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*Lead-Based Paint Poisoning Prevention: Summary of
Federal Mandates and Financial Assistance for Reducing
Hazards in Housing*

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June 12, 2008

Abstract. The federal strategy to reduce childhood exposure to LBP promotes interim measures, rather than complete removal of LBP, to eliminate by 2010 hazards from housing units constructed prior to 1960. The Bush Administration has requested continued funding in FY2008 for grants and related programs that support the strategy. In 2000, President Clinton's Task Force on Environmental Health Risks and Safety Risks to Children suggested that the use of financial incentives, such as tax credits or deductions, might be explored to reduce LBP hazards in housing for additional low-income families not served by HUD grants and moderate-income families with young children. Legislation to provide such incentives has been introduced into the 110th Congress.

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Lead-Based Paint Poisoning Prevention: Summary of Federal Mandates and Financial Assistance for Reducing Hazards in Housing

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Summary

Many U.S. children have unacceptably high levels of lead in their blood, which may result in reduced intellectual ability, learning disabilities, or other health concerns. A key source of lead exposure often is house dust containing lead-based paint (LBP) from deteriorated or abraded surfaces of walls, door jambs, and window sashes. The federal Lead-Based Paint Poisoning Prevention Act (LBPPPA), as amended, establishes requirements and authorizes funding for the detection and control of LBP hazards in federally assisted housing. The Residential Lead-Based Paint Hazard Reduction Act of 1992 (Housing and Community Development Act of 1992, Title X; P.L. 102-550) authorizes federal grants to state and local governments to provide assistance to private owners of other housing (i.e., not federally assisted) for low-income residents for LBP hazard reduction. The federal strategy to reduce childhood exposure to LBP promotes interim measures, rather than complete removal of LBP, to eliminate by 2010 hazards from housing units constructed prior to 1960. The Bush Administration has requested continued funding in FY2008 for grants and related programs that support the strategy. In 2000, President Clinton's Task Force on Environmental Health Risks and Safety Risks to Children suggested that the use of financial incentives, such as tax credits or deductions, might be explored to reduce LBP hazards in housing for additional low-income families not served by HUD grants and moderate-income families with young children. Legislation to provide such incentives has been introduced into the 110th Congress.

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Contents

Background	1
What Is the Extent of the Lead-Based Paint Problem?	1
What Are the Risk Management Options and What Would They Cost?	1
Federal Mandates	2
Federal Grants	3

Contacts

Author Contact Information	4
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Background

What Is the Extent of the Lead-Based Paint Problem?

According to data from the Centers for Disease Control and Prevention (CDC), about 1.6% of children living in the United States between the ages of one and five years have an unacceptably high level of lead in their blood (i.e., 10 micrograms or more of lead per deciliter of blood), which may result in learning disabilities, reduced intellectual ability, or other problems.¹ This rate of elevated blood-lead levels is much less than it was only a few years ago, between 1991 and 1994, when CDC estimated that 4.4% of such children had elevated lead levels. The drop in blood-lead levels resulted, at least in part, from the success of federal programs aimed at reducing childhood exposure to house dust containing lead-based paint (LBP) from deteriorated or abraded surfaces of walls, door jambs, and window sashes. It is not necessary for a child to eat paint chips to become poisoned: normal hand-to-mouth behavior in a lead-contaminated home can deliver enough lead to damage the developing nervous system of a child under the age of seven years. Poor children are at special risk because inadequate nutrition increases lead absorption by the body.

Most buildings constructed prior to 1978, when the lead content of interior paint was restricted to current levels, contain LBP, but at least 86% of the lead is found in houses constructed prior to 1960. About 24 million U.S. homes were constructed prior to 1960 and have not undergone major renovation. About 20% of these homes are occupied by low-income households (defined as households with incomes less than 1.3 times the poverty level).²

By the year 2010, about 1.8 million of the housing units constructed prior to 1960 will be demolished, and approximately 3.8 million units will be substantially renovated at private expense to remove lead-based paint. Roughly 3.7 million of the remaining 18.4 million units will be occupied by low-income families. The U.S. Department of Housing and Urban Development (HUD) plans to eliminate lead hazards in an estimated 1.4 million of these units that receive federal assistance (including both federally owned and privately owned housing).³ About 2.3 million pre-1960 housing units occupied by low-income families are expected to continue to pose LBP risks.⁴

What Are the Risk Management Options and What Would They Cost?

