

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
HEALTHY HOMES AND LEAD HAZARD CONTROL
LEAD-BASED PAINT HAZARD REDUCTION PROGRAM

PROGRAM HIGHLIGHTS

	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004	INCREASE + DECREASE - 2004 vs 2003
	(Dollars in Thousands)			
Obligations	\$89,829	\$136,000	\$186,000	\$50,000
<u>Budget Authority</u>				
<u>(Appropriations):</u>				
Enacted or Proposed	109,758	126,000	136,000	10,000
<u>Budget Outlays</u>				
Budget Outlays	94,587	101,000	110,000	9,000

SUMMARY OF BUDGET ESTIMATES

Eliminating childhood lead-based paint poisoning is one of the Administration's and Secretary's priorities. The President's Task Force on Environmental Health and Safety Risks to Children has developed a multi-year strategy designed to eliminate childhood lead-based paint poisoning by 2010. To help reach this goal, an appropriation of \$136 million is requested for the Lead-Based Paint Hazard Control and Healthy Homes Program. This request includes \$10 million to continue Operation LEAP (Lead Elimination Action Program), a partnership initiative with the private sector to leverage further resources needed; \$106 million for lead hazard control grants to cities, counties, States and Tribes; \$10 million for related technical assistance and technical studies; and \$10 million for continuation of the Healthy Homes Initiative.

The Department is also proposing a new Lead Reduction Initiative that is funded in the HOME account. This initiative is a \$25 million competitive grant program focused on making homes lead safe for children who are at greatest risk for lead poisoning in privately owned low-income housing. This initiative will demonstrate innovative local approaches that are results oriented and cost effective and will serve as models for wider use of these methodologies. The program will include a careful evaluation to identify the most promising strategies, which will be used to further the performance of HUD's main lead-based paint hazard reduction program. The program will allow for wide flexible use of the funds at local discretion to protect children at greatest risk. Under this initiative, communities would be able to develop a program, such as a window-replacement program to address such specific local problems.

The Lead-Based Paint Hazard Reduction program Budget request includes updated estimates of the number of houses requiring treatment to protect children, based on new data from the HUD National Survey of Lead Hazards in Housing. The budget request will improve the performance of housing intermediaries, one of the five goals for HUD in the President's Management Agenda, by enabling them to produce lead-safe and healthy homes.

Expenditures and production of lead-safe housing units by HUD lead paint grantees have accelerated in recent years (Figure 1) as increased capacity to eliminate lead paint hazards in housing has been established in local jurisdictions across the country. The Office of Management and Budget has rated this program as "effective." Yet only one-in-three applicants were able to be funded by HUD in the past several years, even though most of the applications demonstrated both need and capacity. The total requested grant funding by lead paint/healthy homes applicants was \$256 million for fiscal year 2002.

