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Current City Spending on Lead Hazard Reduction
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Two city agencies are responsible for lead paint hazard reduction programs (including implementation of Local Law 38): the Department of Housing Preservation and Development (HPD) and the Department of Health and Mental Hygiene (DOHMH). Combined agency Expense Budget spending in fiscal year 2002 was \$17.3 million. Capital commitments for lead hazard removal totaled \$3.9 million in 2002.

HPD Expense Budget. In fiscal year 2002, HPD Expense Budget spending on lead hazard reduction programs was \$13.0 million. This included \$4.5 million for lead-hazard reduction in city-owned (*in rem*) units, and \$4.9 million on emergency repairs in privately owned buildings. The latter was almost exclusively in response to uncorrected Local Law 38 lead-hazard violations. HPD spent another \$3.6 million on other lead hazard-related programs, including testing, housing litigation bureau lead cases, outreach, and other functions.

HPD Expense Budget Spending on Lead-Paint Hazard Reduction			
<i>Millions of dollars</i>			
	2001 (Actual)	2002 (Actual)	2003 (Budgeted)
Emergency Repair Bureau	\$5.7	\$4.9	\$15.1
In Rem	\$4.9	\$4.5	\$5.3
All Other Lead Hazard-related	\$3.2	\$3.6	\$3.7
TOTAL	\$13.8	\$13.0	\$24.1
SOURCES: IBO; HPD.			
NOTE: The 2001 spending total reported in HPD Commissioner Perine's Dec. 31, 2001 letter to City Council Speaker Vallone was incorrectly stated as \$12.4 million.			

In both 2001 and 2002, the amount originally included in the Expense Budget for lead programs was considerably higher than actual spending, by around \$10 million. Similarly, the 2003 Expense Budget for lead hazard abatement is \$24.1 million. HPD had based its budget projections on the assumption that it would remediate all units with violations in which the landlord failed to certify correction. In mid-2001, the department began using x-ray fluorescence (XRF) technology to test for the presence of lead. In units in which no lead is detected, HPD reissues the violation as a simple peeling paint violation, and does not perform repairs. As many as three-quarters of peeling paint violations turn out not to have lead. As a result, HPD has not had to spend as much as expected. If past experience holds true, fiscal year 2003 expense spending will in all likelihood be similar to previous years' levels.

Funding. In 2002, 78 percent of HPD's expense budget lead program—\$10.2 million—was financed by federal Community Development Block Grant (CDBG) funds. City funds paid for about 15 percent, or \$1.9 million. Another source of funds has been federal Department of Housing and Urban Development (HUD) grants under the Federal Lead-Based-Paint Hazard Reduction Grant program. HPD, in conjunction with DOHMH, uses the lead grant funds for its Primary Prevention Program, which targets buildings in geographic areas considered at-risk for lead poisoning, such as East New York in Brooklyn and Washington Heights in Manhattan. Grant funds are used for remediation work in privately-owned housing units occupied by low-income families with a pregnant mother or child under the age of six months. The money is given to building owners as a forgivable loan, and may be used for a variety of treatment measures such as wet scraping and treatment of friction surfaces.

Since the program was established in 1992, New York City has received three grants: \$6.75 million in 1994, \$1.6 million in 1996, and most recently \$3 million in October of 2000. The grant period spans four city fiscal years. HPD spent \$86,000 in lead grant funds in 2001, and \$263,000 in 2002. The 2003 budget calls for spending \$1.2 million, but again, budgeted amounts have consistently exceeded expenditures.

HPD Capital Program. In fiscal year 2001, the city committed \$14.4 million in capital funds for lead paint remediation. About \$6.1 million was used for hazard abatement directly related to Local Law 38. HPD spent \$1.4 million in city capital funds on the Primary Prevention Program; these funds met federal requirements for matching funds for the lead grant program. The department spent about \$6.1 million on lead hazard abatement in the city-owned housing stock, and finally, used roughly \$680,000 to implement a new computer system to track lead-based paint violations.

In 2002, the city committed \$3.9 million in capital funds for lead-related programs, including about \$500,000 for the Primary Prevention Program. The balance went to Local Law 38-related activities. According to HPD, there was a spike in lead-related capital spending in 2001 because of the initial implementation of Local Law 38, and as units were treated and *in rem* units returned to the private sector, spending has declined. The September 2002 Capital Commitment Plan included \$12.6 million for lead-paint remediation in 2003, \$4.3 million in 2004, \$4.0 million in 2005, and \$2.5 million in 2006.

Department of Health and Mental Hygiene (DOHMH) Expense Budget. The DOHMH Lead Poisoning Prevention Program inspects homes of children with high blood lead levels, provides care coordination services, sends Nuisance Abatement orders to owners of buildings where lead-based paint hazards are found, re-inspects homes to determine if violations have been abated, and monitors safe work practices during repairs ordered by DOHMH. The program also provides educational outreach to families and medical providers about lead poisoning prevention, targets high-risk populations for intervention efforts, and educates contractors, landlords, and maintenance staff about safe lead practices.

Lead Poison Prevention Program expenditures are funded by the city and categorical grants from the state and federal governments. Personnel expenditures decreased from \$5.7 million in 2001 to \$4.0 million in 2002. The adopted 2003 fiscal year personnel budget totals \$3.8 million.

DOHMH Lead Poison Prevention Program Spending, 2001-2003			
<i>Millions of Dollars</i>			
	2001 (Actual)	2002 (Actual)	2003 (Budgeted)
Personnel	\$5.7	\$4.0	\$3.8
OTPS	\$0.1	\$0.0	\$0.3
TOTAL	\$5.8	\$4.0	\$4.1
SOURCE: IBO, DOHMH.			

In addition to figures in the above table, DOHMH has indicated that there are some additional expenditures which cannot be separated from general agency spending at this time.

Declining program expenditures may reflect the decreasing number of children with elevated blood lead levels referred to the department. New York State law mandates that medical providers screen all children for lead poisoning at one year of age and again at two years of age. The rate of children aged 6 months to less than 6 years with lead poisoning declined from 53.4 per 1,000 children tested in 1995 to 19.4 per 1,000 in 2000.