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TO: COUNCIL MEMBERS

FROM: David Whitaker, Director   
Legislative Policy Division Staff

DATE: February 10, 2023

RE: **Financial Assessment for Mom-and-Pop Lead Abatement**

Council Member Angela Whitfield-Calloway requested that the Legislative Policy Division (LPD) provide a report with an estimate of the cost to cover the lead abatement for the approximate 43,018 “Mom and Pop”<sup>1</sup> rental properties/units in the City of Detroit, which may require lead abatement.

Prior to 1978, when lead paint was banned, lead was added to paint to extend the protective properties and durability of paints. Prior to the ban, the harmful effects that lead has on humans, especially young children, weren’t widely known. Even low levels of lead in the blood of children can result in:

- Behavior and learning problems
- Lower IQ and Hyperactivity
- Slowed growth
- Hearing Problems
- Anemia

In rare cases, ingestion of lead can cause seizures, coma and even death.<sup>2</sup>

Approximately one third of Detroit’s housing was constructed before 1940, and ninety percent before 1980, which has created an environment of an increased risk of exposing children to lead in the city. This

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<sup>1</sup> According to the Detroit Future City report “Understanding the Rental Landscape,” released August 2022, the largest percentage of (70%) of landlords in the city (29,410) are small (local to Detroit) landlords owning no more than two properties (40% of rental properties, 30% of rental units) in the city of Detroit. Thereby, for purposes of this report, these small landlords are referenced as “Mom and Pop” landlords. [FINAL-Understanding-the-Rental-Landscape.pdf \(detroitfuturecity.com\)](#)

<sup>2</sup> [Learn about Lead | US EPA](#)

is especially true for housing built prior to 1940, with 85% of housing units still containing lead-based paint, according to the Detroit Future City report, “Understanding the Rental Landscape.”

In 2020, 5.6% of Detroit children tested, had an elevated blood-lead level. This is more than twice the rate for the entire state of Michigan (2.4%).<sup>3</sup>

### Cost to Cover Lead Abatement

The Detroit City Code, Sec. 8-15-83. - Lead inspection; risk assessment, lead clearance,<sup>4</sup> allows for the abatement of lead by *encapsulation*,<sup>5</sup> enclosure,<sup>6</sup> or by removal or elimination.

According to several sources, the cost for lead abatement by encapsulation range from: \$600-\$1,000 per home. However, the average cost of lead paint removal for a home ranges from: \$10,000; up to \$15,000.<sup>7</sup> The estimated costs to remediate lead in homes by method is as follows:

<b>Encapsulation</b>	50 cents - \$4 /sq. ft.
<b>Enclosure</b>	\$6 - \$12 /sq. ft.
<b>Removal</b>	\$8 - \$17 /sq. ft
<b>Replacement</b>	\$1,000 - \$30,000 /project <sup>8</sup>

Therefore, given the available data, we estimate the cost to remediate lead from 43,018 homes, *on the extreme low end* by encapsulation, at \$600 per home, would cost in excess of \$25,000,000<sup>9</sup> to abate lead for 43,018 Mom and Pop rental units. Several other methods, if required, would cost substantially more.

Despite the potential high costs to abate lead, which could amount to thousands of dollars, anyone can be affected by exposure to lead. Since young children tend to put objects covered with lead dust in their mouths, children under the age of six are particularly vulnerable to lead poisoning. In addition, younger children have a greater chance to put chips of peeling paint, lead dust or lead-contaminated soil in their mouths. Young children’s brain and nervous systems are more sensitive to the damage lead can cause and children’s bodies also absorb more lead than the body of an adult. The main risk for adults comes from breathing lead dust.

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<sup>3</sup> UNDERSTANDING THE RENTAL LANDSCAPE, Detroit Future City, Page 8 [FINAL-Understanding-the-Rental-Landscape.pdf \(detroitfuturecity.com\)](#)

<sup>4</sup> [Chapter 8 - BUILDING CONSTRUCTION AND PROPERTY MAINTENANCE | Code of Ordinances | Detroit, MI | Municode Library](#)

<sup>5</sup> Encapsulation: the process that makes lead-based paint inaccessible by providing a barrier between the lead-based paint and the environment. This barrier is formed using a liquid-applied coating (with or without reinforcement materials) or an adhesively bonded covering material. [Chapter 13: Encapsulation, Guidelines for the Evaluation and Control of Lead-Based Paint in Public Housing \(hud.gov\)](#)

<sup>6</sup> This method involves the enclosure of the lead-based painted surface by material that stops lead dust and chips from being introduced into the environment. Dust-tight barriers such as sheetrock or plywood are installed to protect against the release of the hazardous material into the environment.

