan Banks (FHL Banks) system is “to provide reliable liquidity to member institutions to support housing finance and community investment.” The FHL Banks have provided nearly $6 billion for affordable housing efforts since 1990 and continue to be a leader in their competitive application and homeownership programs. Funding can be used for the acquisition, rehabilitation, and construction of owner-occupied and rental housing units. The competitive application process allows for local governments, nonprofit organizations, for-profits, and other organizations can apply for funding through a financial institution that is a member of a Federal Home Loan Bank. For more information, visit http://www.fhlbanks.com.

The application varies on the Federal Home Loan banking system. While there is no eligible activity solely for lead abatement activities, rehabilitation is an eligible activity. Favorable applications typically include partnerships and require activities for low to moderate-income beneficiaries.

Example: GHHI Salt Lake County was awarded a $750,000 Federal Home Loan Bank grant award in 2017 to provide for housing rehabilitation, hazard remediation and accessibility retrofits for older adults who are receiving services through the GHHI collaborative but whose homes need higher level structural repair and rehabilitation interventions.
Utility Programs

Description
Utility partners can provide sources of leverage or match funds for lead poisoning prevention programs, and increasingly there are also opportunities to invest utility funds directly into housing, health and safety, or to address the environmental sources of lead exposure through partnerships with utilities.

Examples
Recently, two public service commissions have allowed utility rate-payer funded programs to invest rate-payer dollars in health and safety interventions in homes receiving energy efficiency services. These pilots, in the States of Connecticut and New York, utilize or plan to utilize rate-payer funds to test out service delivery mechanisms for health and safety interventions, which will address conditions that would otherwise prevent these properties from getting energy efficiency upgrades. This model may be applicable in other states and communities, where lead hazards are a driver for energy efficiency program deferrals, and rate-payer funds are available to leverage or supplement other lead hazard remediation dollars.

In addition, several national water utilities and some municipal water authorities are offering programs to inventory and fully replace lead service lines in residential properties, through leveraged investment of rate and fee dollars. Whereas traditionally the property owner may be responsible for the cost of lead service line replacement from the curb line to their home, some utilities are offering to cover the cost of full lead service line (LSL) replacement, either in response to a specific water quality issue, or in an effort to remove lead service lines from their inventory across their service area. One example of this effort is American Water, a national publicly-traded water and waste water management utility, has committed to completing an inventory of the lead service lines across their footprint, and replacing these lines at low or no cost for low-income property owners. While the utility favors a cost-effective ‘batch’ approach to LSL replacement (replacing all of the affected service lines on a given block at the same time), they will also respond to referrals from public health professionals where an EBL child or at-risk family requires a replacement.

Public Service Commission Funds – Utility Mergers

Description
The merger of utility companies can provide a unique opportunity to increase funding for low income energy efficiency program services while also capitalizing on those negotiations to increase health and safety investments in the utilities service areas in the state. Public Service Commissions (PSC) across the country have been increasingly open to considering the research on the non-energy benefits of energy efficiency interventions including improved health outcomes. PSCs have allowed increases in health and safety allowances where PSC program oversight exists and have also approved utility merger funds to be used for higher level health and safety costs including lead hazard reduction.

Strategic Implementation

9 Newark, Denver, Madison, and Richmond
Monitor any potential utility mergers and prepare your public health, energy, social and family stability benefits of increased energy efficiency and health and safety interventions in low income properties. Develop partnerships with local utility funded energy efficiency programs and submit a joint proposal to the PSC to use utility merger funds more flexibility to address health and safety issues that place the occupants at risk or would otherwise result in client’s deferrals (mold, lead hazards, roofing defect). If possible, develop an integrated housing assessment/energy audit and housing intervention model proposed for the funds that involves cross sector partnerships. Testify at the PSC public hearing in support of your proposal and the more flexible use of PSC utility merger funds. Utilize contacts with the Governor’s Office, state agencies, and other elected officials as appropriate to bolster support for increased energy efficiency program funding and increased health and safety budgets as part of the PSC’s allocation of utility merger funds.