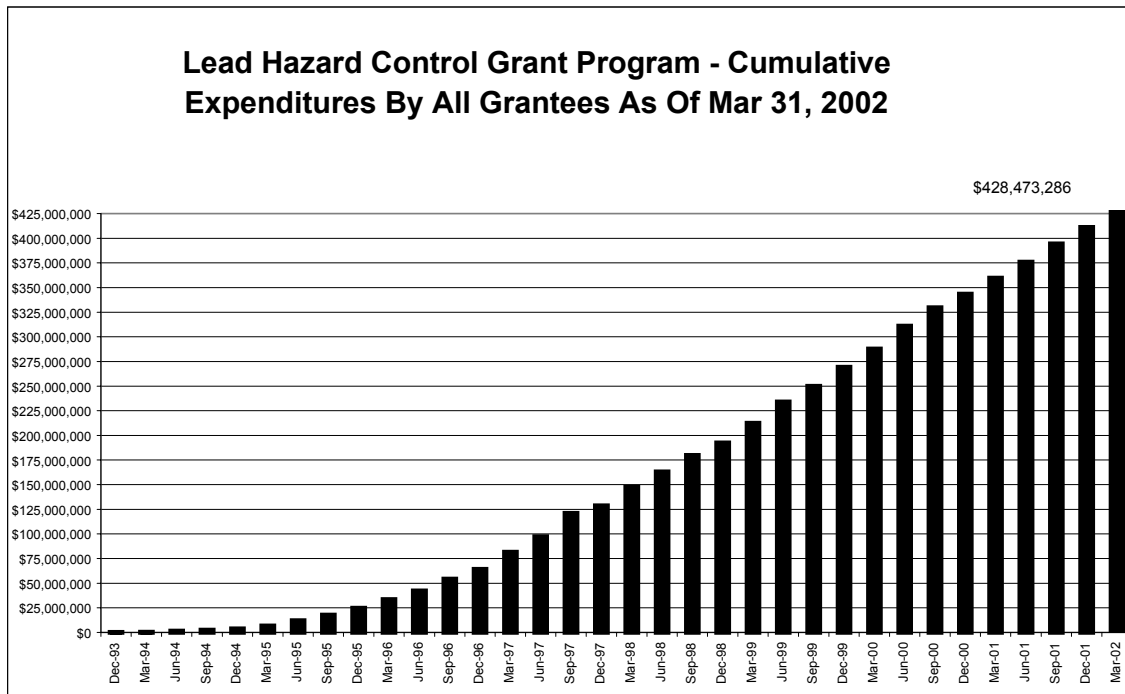


FIGURE 1

Evidence that the program has been successful is the December 2000 report by the Centers for Disease Control and Prevention (CDC) which states that average population blood lead levels have declined by 25 percent since 1991-1994, the time period of CDC's last nationwide survey. Furthermore, HUD's national survey shows that the number of units with lead paint fell from 64 million in 1990 to 38 million in 2000. In short, these HUD and CDC data are strong evidence that the strategy is working, but much remains to be done to eradicate the disease by 2010. Yet, in high-risk neighborhoods the prevalence rate is still very high, up to 27 percent (see Morbidity and Mortality Weekly Report Vol 49/No. 50 p. 1133-1137, U.S. Public Health Service, Atlanta, GA December, 22, 2000).

The Department believes that additional resources can be obtained by leveraging private non-governmental funding through Operation LEAP. After sending a plan to Congress, the Department published the first Notice of Funding Availability for LEAP in August 2002 to award grants to organizations that demonstrate an ability to leverage even more private funding for existing local lead hazard control programs.

The term "lead-based paint hazards" is defined in the Residential Lead-Based Paint Hazard Reduction Act of 1992. Based on scientific research conducted in the 1980's, Congress defined a lead-based paint hazard to include deteriorated lead-based paint and lead-contaminated dust and bare soil. Controlling these sources and pathways of exposure will eliminate childhood lead-based paint poisoning. Recent research and the statutory definition enable resources to be targeted efficiently to where the need and benefits are greatest.

Demolitions and major renovations will occur in the coming years and additional units will undergo hazard control as a result of HUD's regulation on lead-based paint hazard reduction in Federally assisted housing. Based on the Economic Analysis for the rule, HUD estimates that the regulation will make 1.4 million units lead safe from 2000-2010, with most of the work being completed in the first several years followed by on-going maintenance to ensure the units remain in a safe condition. Considering the expected trends in demolition, housing rehabilitation, regulation in Federally assisted housing and using the current HUD National Survey estimate of the number of units with households in poverty to target resources to those families facing the most risk, HUD estimates that 1.4 million privately owned low-income units will need lead hazard control work completed between 2004 and 2010 if the nation is to eliminate childhood lead poisoning (Table 1). This means that in the 7 years between 2004 and 2010, an average of 202,000 units must be made lead-safe each year. Based on the average incremental cost of \$2,500 per unit cited in the President's Task Force report and the 23 percent HUD share of the cost of controlling hazards, the average annual cost is as follows: 202,000 units per year X \$2,500/unit X 23 percent=\$116 million per year (lead hazard control grants plus Operation LEAP funds).

