



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Bruce Walden, Chief Administrative Officer

**FROM:** John Schneider, Grants Management Division Manager

**DATE:** March 30, 2006

**SUBJECT:** Proposed Paint Program

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### **Description & Issue**

At the request of Council members and as suggested by the adopted Council goals, staff has investigated the possibility of developing a paint program to provide assistance to income qualified residents of Urbana who need assistance to paint the exterior of their homes. Based on the information about similar programs in other communities, a paint program appears to be feasible. However, there are staffing, funding, and environmental compliance issues to be considered as part of the decision making process. If the City does decide to implement a paint program, the funding source for the program would determine the level of staffing and need for compliance with lead-based paint regulations associated with such funding.

### **Background**

Communities have employed a variety of paint programs intended to induce neighborhood improvements. Grants Division staff has researched options regarding exterior paint programs and has found that, depending on the program funding source, there are specific regulations and laws regarding lead-based paint that could apply.

A Councilmember provided information regarding one such program underway in Tampa, Florida, suggesting that the City consider undertaking a similar program. The Tampa program was privately funded and operated with no financial contribution from the municipality. The program assists elderly and low-income residents of the community and all work is performed by volunteers. All funding for the paint program is provided through donations from the community. The program does not include provision of any warnings or precautionary procedures regarding the hazards of exposure to lead-based paint. It is possible that volunteers in this program could be unknowingly at risk for poisoning from exposure to lead-based paint if they are not properly informed of the hazards. Children under the age of six and women of child-bearing age (in case of pregnancy during exposure) are most vulnerable to permanent brain damage from exposure to lead-based paint.

The City of Champaign has a paint program through which it provides funding to income-qualified residents to offset the costs of paint for the exterior of their homes. Champaign finances their program with local revenues that are not from federal or state resources. Information regarding the hazards of lead-based paint is provided by Champaign to each applicant. No other lead-paint inspections or documentation is required or performed. In this type of program, the recipient of assistance is informed of the hazards associated with lead-based paint exposure, but no lead paint treatment measures are taken. Champaign spent \$6,000 on this program in 2003-2004 and \$2,000 in 2004 – 2005. The City's source of revenue is an urban renewal program that has continued funding through a portion of their utility tax revenue.

## **Discussion**

If the City were to undertake a paint program financed entirely or in part with federal funds (CDBG), all projects would be required to comply with State and Federal regulations regarding lead-based paint. In addition, determination of recipient eligibility would be required similar to other City program, which includes a process to verify income qualification, owner- occupancy, elderly status, etc.

The City of Urbana currently has two programs that address a home's interior and exterior lead paint exterior issues on a large scale. These are the Get the Lead Out (GLO) Program and the Whole House Rehab Program. Under these programs, a Lead Requirement Worksheet is completed for each City assisted property that undergoes any type of rehabilitation work using Federal funds (copies of these forms are attached). This is used to determine and document the required course of action to address lead-based paint hazards during the progress of work. The worksheet contains a service agreement, relocation plan agreement, blood test release forms and contractor forms as required. Any contractor doing work through such a City program is required to be licensed by the State of Illinois.

Technical lead paint issues that would need to be considered in undertaking a paint program include:

- Any surface presumed to have lead based paint requires the use of Safe Work Practices.
- Volunteers not trained or licensed must work under the supervision of a Licensed Lead Supervisor.
- If the surface is tested and determined to contain lead based paint, a Licensed Lead Abatement Contractor must complete the work. (At this time we have 10 general contractors that have their Lead Supervisor License and majority of them have licensed lead workers as employees. Only three of these contractors have the Lead Abatement Contractor License).
- If a lead risk assessment is completed on a property, all lead based paint hazards on the property must be addressed.
- Occupants may need to be temporarily relocated to a safe environment during the work, incurring relocation costs.

- Specific work could include the need for entry and porch areas to be sealed off, windows sealed from the inside, lead dust clearance testing may be required on certain areas of the unit prior to allowing access after the work is complete.
- The law requires that if a lead based paint hazard is present on a property, the work preformed and clearance reports must remain with the property and disclosure of these items to potential buyers is required if the property is to be sold or title transferred.