Example
The merger of energy power companies Constellation Energy and Exelon resulted in $103 million in utility merger funding being made available in Maryland. The Maryland Public Service Commission reviewed proposals and awarded $19.0 million for use by the Maryland Department of Housing and Community Development in seven counties and $19.8 million to the Baltimore City Department of Housing and Community Development for use on Consumer Investment Fund (CIF) low income, energy efficiency program interventions for weatherization, lead hazard reduction, health and safety and housing rehabilitation. The State of Maryland DHCD’s CIF Program is a strong example of how to seize opportunities for greater flexibility in the use of cross sector funding for lead inspections and lead hazard remediation. The Maryland DHCD CIF Program allowed $15,000 per unit in CIF funds to be expended with $6,700 for energy efficiency measures and the balance of funds allowable for lead hazard reduction, health and safety, and housing rehabilitation interventions as warranted by the energy audit and lead risk assessment. The maximum unit intervention cost was later increased by the CIF Program to $30,000 per unit for the highest risk cases that required more substantial interventions to complete.

Philanthropy

Description
Strategic philanthropic investments can be leveraged with other lead hazard remediation funds, to provide support that covers ‘gaps’ in federal and state funding, and allows for new partnerships, interventions and strategies to be piloted in your community. Philanthropic investment in lead poisoning prevention can advance best practices in housing and health policy, directly fund critical program staff, and support residential lead remediation costs directly. In order to maximize the success of your efforts to access philanthropic support, it is important to understand who your state, regional or community funders are, who and what they are interested in funding, and how their funding process works. While philanthropy will typically fund lead poisoning prevention services such as community outreach, in-home resident and support for blood lead testing initiatives, it is less common that philanthropies will fund direct lead inspections and lead hazard remediation interventions in homes.

Strategic Implementation
Attracting and deploying philanthropic resources involves an understanding of the potential challenges and opportunities and developing a plan to address those before you approach potential funders. These challenges/opportunities, discussed below, include identifying the types of philanthropic funders, types of funding, funding priorities, geographic footprint, leveraged investment, and catalytic funding requirements.

Types of Philanthropic Funders

There may be diverse array of philanthropic organizations that operate in your community, including the following:

**Community Foundations**: Publicly-funded philanthropic organizations that seek to build permanent funds to achieve public benefit for the residents of a specific area.

**Private Foundations**: Philanthropic organizations whose funds come from a single source (individual, corporation or family), and where representatives of the source of funds play a significant role in governing or managing the foundation. Private foundations include independent, corporate and family foundations, including energy utility and hospital foundations, which may have missions linked directly to the outcomes of lead poisoning prevention.

**Hospital Foundations**: Non-profit funding organizations that support the programs and services of a hospital or health system in a community. Hospital foundations can be the ‘fundraising arm’ of a hospital, supporting capital improvements, equipment and professional medical education resources, but hospital foundations can also support community services and projects that directly link to or impact the quality of care for their patients, including addressing housing quality issues. (Link to Hospital Community Benefits page). A subset of Hospital foundations are Health conversion foundations, which are formed when a nonprofit hospital, health care system or health plan is acquired by a for-profit or converted to for-profit status. The proceeds form an endowment which is designed to support the mission of the hospital, typically around improving or advancing the health of the population which were served by the hospital. A 2010 census identified 306 conversion foundations nationally, which hold a total of $26.2 billion in assets. More information available here: [https://stakeholderhealth.org/conversion-foundation/](https://stakeholderhealth.org/conversion-foundation/).

**National Foundations**: These larger national philanthropies are often the first organizations that come to mind when we think of philanthropy. Increasingly, national funders are seeking investments that reflect communities’ perceptions of their needs, resources and solutions, and are leveraged by local and regional investment. The most effective way to attract national foundation investment in your lead poisoning prevention activities may be to start with the philanthropic partners in your own community, making the case that lead remediation results in long-term, cross-sector benefits, and then leveraging those investments to attract national funding.

**Funder affinity groups**

Another avenue for accessing funders interested in supporting this work is through national, state or regional funder affinity groups. Nationally, the Lead Funders Collaborative, Housing Opportunity Fund and the Fund for Smart Growth have supported lead poisoning prevention efforts including GHHL’s work.

