

# TASK FORCE REPORT ON HOUSING REHABILITATION, ENERGY WEATHERIZATION, AND HAZARD ABATEMENT POLICES

(FY2015 Appropriation Bill - Public Act 252 of 2014)

**March 1, 2015**

**Section 1139:** (1) By November 1, 2014, the department shall work jointly with the department of human services and the Michigan state housing development authority to appoint members to a joint task force to review housing rehabilitation, energy and weatherization, and hazard abatement program policies and to make recommendations for integrating and coordinating project delivery with the goals of serving more families and achieving better outcomes by maximizing state and federal resources. The joint task force must include all of the following:

- (a) A representative of the department.
- (b) A representative of the healthy homes section, lead safe home program.
- (c) A construction management specialist.
- (d) A representative of the community development division.
- (e) A representative of the Michigan state housing development authority.
- (f) An energy and weatherization staff representative from the department of human services.
- (g) A local weatherization operator.<sup>33</sup>
- (h) A certified lead professional or a certified lead contractor.
- (i) Representatives from at least 2 community organizations that address harmful housing conditions.

(2) The department and the Michigan state housing development authority shall organize the initial meeting of the task force and shall provide administrative support for the task force.

(3) By March 1, 2015, the task force described in subsection (1) shall provide to the house and senate chairs of the appropriations subcommittees for the department and the department of human services, the senate and house fiscal agencies, and the senate and house policy offices a report of its findings and recommendations.

# Michigan Department of Community Health

**March 1, 2015**

## **Introduction**

This report is pursuant to Article IV, Section 1139, requiring the Michigan Department of Community Health, Michigan Department of Human Services and Michigan State Housing Development Authority to appoint members to a joint task force to review housing rehabilitation, energy and weatherization, and lead paint hazard abatement program policies. This task force will provide recommendations for integrating and coordinating project delivery with the goals of serving families more cohesively and achieving better outcomes through the maximization of State of Michigan and Federal resources.

## **Childhood Lead Poisoning**

Childhood lead poisoning is a serious environmental illness that has life-long effects, and is entirely preventable. Lead poisoning in children may affect their health, cognitive abilities, and cause permanent or irreversible damage. Lead poisoning in children may cause anemia, hearing loss, hyperactivity, aggressive behavior, liver and kidney damage, developmental delay, learning difficulties, brain damage, and in extreme cases, coma or death.

Childhood lead poisoning affects a community as a whole. A child with diminished ability to learn may experience significant years of life lost and may require the assistance of public and private agencies to function in society. Children with adverse neuropsychological effects require more educational resources and behavioral treatment interventions, taxing educational resources and funding. Children who exhibit aggressive delinquent behavior as a consequence of lead poisoning can progress into criminal behavior, exhausting additional state resources.

## **Agency Information**

**Michigan Department of Community Health/Healthy Homes Section:** The Section's mission is to improve the health and well-being of Michigan citizens by promoting safe and healthy home environments through comprehensive home-based environmental hazard intervention programs, lead certification and regulations, public education and outreach, and statewide partnerships.

The Healthy Homes Section performs six primary functions that address the reduction of lead poisoning and the promotion of healthy homes throughout Michigan: 1) administration of various funding streams to abate lead-based paint hazards in high-risk housing; 2) public/professional education; 3) certification of lead professionals and abatement contractors, and the accreditation of training providers; 4) enforcement of Michigan's lead regulations; 5) assistance to communities in building capacity and obtaining grant/foundation funding to address housing-based health problems; and 6) administration of healthy homes principles to reduce environmental asthma triggers and injury hazards in housing.

**Michigan Department of Community Health/Childhood Lead Poisoning Prevention Program:** The Program provides education and outreach regarding lead hazards and the impact of childhood lead poisoning. Prevention strategies are included in a state work plan for

## Michigan Department of Community Health

preventing childhood lead poisoning. Technical assistance is offered to health care professionals to support standards of care for children with lead poisoning and to local health departments who provide direct services. Additionally, this program receives statewide blood lead testing data to monitor poisoned children and to ensure that they are receiving appropriate health care.