Several options are available for LBP risk management in housing. Complete removal of LBP from the interior surfaces of a residence by a qualified contractor provides the best protection for children. Removal, however, can be very costly. HUD estimated in 1999 an average cost of \$9,000 per dwelling for an inspection, risk assessment, and full abatement when HUD procedures

¹ Centers for Disease Control and Prevention, *Third National Report on Human Exposure to Environmental Chemicals*, National Center for Environmental Health, July 2005, p. 41, <http://www.cdc.gov/exposurereport/pdf/thirdreport.pdf>, visited November 29, 2007.

² President's Task Force on Environmental Health Risks and Safety Risks to Children, *Eliminating Childhood Lead Poisoning: A Federal Strategy Targeting Lead Paint Hazards*, February 2000, p. 22.

³ Ibid.

⁴ Ibid., pp. 23-24.

were followed.⁵ The total cost of inspecting and abating hazards in all 18.4 million homes constructed prior to 1960 would be about \$16.6 billion per year for 10 years.⁶ At the end of that period, all homes constructed prior to 1960 would be renovated or demolished. If only 2.3 million low-income housing units were fully abated, the estimated cost would be \$2.1 billion per year.

Alternatively, all homes constructed prior to 1960 could be inspected and homes with LBP hazards, such as loose or peeling paint, could be managed with interim measures to reduce exposure at a cost of about \$2,500 per unit. For example, LBP could be covered over with lead-free paint. According to HUD, because only about one-third of the units would present LBP hazards in need of control, the estimated total annual cost of interim measures over 10 years would be approximately \$1.84 billion. At the end of that period (i.e., in the year 2010), the houses constructed prior to 1960 would be lead-safe, but maintenance would have to continue for houses not abated or demolished. If interim measures were applied only to low-income housing, the estimated total annual cost would be \$230 million.⁷

Abatement of hazards also produces benefits: according to an analysis by HUD, the benefit of reducing LBP hazards derives primarily from higher intelligence quotient (IQ) levels and associated increases in lifetime earnings of children who avoid lead exposure. HUD estimated that when a child's blood-lead concentration increases by one microgram of lead per deciliter (i.e., one-tenth of a liter) of blood, average lifetime earnings are reduced by at least \$550 (present value, discounted at 7%), due to reduced cognitive ability.⁸

Federal Mandates

The Lead-Based Paint Poisoning Prevention Act, as amended (LBPPPA, 42 U.S.C. 4822), is the basis for federal regulation of LBP hazards. It directs HUD to establish procedures to eliminate "as far as practicable" LBP hazards⁹ in all public housing and private housing constructed prior to 1978 that receive federal financial assistance.¹⁰ The act requires periodic risk assessments and interim measures to reduce identified LBP hazards in such housing. In addition, the act requires inspection for LBP hazards prior to federally funded rehabilitation or renovation. LBP hazards must be reduced in projects receiving less than \$25,000 in federal funds and eliminated if a project receives at least \$25,000 in federal funds.¹¹ Risk assessments, inspections, and interim and permanent measures to reduce or eliminate LBP hazards are eligible rehabilitation expenses for federal funds.

⁵ The HUD estimate does not include the cost of temporarily relocating families during abatement, or possible costs of disposal of hazardous waste.

⁶ President's Task Force, *Eliminating Childhood Lead Poisoning*, p. 24.

⁷ Ibid.

⁸ This figure includes medical costs, special education costs, and lost future income for a child with 35 micrograms of lead per deciliter of blood.

⁹ A lead-based paint "hazard" is "any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects as established by the appropriate Federal agency" (P.L. 102-550, §1004(15)).

¹⁰ The requirement applies to private housing that receives housing assistance payments under a program administered by HUD or more than \$5,000 in project-based assistance through another federal housing program.

¹¹ 64 *Federal Register* 50140-50231, September 15, 1999.

The federal government, acting through HUD, pays for the construction and renovation (including LBP detection and abatement) of public housing, using funds available through the Comprehensive Improvement Assistance Program to carry out the requirements of the LBPPPA. Public Housing Authorities (PHAs) administer public housing programs locally. Some PHAs are units of general local government. In such cases, local government may be responsible for implementing HUD's LBP testing and abatement regulations in public housing.

There are no federal mandates related to LBP in privately owned housing that does not receive federal financial assistance.