## Options

Staff has identified four options for consideration:

### 1. Funding with Federal Sources

A paint program would be an eligible use of the City's Community Development Block Grant (CDBG) funds. While the City's Whole House Rehab and Get the Lead Out programs are large enough to warrant the level of effort and expertise necessary to address lead-based paint issues, as outlined above, this level of effort for a simple exterior paint program would not be cost effective. In addition, CDBG funds have recently been reduced by the Federal Government and are slated for further reductions. The City has prepared a proposed Annual Action Plan which programs full use of these funds for other ongoing and proposed programs for the upcoming fiscal year. This Plan will be presented for Council consideration at the next Committee meeting.

### 2. Funding with Private Donations

An alternative option would be for the City to replicate the Tampa Florida program wherein all funding would be donated and labor would be volunteer. This would require residents, businesses and volunteers to organize and implement the program with little City involvement. City staff would be available to provide materials and information to organizers to ensure that volunteers and homeowners would be aware of the lead paint hazards. In addition, the educational materials provided would include information regarding how people can properly protect themselves from unnecessary exposure to lead paint. The City would also need to take steps to ensure that there is adequate liability insurance coverage for volunteers.

### 3. Funding with an Alternative Sources

Another alternative would be undertake a program similar to that in the City of Champaign, whereby non-Federal funds would be used to provide income-qualified residents with paint and caulking supplies. As with the previous proposal, the City would provide information regarding lead paint hazards. No funding source has been identified at this time.

In either alternative 2 or 3, staff believes that if the City of Urbana were to undertake a non-federally funded paint program, there would be some question as to compliance with State of Illinois laws regarding lead based paint. Prior to undertaking any such program, the City would

need to research any potential liability issues and insurance requirements. Consideration should also be given to additional staff time required to administer the program and the potential indirect impacts of Federal budget cuts on such a program.

#### 4. Do Not Pursue a Paint Program

Finally, the City could decide not to pursue a paint program at this time.

### **Fiscal Impacts**

The cost of a paint program would be dependent upon the extent and goals of the program and the funding source. If Federal funds are used, there would be extensive costs associated with the required precautionary measures. Any funds used could detract from other funded programs, such as the Senior Repair, Emergency, and Access Grants and the Whole House Rehab funds.

Following are generalized cost estimates for each of the alternatives identified above:

1. For the City to provide a program using Federal funds it would mean 12 – 16 hours of staff time per project, lead testing of \$200 per project and the cost of providing paint or paint and labor depending on how the program is structured. Ten projects per year would cost the City \$7,000 to \$10,000 for staff time and testing and between \$5,000 and \$25,000 for paint and paint and labor.
2. For the Corporate program it would require about up to four hours of staff time per project plus minimal costs to reproduce information. If the program completed ten projects in a year, the cost to the City would be about \$1,500.
3. For a City administered program not using Federal funds, staff time would be about 8 hours per project plus the cost of paint or paint and labor depending again on how the program is structured. Champaign's program provides up to \$500 for paint and up to \$1,000 in labor costs for seniors and the disabled. Total cost for ten projects would be approximately \$3,500 in labor plus \$5,000 in paint.

### **Recommendation**

In conclusion, City staff recommends that a Federally-funded paint program not be established at this time, due to funding inefficiencies, limited funds, and competing projects. Use of a corporate sponsored program is also not recommended due to liability concerns. If Council is interested in establishing a paint program, it is recommended that research into alternative funding options or other approaches be continued to identify a suitable program for the City of Urbana.

Staff further recommends that establishment of a paint program be postponed until at least FY

07-08. Due to the Federal funding budget cuts, a pending retirement for one of the 6 staff positions in grants management will not be replaced. This reduction in the work force of the grants management division means that fewer staff will need to perform the same amount of workload. Staff does not recommend the creation of a new program at this time, at least until such time as the division has had a chance to make adjustments to account for the lower level of staffing.

Attachment: Lead Documents Materials