**Michigan Department of Human Services, Bureau of Community Action and Economic Opportunity:** The Michigan Department of Human Services is the State's public assistance and child and family welfare agency. Michigan Department of Human Services directs the operations of public assistance and service programs through a network of over 100 county offices across Michigan. The Bureau of Community Action and Economic Opportunity within the Michigan Department of Human Services administers the Federal Weatherization Assistance Program. The Weatherization Assistance Program reduces energy costs for low-income families, particularly for the elderly, people with disabilities, and children, while ensuring occupant health and safety.

Michigan's Weatherization Assistance Program is a Federally-funded, low-income residential energy conservation program. The program provides free home energy conservation services to low-income Michigan homeowners and renters. These services reduce energy use and lower utility bills, thus creating more self-sufficient households. Recipients of the Family Independence Program administered by the Michigan Department of Human Services or those who receive Supplemental Security Income automatically qualify for this no-cost Federal program.

**Michigan State Housing Development Authority/Community Development Division:** The Division is dedicated to building a thriving future for Michigan through programs that help create places where people want to live and work. The Michigan State Housing Development Authority supports affordable housing and vibrant places by providing financial resources and technical assistance training to local and statewide partners. The Michigan State Housing Development Authority provides innovative and quality public service. The Michigan State Housing Development Authority provides housing development and rehabilitation loans and/or grants to local units of governments in the forms of homeowner, homebuyer and rental programs.

**Michigan Environmental Council/Michigan Alliance for Lead Safe Housing:** This coalition helps to support the Michigan Department of Community Health, local health departments, businesses and other community outreach organizations that work to end childhood lead poisoning in Michigan. The Michigan Alliance for Lead Safe Housing focuses on the state budget process and works to secure resources are allocated to support lead education, outreach and abatement. The Michigan Alliance for Lead Safe Housing also engages in other lead policy and legislation, as it affects the coalition members' missions and the families they serve.

**Michigan Community Action:** Michigan Community Action is the state association for the 29 Community Action Agencies. Michigan Community Action works to strengthen the capacity of member agencies to alleviate the causes and circumstances of poverty. One of the programs that Michigan Community Action operates is weatherization for the homes of low-income residents. Weatherization funding varies year-to-year and is a blend of funds from the Department of Energy and the Low Income Home Energy Assistance Program. Michigan Community Action uses weatherization contractors that are Federally-certified in lead-safe work practices when they are working on older homes. Member agencies that participate in this boilerplate committee are

## Michigan Department of Community Health

Mid-Michigan Community Action Agency, Northwest Michigan Community Action Agency and Oakland Livingston Human Service Agency.

### Collaboration

As outlined in Appendix 1A, the ability of agencies to bridge collaborative services throughout Michigan is dependent on seven primary criteria. These include: resident income levels, geographic location, timing of services, documentation proving eligibility, property condition, property taxes, and service cost versus value of the property. As a result of the work of the Task Force, opportunities for collaboration have been identified and are detailed below.

All agencies will review income criteria and determine what programs can work together on each property. Income level criteria are generally determined by Federal funding sources. Most programs will be able to coordinate services within the established parameters.

The Michigan Department of Community Health, the Michigan Department of Human Services and the Michigan State Housing Development Authority are statewide service provider agencies. Review of individual applications by each agency will be required prior to project collaboration. Steps will need to be determined to ensure a seamless process that will not burden the applicant and streamline services. The agencies are creating a single directory that contains the local program contacts for each of the housing programs. This resource will bridge project managers who can quickly evaluate eligibility for their programs. The Task Force members anticipate that this will improve the comprehensive treatment of residential structures. It is known that properties are rejected by programs because of structural deficiencies; however, new relationships among project managers can address this problem by streamlining projects.

Time constraints regarding wait lists and funding availability may inhibit collaborative efforts. Rental properties may pose barriers to collaboration among the three agency programs. In 2014, the Legislature required that rental properties that are weatherized with Low Income Home Energy Assistance Program funds have a 25% match from the property owner. Michigan Community Action anticipates that the Community Action Network will provide less Low Income Home Energy Assistance Program-funded weatherization services to rental properties. Low Income Home Energy Assistance Program weatherization funds are anticipated to average between \$5 million and \$6 million per year for the current year and the next two years. Required eligibility documentation will be reviewed and wherever possible application duplication will be reduced. Commitments will be made to share information between agencies.