Federal Grants

The Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X of the Housing and Community Development Act of 1992)¹² authorizes federal grants to state and local governments that choose to establish LBP poisoning prevention programs targeted at low-income residents in private housing. Grants may be used to conduct risk assessments and to remove, immobilize, or otherwise reduce the LBP hazard, with particular attention to hazards to children living in housing constructed prior to 1978. Congressional authorization for these grants expired September 30, 1994, but Presidents have continued to request funds, and Congress has continued to appropriate them. Since FY1992, Congress has appropriated more than \$1 billion for these activities. Roughly \$300 million has been appropriated for related LBP abatement by non-governmental organizations and for training, certification, and research programs. In addition, in FY2003 Congress established a parallel demonstration program for LBP abatement targeted at major urban areas with "the highest lead paint abatement needs" based on "the number of occupied pre-1940 units of rental housing" and "a disproportionately high number of documented cases of lead-poisoned children." Congress appropriated \$50 million for this grant program in each of FY2003 and FY2004, \$47 million in FY2005, and \$48 million in each of FY2006 and FY2007. Under the Consolidated Appropriations Act of 2008 (P.L. 110-161), \$48 million was made available for this program in FY2008. President Bush has not requested funding for this program in FY2009.¹³

In 2000, President Clinton's Task Force on Environmental Health Risks and Safety Risks to Children released *Eliminating Childhood Lead Poisoning: A Federal Strategy Targeting Lead Paint Hazards*, which aims to eliminate LBP hazards to children before 2010. The strategy recommends that the federal government provide funding through grants to control LBP using interim measures in the 2.3 million units of privately owned, low-income housing that were constructed prior to 1960 and that are not receiving federal assistance (and, therefore, are not covered by HUD regulations). Assuming that some of the cost could be met by state, local, or private funding, leveraged by federal funding, the task force recommended a 50% increase in federal grant funding under the Residential Lead-Based Paint Hazard Reduction Act, from \$60 million in FY2000 to \$90 million for FY2001.¹⁴ Congress appropriated \$59 million for state/local LBP management grants in FY2001, \$80 million in FY2002,¹⁵ \$96 million in FY2003, \$95

¹² The Housing and Community Development Act may be found at 42 U.S.C. 5308.

¹³ Department of Housing and Urban Development. *Congressional Justifications for 2009 Estimates*. Healthy Homes and Lead Hazard Control, p.Q-1, Q-16. <http://www.hud.gov/offices/cfo/reports/2009/cjs/healthyhomes1.pdf>, visited June 12, 2008.

¹⁴ President's Task Force, *Eliminating Childhood Lead Poisoning*, p. 9.

¹⁵ Department of Housing and Urban Development Budget Authority by Program, Comparative Summary, Fiscal Years (continued...)

million in FY2004, \$92 million in FY2005, \$75 million in FY2006, \$76 million in FY2007, and \$70 million in FY2008.¹⁶ President Bush requested \$93 million for these grants in FY2009.¹⁷

The Task Force on Environmental Health Risks and Safety Risks to Children suggested that the use of financial incentives, such as tax credits or deductions, might be explored to reduce LBP hazards in housing for additional low-income families not served by HUD grants and moderate-income families with young children. In the 110th Congress, H.R. 3918/S. 1793 would provide owners of residential properties built before 1960 with a tax credit for LBP abatement costs. Similar proposals were introduced in the 109th Congress, but were not enacted.

A more general expansion of mandates as well as grant eligibility for housing with lead-based paint also has been proposed in the 110th Congress. S. 2244 would require “a seller or lessor of housing to: (1) conduct a risk assessment or inspection for the presence of lead-based paint hazards ... ; (2) disclose to the purchaser or lessee the results of such inspection or assessment and hazard control measures carried out; (3) remediate any lead-based paint hazards found; and (4) include in any contract for the purchase or lease of housing documentation of any inspection, risk assessment, or hazard control measure.” In addition, S. 2244 would authorize grant expenditures for lead hazard reduction in housing for the elderly or persons with disabilities and for dwellings with no bedrooms, housing categories that currently are excluded from the lead hazard reduction grant program. Finally, the bill would direct the Department of Energy (DOE) to require the conduct of lead hazard control measures during weatherization projects.

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2001-2003, at <http://www.hud.gov/about/budget/fy03/appenb.pdf>, visited November 21, 2006.

¹⁶ Department of Housing and Urban Development, *Congressional Justifications for 2007 Estimates*, Part 3, Lead-Based Paint Hazard Reduction Program, p. B-7, <http://www.hud.gov/offices/cfo/reports/2007/cjs/part1/bdgtauthority.pdf>, visited November 28, 2006.

Department of Housing and Urban Development, *Congressional Justifications for 2009 Estimates*, Healthy Homes and Lead Hazard Control, Lead Hazard Reduction, 2009 Summary Statement and Initiatives, pp. Q16-17.

¹⁷ Ibid.