Types of Funding

There are multiple type of funding streams that may be accessed to support your work, including
Donor-advised funds: allow individuals to make a contribution at a public charity and recommend grants to their project or organization of choice over time.

Grants: specific pots of funding that often have a timeline, goals, objective and set of deliverables attached to the funds.

Mission Related Investments: A strategy whereby an organization directs all of its resources to furthering a specific mission. This can include financing and capital, direct investment, grants, shareholder activism, and other resources, aligned and directed to support one critical mission.

Funding Priorities
Every foundation will have designated funding priority areas – often dictated by their board leadership, funding source and/or analysis of where their investments can have the most impact. Philanthropic funders are often interested in demonstrating a broader societal impact of their investments, for example, fostering community development, improving educational outcomes, increasing access to health information, improving outcomes for children involved in the juvenile justice system, and developing a stronger workforce.

Preventing or mitigating the impact of lead exposure plays a role in achieving educational, economic and social outcomes. However funders may not currently recognize the connection between your work reducing lead exposure and the outcomes that their foundation seeks to create or support. To address this barrier, consider producing funder outreach materials and presenting to foundation councils or funder affinity groups (in partnership with health professional champions) to relate lead exposure prevention directly to the outcomes the funders may be seeking, including improvement in academic achievement, reduced incarceration rates, linking community members to meaningful careers, building a healthier community, etc.

Geographic Footprint
Most foundations have a specific footprint, region or state where they concentrate investments, and some foundations that are strictly place-based due to an affiliation with a specific community or set of stakeholders. A first step to engaging funders is understanding which organizations make investments in your community currently, and where funders may be looking to expand or increase investment into your community. A philanthropic scan, or inventory of funders, is an important tool in gaining this information. Some foundation or philanthropic umbrella organizations may have online resources and may also be able to connect you with funders in your area.

Leveraged Investment
Funders may view the costs of lead remediation to be a barrier to investment, i.e. “My foundation’s investment won’t stretch very far when costs range above a certain point.” Develop a leveraged portfolio of support for your work, so that funders see the opportunity for their investment to attract other dollars, and their role in building cross-sector support for eliminating lead exposure in your community.

Catalytic Funding -
Philanthropies often want to ‘catalyze’ or provide seed funding to test out an innovative idea, service or partnership. Funders may have specific preferences or restrictions against investment in the activities of government or may not be interested in investing in services that are viewed as being part of the role of government entities. Thus, local health or housing department or other government entity may not be the best target for philanthropic investment. Think about the partners in your network who may be able to deliver services or are better poised to partner with philanthropies and receive foundation investments. Also, work to develop specific strategies to funders for building their initial, possible smaller investment into long-term support from sustainable sources, including government grants, federal, state and local programs and budgets.

Funders may also be engaged as conveners and capacity builders, by directly funding coalition-building training and advocacy activities, and by leveraging relationships to convene partners to address these needs. The Fund for New Jersey, for example, has provided direct funding and support to bring together statewide, regional and national partners (including GHHI) to develop a Strategic Lead Poisoning Prevention Action Plan for the State of New Jersey and implement strategic recommendations, with the goal of eliminating lead poisoning in the state.

In seeking catalytic support, it’s important to broaden your search beyond the traditional sources of philanthropic support for lead poisoning prevention and think about developing a network of funding that includes local, regional, statewide and national funders seeking to sustainably support a broad range of outcomes. Don’t limit yourself to funders who are already engaged with housing or lead poisoning prevention.

Example
The Community Foundation of Greater Buffalo

The Community Foundation for Greater Buffalo (CFGB) is an example of a funder who views their substantial and long-standing investments in residential lead remediation through the lens of their commitment to advancing racial equity and improving educational achievement and workforce readiness. The Community Foundation is a unique funder in the lead poisoning prevention space, because they have made substantial financial investments (leveraged by millions in funding from the New York State Office of the Attorney General, Governor Cuomo and Empire State Development, and other resources), but they have also used their role as a convener to bring together Buffalo’s housing, health and energy partners. Starting in 2011, the Community Foundation has worked to align and braid resources to more effectively tackle issues in the region’s aging housing stock, and holistically meet the needs of greater Buffalo residents. Most recently, the Community Foundation has issued a comprehensive Lead Action Plan, called Renewing Our Pledge: A Path To Ending Lead Poisoning of Buffalo’s Most Vulnerable Citizens.