Property condition is part of the evaluation process to determine eligibility. Each of the housing programs determines this differently. For instance, one program uses the state equalization value to improvement ratio to determine if a property is eligible. The Michigan State Housing Development Authority has broader parameters and can contribute funding to improve the structural integrity of the property, thus allowing further services by the Michigan Department of Community Health and the Michigan Department of Human Services' Michigan Community Action.

Property tax payment requirements appear to be similar across the three agencies. Taxes must be paid or in the process of being paid by the applicant prior to service applications being

## Michigan Department of Community Health

accepted. Agencies will coordinate and share information to reduce submittal requirements for applicants.

Service costs versus property value are evaluated with pre-service inspections. Agencies will work together to determine the most cost-effective approach and the likelihood that a property will be sound, and that housing treatments will have a lasting effect on the structure and for the occupants.

Agencies will coordinate and share information regarding the qualification and availability of contractors to perform services. Contractors will be encouraged to seek additional certifications to improve their employment opportunities within inter-agency collaborative projects. Using one contractor during the bidding process, agencies will ensure contractor qualifications are met. Recently, the Michigan State Housing Development Authority, the Community Economic Development Association of Michigan and the Healthy Homes Section have co-sponsored two lead paint removal trainings to boost abatement certification among contractors in rural areas. Two more trainings are being organized this year.

Departments will work together to educate the community on the various services offered through the different departments while conducting outreach events.

The Michigan Department of Community Health and the Michigan State Housing Development Authority regularly perform lead paint inspections of properties. The inspection reports can be shared with any other housing program that is making property improvements so that lead-safe work practices are more meaningful and work is not duplicated.

Historic preservation was identified as a process that should be more balanced between occupant health and safety and historic integrity. The State Historic Preservation Office and local historic district commissions are responsible for making determinations about the potential historic value of a property. They hold the definitive decisions about what housing treatments can be performed on potentially historic and historic structures.

### **Recommendations and Next Steps**

Agencies successfully determined organizational similarities to coordinate departmental resources in providing more comprehensive approaches to home stabilization for low-income residents of Michigan.

Agencies identified the need for a Housing Resource Guide to be developed by the Task Force. This Housing Resource Guide will include a listing of all the Michigan State Housing Development Authority grantee organizations administering Community Development Block Grant and Home Investment Partnerships Program, the Michigan Department of Human Services' Weatherization Assistance Program, as well as the Michigan Department of Community Health, Lead Safe Home Program and any other U. S. Department of Housing and Urban Development-funded lead hazard control programs. Upon completion of this Housing Resource Guide, it will be distributed to all of the Michigan State Housing Development Authority agencies, weatherization programs and lead program field coordinators for the purposes of partnering on housing projects.

## Michigan Department of Community Health

In addition, the agencies shall be invited to attend and present at annual conferences or trainings provided by the other agencies, in an effort to educate local partners about these program opportunities and the desire for collaboration. The Michigan State Housing Development Authority and the Michigan Community Action Agency have venues as they host regular meetings throughout the year for their stakeholders. The Task Force members also agreed to share program information in each other's newsletters to stakeholders and to encourage program collaborations and cost sharing strategies.

The Michigan Department of Human Services and Michigan Community Action, along with its local partners, shall work together to examine the priority matrix for weatherization eligibility. If modification of the prioritization strategy is possible, as determined by the Michigan Department of Human Services/Bureau of Community Action and Economic Opportunity, Michigan Community Action agencies will work together to better align steps for multiple funding source coordination and partnership. The Michigan State Housing Development Authority and the Michigan Department /Healthy Homes Section have already incorporated additional priority points for projects under partnership.

