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TO: COUNCIL MEMBERS

FROM: David Whitaker, Director   
Legislative Policy Division Staff

DATE: April 2, 2024

RE: **Report Regarding Funding for a Lead Based Encapsulation Program**

Council member Angela Whitfield-Calloway requested that the Legislative Policy Division (LPD) provide a report with an estimate of the cost to fund a lead based encapsulation program for *Mom & Pop rental properties*.<sup>1</sup> This report is our response to this request.

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.

Ninety percent of Detroit's current housing stock was constructed before 1980, with one third of Detroit's homes constructed before 1940.<sup>2</sup> Painted surfaces, paint chips and dust particles from naturally deteriorating painted surfaces from these homes are sweet to the taste and are readily ingested by children, therefore these conditions need to be addressed and remediated. 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>

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>4</sup> The estimated costs to remediate lead in homes by method is as follows:

<sup>1</sup> In real estate, mom-and-pops are owners of small rental properties (1-4 units), and they do the day-to-day management of these properties.

[Mom and Pop Business Owners' Day: Landlords of Small Rental Properties \(nar.realtor\)](#)

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

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

<sup>4</sup> [2022 Cost of Lead Paint Abatement - Estimates and Prices Paid \(costhelper.com\)](#)

<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>5</sup>

The Detroit City Code, Sec. 8-15-83. - Lead inspection; risk assessment, lead clearance,<sup>6</sup> allows for the abatement of lead by encapsulation, enclosure,<sup>7</sup> or by removal or elimination.

Therefore, given the available data, we estimate the cost to remediate lead from 43,018 homes,<sup>8</sup> *on the extreme low end* by **encapsulation**,<sup>9</sup> at \$600 per home, would cost in excess of **\$25,000,000**<sup>10</sup> to fully fund a program that would abate lead by encapsulation for 43,018 Mom and Pop rental units. Several other methods if required, would costs substantially more.

In the following link, please find our prior report dated February 10, 2023, entitled, “Financial Assessment for Mom-and-Pop Lead Abatement,” which provides a more in depth analysis of the overall issues related to the financial assessment of lead abatement: [Letterhead Paper \(detroitmi.gov\)](#)

Please contact us if we can be of any further assistance.

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<sup>5</sup> Replacement: To remove and replace painted surfaces [2022 Lead Paint Removal Cost | Lead Abatement Cost \(fixr.com\)](#)

<sup>6</sup> [Chapter 8 - BUILDING CONSTRUCTION AND PROPERTY MAINTENANCE | Code of Ordinances | Detroit, MI | Municode Library](#)

<sup>7</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>8</sup> According to Detroit Future City, in the city of Detroit, Mom & Pop landlord own 43,018 units (page 16) [FINAL-Understanding-the-Rental-Landscape.pdf \(detroitfuturecity.com\)](#)

<sup>9</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>10</sup> 43,018 homes at \$600 per home would cost \$25,810,800.