This document reaffirms a collective commitment to eliminating lead poisoning in Greater Buffalo, and explores specific strategic investments that support systemic changes to achieve this goal. The Community Foundation staffs the Lead Safe Task Force for Buffalo and Erie County to oversee implementation of the plan’s recommendations.

The Green & Healthy Homes Initiative Catalytic Funding
With JPB Foundation support, GHHI has awarded a number of grants to local organizations to help support their lead poisoning prevention work. In 2017, GHHI recognized the excellence of 10 organizations on their lead poisoning prevention efforts and presented these organizations with catalytic funding to support their programs. With no restrictions, the funds could be used to address a variety of program needs including as lead abatement/remediation funds.

The East Side Neighborhood Development Corporation (ESCDC), based in St. Paul, Minnesota, was one of GHHI’s catalytic awardees in 2017. ESCDC is a 40-year-old, locally governed community development corporation with a mission to engage the community to foster safe and healthy housing, and to support small businesses. Governed by a board, comprised of 10 residents and/or business owners, that proportionately reflects the racial composition of the community (70% people of color), ESCDC has played a central role in planning, community organizing, rehabbing, and building hundreds of housing units, and helping dozens of local small businesses succeed. Their work features a ten-year partnership with Ramsey County Health, which has resulted in 450 homes receiving lead window replacement projects and has recently expanded into window projects for tax-forfeit properties being rehabbed by ESCDC and its partners.

Since receiving the GHHI catalytic award, ESCDC now has 3 full-time employment (FTE) on the operational side and has completed over 80 window replacement projects and over 40 home cleaning/paint encapsulation projects in their target census tracts in 2018.

Stay up to date with current and future GHHI grant opportunities by visiting this link. (Link to current funding opportunities page)

Innovative Funding Sources

Community Reinvestment Act

The Community Reinvestment Act (CRA) is a mechanism to encourage financial institutions to assist with the credit needs of low to moderate-income communities. Depository and financial institutions are evaluated periodically to ensure financial investments and loans are provided in low- and moderate-income census tracts. While many institutions provide additional loans in these communities, many also seek the assistance of community development financial institutions or revolving loan funds to assist in this effort. These loan funds provide lower interest loans for qualified homeowners for rehabilitation and down payment assistance. Loans can also assist developers seeking a lower interest loan to develop or rehabilitate affordable housing units. Educating financial institutions on the importance of lead abatement in rehabilitation efforts may expand the use of CRA for targeted lead abatement and housing hazard reduction efforts and can be prioritized for institutions and jurisdictions throughout the country allowing scalability and greater impact.

For more information on CRA, see https://www.ffiec.gov/cra/

For more information on community development financial institutions (CDFIs), see https://www.cdfifund.gov/Pages/default.aspx
To increase community reinvestment act financing in communities, jurisdictions should first meet with their local CDFIs and financial institutions to incorporate rehabilitation efforts as a part of their loan pool. The loan pool could be accessed by housing providers to provide healthy housing interventions, which could include lead abatement and hazard remediation.

For an online mapping of banks and data on demographics in your community, visit the National Community Reinvestment Coalition’s website: [http://maps.ncrc.org/](http://maps.ncrc.org/). NCRC is a grassroots member organization created in 1990 to increase the flow of private capital into traditionally underserved communities.