The agencies will identify Federally-funded programs that are allowed to cost share. For instance, there are certain U. S. Department of Housing and Urban Development-funded programs that can work in collaboration, while others cannot. The Task Force will invite the Housing and Urban Development/Detroit Office to future meetings.

The agencies agreed to work together on a house-by-house basis that meets current eligibility criteria.

The Task Force shall continue to meet on a quarterly basis, beginning in May, 2015.

### **Agency Participants**

#### **Michigan Department of Community Health**

David Verseput – Division of Community Living, Director  
Wes Priem – Healthy Homes Section, Manager  
Michelle, Borgialli – Healthy Homes Section, Program Specialist  
Speidel, Carin – Lead-Safe Housing Program, Coordinator  
James Copeland – Senior Compliance Officer  
Jennifer Shutts – Certification Compliance Officer  
Karla Ruest – Legislative Liaison

#### **Michigan Department of Human Services**

Amy Dillon – Weatherization Assistance Program, Specialist

#### **Michigan State Housing Development Authority**

Christopher Lagrand – Chief Housing Investment Officer  
James Davis – Construction Management Specialist

## Michigan Department of Community Health

### **Michigan Environmental Council**

Reynolds, Tina – Health Policy, Director

### **Michigan Community Action**

John Stephenson –Executive Director, Northwest Michigan Community Action Agency

Jill Sutton –Executive Director, Mid-Michigan Community Action Agency

Kate Birnbryer White – Executive Director, Michigan Community Action

Maddy Kamalay – Program and Policy Specialist, Michigan Community Action

Gary Warsecke – Associate Director of Building Performance, Oakland Livingston Human Service Agency

Appendix 1A: Eligibility Requirements per agency

Appendix 2A: Housing Contractor Requirements per agency

Michigan Department of Community Health

Appendix 1A

**Michigan Department of Community Health (MDCH), Michigan Department of Human Services (MDHS), Michigan Community Action (MCA) and the Michigan State Housing Development Authority (MSHDA) have differing eligibility requirements often based on state and Federal regulations**

<b>Eligibility Requirements</b>	
<b>Income Requirements (based on 4 person family)</b>	
<b>MDCH</b>	Below 80% Area Median Income, Dependent on Location (\$26,400-\$63,900)
<b>MSHDA</b>	At or below 80% of the County's Area Median Income
<b>MDHS</b>	Below 200% Federal Poverty Level (\$48,500) 2015 Federal poverty level
<b>MCA</b>	See MDHS; may be local priorities for service that vary by Community Action Agency
<b>Agency Service Areas by County</b>	
<b>MDCH</b>	Target Areas of Bay, Calhoun, Hillsdale, Ingham, Jackson, Kalamazoo, Macomb, Oakland, City of Detroit, Statewide for homes occupied by lead poisoned children (lead level 5 or higher)
<b>MSHDA</b>	Statewide
<b>MDHS</b>	Statewide- money is allocated using census information to 28 Community Action Agencies and 1 Limited Purpose Agency.
<b>MCA</b>	See DHS or <a href="http://www.michigancommunityaction.org">www.michigancommunityaction.org</a>
<b>Time Constraints</b>	
<b>MDCH</b>	Application Process, Identified Elevated Blood Level is Priority
<b>MSHDA</b>	Housing Resource Fund-Notice of Funding Availability; After application review, Housing Resource Fund grants are awarded. Grants have a two (2) year expenditure deadline. Projects are first come-first ready, best qualified via leverage/match from other sources, place making, community impact, etc... however; local policies prevail with prior MSHDA approval.
<b>MDHS</b>	Unrestrained, altering list may create conflict or may not be allowed per funder due to priority points system/Recertification after 12 months/often Local Weatherization Operators have waitlists that carry over year to year.
<b>MCA</b>	See DHS
<b>Required Documentation</b>	
<b>MDCH</b>	Pay Stubs, W-2's, Employer Statements, Benefit Letters, if claiming zero income notarization and additional approval required.
<b>MSHDA</b>	Income Verification Documentation per Housing and Urban Development
<b>MDHS</b>	Pay Stubs, W-2's, Employer Statements, Benefit Letters, if claiming zero income notarization and additional approval required.
<b>MCA</b>	See DHS