[Lead Paint Enclosure New York City Lead Abatement NYC \(nyleadpaintexperts.com\)](#)

<sup>7</sup> [2022 Cost of Lead Paint Abatement - Estimates and Prices Paid \(costhelper.com\)](#)

<sup>8</sup> [2022 Lead Paint Removal Cost | Lead Abatement Cost \(fixr.com\)](#)

<sup>9</sup> 43,018 homes at \$600 per home would cost \$25,810,800.

Lead can also pose a threat to unborn babies. If there is lead in a mother's system, it can pass to the fetus, cause premature birth, low birth weight, brain, and nerve damage.<sup>10</sup>

Therefore, despite the potential high costs of abating lead in so many Detroit homes, the potential dangers associated with lead poisoning are so severe that the enforcement of lead standards is crucial to the safety of our citizens.

To that end, with the assistance of Willie Donwell, the Administrator of the Detroit Board of Review, we contacted the Michigan State Housing Development Authority (MSHDA) and were provided with information on several potential do-it-yourself options for the Mom & Pop owners to address their lead abatement issues that include the following information:

- **Lead Education Handouts**
- **Lead Inspector/Risk Assessors Recommended by the Detroit Enforcement Work Group**
- **Lead Poisoning 101 Brochure**
- **Lead Safe Housing Relocation Resources**
- **Lead Safe Wayne County (excluding Detroit)**
- **Prevent Lead Poisoning**
- **Healthy Food Choices to Combat Lead Poisoning**

The link to these topics listed above can be found through the following hyper link:

[Lead Paint Poisoning Prevention Resources - Protect Your Child \(clearcorpsdetroit.org\)](https://clearcorpsdetroit.org/Lead-Paint-Poisoning-Prevention-Resources-Protect-Your-Child)

The following are programs and resources available through the Housing and Revitalization Department (HRD) and Building Safety Engineering and Environmental Department (BSEED) to assist rental owners in abating lead.

The city of Detroit has taken steps to assist income property owners by offering some funding assistance and access to vital resources. According to a representative from (HRD), both (HRD) and the Michigan Department of Health and Human Services (M-DHHS) have lead hazard grants for owner-occupied and rental properties. Landlords can apply for the grant if the property is in overall good structural condition, with working utilities. The landlord can also apply if the property is vacant or currently has tenants. Tenants will need to meet program household profile and income requirements.

Further, Michigan Saves, the nation's first nonprofit green bank, created a lead poisoning prevention fund (Lead Fund) to bridge the gap for homeowners and income property owners who do not qualify for free M-DHHS lead abatement services. M-DHHS and Michigan Saves rolled out this low-interest loan program for lead remediation. This fund was created and made available for the exact situations that give rise to this report and allows landlords to get the required lead control and pay funds back over a longer and more affordable re-payment period.<sup>11</sup>

The links to flyers and program guides can be found below:

[Lead Fund Residential GENERIC flyer Current.pdf](#)  
[DETROIT HOME REPAIR RESOURCE GUIDE.pdf](#)

The city's Building Safety Engineering and Environmental Department (BSEED), recognizes the potential cost to landlords associated with lead control requirements. Nevertheless, lead poisoning

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<sup>10</sup> [What is the Problem with Lead-Based Paint? | Rarefied Air Environmental](#)

<sup>11</sup> F. Fakhouri, HRD, Email Communication, February 8, 2023

prevention is so critical to the health and safety of our citizens, these regulations must be rigorously enforced. The department is making information and resources available to income property owners to assist in helping more landlords become complaint.

In November, BSEED conducted a Compliance Resource Fair at Northwest Activity Center. This fair was attended by over 200 landlords and property managers groups, as well as 20-25 vendors who offer services to assist with compliance. The vendors included financial lending institutions, general contractors, and lead abatement contractors. In addition, there was a compliance clinic conducted to explain the Rental Ordinance, as well as representatives from the state of Michigan explaining abatement methods, and the Section 8 registration process. The department would like to conduct these compliance fairs two times per year, with the next one tentatively scheduled to take place at Huntington Place in April.<sup>12</sup>

If we can be of any further assistance, please contact us.

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<sup>12</sup> J. Parker, BSEED, Phone Conversation, February 6, 2023