**Affordable Housing Trust Funds**

**Description**
Housing trust funds are flexible funding opportunities to assist local jurisdictions with affordable housing construction and rehabilitation. These funds are typically funded by local general funds or local dedicated resources. In partnership with local developers and partners, these funds are used for acquisition, rehabilitation, and construction of affordable housing efforts. Because these funds are separate from federal funding opportunities, reserving funds for lead remediation and abatement with the existing housing stock may be considered by the local jurisdiction. Housing trust funds require local legislation and may be considered a priority for funding for affordable housing. If a housing trust fund is approved within the jurisdiction, a balanced approach to addressing housing affordability—production and preservation of housing units—should be a priority. Meetings with state and local legislatures can provoke urgency to create a local tool that would allow for flexibility in funding acquisition, rehabilitation, and construction of affordable housing units. Where housing trust funds exist, some jurisdictions have used a portion of their funds as lead grant match in order to secure larger HUD LBPHC, LHRD or LHRD grant funds from HUD’s OLHCHH.

See The Center for Community Change for more information about housing trust funds throughout the country: [https://housingtrustfundproject.org/](https://housingtrustfundproject.org/)

**General Obligation Bonds**

**Description**
General obligation bonds are government-issued bonds that require repayment from the state or local general funds. In recent years, cities are using these bonds as a flexible funding opportunity for affordable housing development and rehabilitation efforts. The flexibility of the funding allows it to be used as gap financing for housing developments and it does not have the same rigidity of federal programming. Examples of local general obligation bonds include: Portland, OR, San Francisco, CA, and Austin, TX. To determine if there is a general obligation bond for a particular jurisdiction, contact state or local finance departments and they can provide contact information for the department responsible for the administration of the bonds.

**Opportunity Zones**

**Description**
Opportunity zones were created in 2017 through the Tax Cuts and Jobs Act. They are designated economically distressed zones where investment and economic revitalization is encouraged with federal
tax incentives for investors. While the IRS and Treasury Department are still working to determine all of the exact details and guidelines for these tax cuts, investors can access tax incentives by creating opportunity funds that invest in real estate or business operations in these designated zones. Programs such as these can be used to fund lead abatement by encouraging investors to rehabilitate substandard housing in these low-income areas. In Baltimore, Governor Larry Hogan has even promised over $20 million in additional incentives for the development or renovation of affordable housing in local Opportunity Zones. If you would like to see what areas have been designated as Opportunity Zones in your area, visit this page to view a list of registered Opportunity Zones, as well as a map showing their locations. For a directory of currently active Opportunity Zone Funds and details about what types of projects they invest in, click here

DOE Weatherization Assistance Program

Description
The Weatherization Assistance Program (WAP) is administered by the Department of Energy (DOE) and seeks to reduce energy costs for income-eligible households by increasing the energy efficiency of their homes. The DOE WAP program will receive $257 million dollars for FY 2018 to be funneled through all 50 states, the District of Columbia, Native American Tribes, and the five U.S. territories to local agencies that implement the program. The opportunities for using weatherization funds to address lead hazards in the home lie in using funds for health and safety measures. Up to 15% of a state’s weatherization fund can be used for eligible health and safety measures, outlined in the 2017 Weatherization Program Notice 17-7 for Weatherization Health and Safety Guidance which supersedes the WAP 11-6 Health and Safety Guidance.

According to the guidance document, WAP Grantees are allowed to perform health and safety measures if actions are needed to perform energy efficiency measures and costs of performing such measures are reasonable, as decided by DOE. While it is not required, grantees are encouraged to budget the health and safety measures separately from energy efficiency measures so that costs for the former do not have to be cost-justified and can be excluded from cost-benefit calculations in program evaluations.