## Michigan Department of Community Health

<b>Condition of Property</b>	
<b>MDCH</b>	Must be up to code with working plumbing and electrical, Free of structural hazards such as faulty roof, property must be free of illegal activity.
<b>MSHDA</b>	MSHDA allows up to \$40,000 in property improvements however; the property shall meet MSHDA's Single Family-Uniform Physical Conditions Standards post rehabilitation. Local policies prevail on pre-rehabilitation standards. If \$40,000 cannot bring property to Uniform Physical Conditions Standards, grantees must find other funding sources to fill funding gap.
<b>MDHS</b>	Structure must have integrity to practically or effectively weatherize, must meet health and safety standards.
<b>MCA</b>	See MDHS; may be local priorities for service that vary by Community Action Agency due to availability of funds (particularly size of home)
<b>Property Taxes</b>	
<b>MDCH</b>	Must be up-to-date or enrolled in payment plan showing at least two recent payments against plan. Internal guidance that more than \$5,000 in arrears are likely not eligible.
<b>MSHDA</b>	Property taxes and insurance shall be paid up to date; at time of application acceptance. Local policies prevail with prior MSHDA approval.
<b>MDHS</b>	Homes cannot be designated for acquisition.
<b>MCA</b>	Homes cannot be designated for acquisition
<b>Projected Project Costs vs. SEV Value</b>	
<b>MDCH</b>	Case by case review
<b>MSHDA</b>	Cannot exceed values set by Housing and Urban Development. Generally, rehab cannot exceed home replacement value however; MSHDA can only invest up to \$40,000
<b>MDHS</b>	<b>Does not apply.</b>
<b>MCA</b>	See MDHS

Michigan Department of Community Health

**Appendix 2A**

**Housing Contractor Requirements per agency programs**

<b>Contractor Eligibility Requirements</b>		
<b>Insurance Requirements</b>		
<b>MDCH</b>	Workers Compensation (Sole Proprietor Exempt), General Liability and Pollution/Lead Liability in the amount of \$1,000,000 each, required.	
<b>MSHDA</b>		
<b>MDHS</b>	Workers Compensation (Sole Proprietor Exempt), General Liability and Pollution/Lead Liability in the amount of \$1,000,000 each, required.	
<b>MCA</b>	See MDHS.	
<b>Other Requirements</b>		
<b>MDCH</b>	Lead Supervisor on staff, complete application to become state approved vendor.	
<b>MSHDA</b>		
<b>MDHS</b>	All agency and crew members must be certified in State of Michigan/Michigan Department of Human Services' Lead-Safe Weatherization, State of Michigan/Michigan Department of Human Services' Indoor Air Quality, Michigan Occupational Safety and Health Administration 10-hour Occupational Safety and Health Training, Lead Renovator Repair Painting training. Energy Auditors and Quality Control inspectors must have American Society for Heating, Refrigerating and Air-Conditioning Engineers 62.2 training. All Quality Control Inspectors must have an accredited, U. S. Department of Energy approved, training certification.	
<b>MCA</b>		
<b>Procedural Standards</b>		
<b>MDCH</b>	Lead Abatement Act, Housing and Urban Development guidelines and regulations, and U. S. Environmental Protection Agency lead paint regulations	
<b>MSHDA</b>		
<b>MDHS</b>	Department of Energy Guidelines, State of Michigan Licensing and Regulatory Affairs regulations, State of Michigan, Michigan Department of Human Services Community Service Policy Manual, State of Michigan, Michigan Department of Human Services Technical Weatherization Policy	
<b>MCA</b>		
	<b>Initial Startup Costs</b>	<b>Renewal Costs</b>
<b>MDCH</b>	\$1,020	\$270 every year/\$470 every 3rd year
<b>MSHDA</b>		
<b>MDHS</b>	N/A	N/A
<b>MCA</b>	N/A	N/A

**MDCH - Michigan Department of Community Health**

**MDHS - Michigan Department of Human Services**

**MCA - Michigan Community Action Agency**

**MSHDA - Michigan State Housing Development Authority**