

**Primary Prevention Program  
 Term Sheet**

<b>Program Description</b>	<p>The Primary Prevention Program (PPP) offers grants, structured as a 0%-interest, evaporating loans to private building owners in targeted areas of the City to address lead-based paint hazards. Some projects may also receive Healthy Homes Supplemental Funds (“Healthy Homes”) to address other housing-related health hazards such as mold, vermin infestation, conditions that pose risk of fall or injury, and others. Treatment of lead-based paint hazards includes some abatement measures as well as interim controls such as paint stabilization. Funded by the Lead Hazard Reduction Demonstration Grant from the U.S. Department of Housing and Urban Development, the Program seeks to prevent lead poisoning and improve occupant health by reducing lead-based paint and other housing-related health hazards in areas of NYC that have high incidences of elevated blood lead levels in children, especially in children less than six years of age.</p>
<b>Eligible Buildings</b>	<p>Residential buildings of any size built before 1960 and located within the boroughs of Bronx, Brooklyn or Queens are eligible. Units in rental buildings must be occupied by tenants with a mixture of low and very-low income households. Owner-occupants must be low-income. (See Regulatory Restrictions section below for details.) Buildings with a significant number of children less than six years of age, either in residence or visiting on a regular basis, and/or pregnant mothers are preferred. Units within the building must contain lead-based paint that is not intact as determined by lead risk assessments performed by Program inspectors.</p>
<b>Eligible Borrowers</b>	<p>Private owners, including partnerships, corporations, joint ventures, limited liability companies, 501c(3) corporations, individuals, and housing development fund corporations (HDFCs), are eligible. Prior to closing, owners must be current with their real estate taxes and water charges; and any significant HPD or DOB violations must be addressed. If buildings are in need of more extensive repairs, which are beyond a typical lead scope of work, owners will be encouraged to consider an applicable HPD Preservation loan to address other rehabilitation work in conjunction with the lead grant. Healthy Homes funding will be determined by Program based on building needs and grant funds available.</p>
<b>Eligible Uses</b>	<p>Treatment of lead based paint hazards, including some abatement measures and interim controls such as paint stabilization. Healthy Homes projects may include correction of housing-related health hazards as identified by a Healthy Homes Rating System (HHRS) and as established by the Program inspection. Limited soft costs permitted. Tenant relocation funds may be provided as needed.</p>
<b>HPD Loan Terms</b>	<p>The grant is structured as a forgivable, 0%-interest loan that evaporates after five (5) years unless the borrower violates the terms of the post-assistance Regulatory Restrictions. The average grant or loan size is \$10,000 per dwelling unit, but HPD may approve larger grants based on the needs of the building.</p>
<b>Regulatory Restrictions</b>	<p>Properties must meet the following threshold requirements to be eligible to participate and owners of rental properties must commit to maintaining the income mix of tenants when units turn over for a 5-year period, after construction completion:</p> <p>Apartments in rental buildings with 1-4 units must be rented to households with the following income levels:</p> <ul style="list-style-type: none"> <li>• At least 50% of units, at or below 50% AMI,</li> <li>• The remaining 50% of units, at or below 80% AMI.</li> </ul>

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 Office of Development, Division of Preservation Finance

<b>Regulatory Restrictions (cont.)</b>	<p>Apartments in rental buildings with five (5) or more units must rented to households with the following income levels:</p> <ul style="list-style-type: none"> <li>• At least 50% of units, at or below 50% of AMI,</li> <li>• At least 30% of units at or below 80% of AMI,</li> <li>• 20% of the units do not contain an income limitation.</li> </ul> <p>Owner-occupied units (whether within a small home or a multi-unit co-op) must contain households whose income is at or below 80% AMI.</p> <p>Borrowers who own rental housing must commit to making efforts to rent to families having children less than six years of age at turnover. Borrowers who own their housing must commit to continuing to live in the home as their principal residence for the 5-year regulatory term.</p>
<b>Fair Housing</b>	<p>The Borrower is required to comply with all applicable Federal, State, and local laws, orders, and regulations prohibiting housing discrimination.</p>
<b>Application Process</b>	<p>Borrowers must apply to HPD by completing the PDF application form available on the HPD website, including submission of household income information, using the application supplemental form.</p>
<b>HPD Contact</b>	<p>Sarah Hovde, Director of Primary Prevention Program        212-863-8884 / <a href="mailto:hpdlead@hpd.nyc.gov">hpdlead@hpd.nyc.gov</a></p>

*HPD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals for funding.*

NOTE: The project receiving funding under this program may be subject to Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the implementing regulations at 24 CFR part 135. If applicable to the project, (i) to the greatest extent feasible, opportunities for training and employment arising in connection with the planning and carrying out of the project must be given to "Section 3 Residents" as such term is defined in 24 CFR 135.5; and (ii) to the greatest extent feasible, contracts for work to be performed in connection with any such project must be awarded to "Section 3 Business Concerns" as such term is defined in 24 CFR part 135.5.