The guidance also points out that certain measures can be classified as energy efficiency measures and health and safety measures. The official classification of such measures is determined by the savings-to-investment ratio (SIR). The SIR is used to determine whether the potential savings of the measure can justify the cost associated with performing the measure. Any measure that is completed through the WAP program must pass the cost-effectiveness test, that is the SIR must be greater than or equal to 1. An SIR of 1 indicates that the energy cost savings over the lifetime of the measure, discounted to present value, are equal to at a minimum the cost of materials, installation, and on-site supervisory personnel. SIR calculations are performed by DOE for every proposed measure highlighted by the energy audit in every weatherization job and any measure that does not meet the SIR equals 1 threshold cannot be completed. A measure that can be classified as energy efficiency or health and safety will be classified as an energy efficiency measure if the SIR is greater than or equal to 1. Otherwise, the measure will be classified as health and safety and should be budgeted accordingly.
One case to note from the guidance document is that window and door replacements are not an allowable cost unless cost justified through an SIR calculation or the window is inoperable. This is unfortunate because for homes built before 1978, windows and doors (and their many components) are often at high risk for containing lead-based paint. Still, it is possible for these measures to be cost-justified since fixing windows and doors that are broken or inoperable can be an effective method of eliminating inefficiencies and saving energy. However, window and door replacements can be expensive, resulting in the likelihood that these interventions will not meet the SIR threshold for investment of WAP funds. A local policy objective that can be pursued is to advocate to the designated WAP agency in your state to adopt an SIR for lead free, Energy Star window replacement in pre-1978 properties that includes in the SIR calculation the lead poisoning prevention health benefits for the occupants of the home.

According to the guidance, addressing lead-based paint hazards is an allowable action as long as EPA’s Lead Renovation, Repair, and Painting (RRP) program rules are adhered to and weatherization crews that are working in pre-1978 housing are trained in Lead Safe Weatherization (LSW) practices. However, if it is determined by a certified risk assessor that addressing lead-based paint hazards could exacerbate health and safety hazards, then the weatherization job should be deferred until the hazards are safely addressed prior to weatherization work commencing.

**Strategic Implementation**

Local weatherization agencies can address lead-hazards in a property that is eligible for weatherization services by:

1. Performing an energy audit and health and safety assessment to identify both potential energy-saving measures and potential health hazards, including the presence of lead-based paint
2. Conducting any lead specific inspections or testing to determine the presence of lead-based paint hazards
3. Pricing out the cost of eliminating the health and safety hazards and using health and safety funds where allowable and within the local health and safety budget or partnering with other lead hazard reduction grant programs
4. Using certified and trained contractors and personnel to conduct any lead hazard reduction work in accordance with the EPA RRP Rule and any local or state lead related regulations

**HHS Low-Income Heating and Energy Assistance Program**

**Description**

The Low-Income Heating and Energy Assistance Program (LIHEAP) is a federally funded program that will receive about $3.69 billion from Congress in FY 2019. Administered by the Department of Health and Human Services, the primary goal of LIHEAP is to provide grants between $200 and $1000 to subsidize the energy and utility costs for income-eligible households. A portion of LIHEAP funds, up to 15%, can also be used for low-cost household weatherization or energy infrastructure upgrades, including window and door repair. Like the WAP, there are guidelines that govern whether lead hazard reduction measures can be covered. Window and door repair is allowable under “air infiltration costs or the $500 miscellaneous repair costs as provided by the LIHEAP priority List.”
Strategic Implementation
In order to deploy LIHEAP funds to address lead hazards in housing, states can receive approval from HHS for an increased portion of LIHEAP funds to be directed to health and safety upgrades in properties receiving energy efficiency upgrades. In 2017, the Connecticut Department of Energy and Environmental Protection increased the use of LIHEAP funds to address health and safety hazards, in order to allow more low-income homes with health and safety hazards to receive energy efficiency upgrades, reducing the residents’ energy burden and limiting the long term need for energy assistance.

Fannie Mae Regulations

Description
The Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC), commonly known as Fannie Mae and Freddie Mac respectively, are government-sponsored entities (GSEs) that play an integral role in providing affordable mortgages for millions of low- and middle-income Americans. These institutions: 1) purchase mortgages that meet certain requirements from banks and other lenders that have issued loans to homebuyers 2) either keep the mortgage or package it with similar loans into a bundle called mortgage-backed securities (MBS) and 3) resell the mortgage bundle to other investors in a secondary sale while guaranteeing these mortgages despite the risk of default. With Fannie Mae and Freddie Mac owning or insuring almost half of all mortgages, there is a tremendous opportunity for the federal government to introduce regulations that aim to eliminate lead exposure in residential properties. That is, the federal government could require Fannie Mae and Freddie Mac to test and remediate sources of lead hazards in properties before they can be sold and before they are insured.
Bibliography