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Table 1
Number of Low-Income Units With Lead-Based Paint Hazards to be Treated Between 2004-2010

Housing Stock	Number of Units
Units With Significant Lead Paint Hazards in 2000 (Estimate from HUD National Lead Paint Survey)	24,000,000
Reduction Due to Substantial Renovation 2000-2004 (Estimate from President's Task Force)	-1,500,000
Reduction Due to Demolition 2000-2004 (Estimate from President's Task Force)	-700,000
Subtotal	21,800,000
Number of units with lead-based paint hazards and occupied by households in poverty, from HUD National Lead Paint Survey, 2000	5,000,000
Reduction Due to HUD Regulation of Federally Assisted Low-Income Housing (Estimate from Economic Analysis)	-1,400,000
Reduction Due to private sector efforts and State and Local Government, 2000-2004 (projected)	-2,186,000
Total remaining low-income units with lead hazards in 2004	1,414,000
Annual number of units with lead hazards to be treated 2004-2010 (1,414,000 divided by 7 years = 202,000 units/year)	202,000
Average Annual Cost, 2004-2010 (202,000 UNITS X \$2,500 per unit X 23% (HUD share) = \$116 million*	
*Budget proposal is \$116 million for Lead Hazard Control Grants and Operation LEAP + \$10 million for Healthy Homes + \$10 million for Technical Studies/Assistance = \$136 million	

Per unit cost estimates are based on the HUD Economic Analysis and the Evaluation of the HUD Lead Hazard Control Grant Program, which are currently the most complete sources of cost data available.

In addition to hazard control costs, there are several associated non-construction program costs, which are discussed further in the Program Description and Activity section below. These activities, namely public education and job training, enforcement, temporary occupant relocation during lead hazard control work, and technical studies and assistance are necessary for hazard control grant programs to be effective. Technical studies are particularly crucial to reducing the costs of lead hazard control, as well as advancing the scientific understanding and specific necessary means to effectively eliminating lead hazards.

HUD's public education activities are designed to integrate lead hazard control activities into housing finance, maintenance, and rehabilitation procedures and to ensure that parents and others have the information they need to prevent childhood lead poisoning. Public education can also stimulate private sector investment in helping to solve the problem. But for low-income children living in privately owned housing, direct Federal financial assistance and leveraged private sector resources will continue to be needed because no other effective option exists.

The foundation for solving the childhood lead-based paint-poisoning problem has been established over the past decade. The expansion of the grant program and expenditure of leveraged private-sector resources are now possible because a nationwide infrastructure has been developed over the past decade, resulting in thousands of trained or licensed abatement contractors, inspectors, trained rehabilitation specialists, maintenance workers and others. Hazard control techniques have been implemented and shown to be effective in privately owned low-income housing (see "Evaluation of the HUD Lead Hazard Control Grant Program," Env Research 86:149-156 June 2001). Technical guidelines have been published by HUD in 1995 and are now widely accepted. A standard of care has been established through HUD's new regulation covering all Federally assisted housing, which was published on September 15, 1999. Disclosure of known lead-based paint hazards at the time of sale or lease is now required for most pre-1978 residential properties where children may reside. Tools for conducting public education and targeted education of maintenance and rehabilitation workers now exist and are being widely disseminated through trade associations, training providers, public libraries, and hardware stores.

One indicator of the success of the program is the number of housing units that are made lead-safe directly and indirectly with HUD grants. The cumulative number of units directly made lead-safe as of fiscal year 2002 was 44,244 and the target for fiscal year 2003 is 51,844 and

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60,234 for 2004. Data from the HUD National Survey suggests that the program causes lead hazard control work to be done in many more housing units than those it finances directly.

Another indicator in the HUD Annual Performance Plan is the reduction in the number of children under the age of 6 who have elevated blood lead levels exceeding 10 micrograms per deciliter from 890,000 in 1991-94 (as estimated by the Centers for Disease Control and Prevention, CDC) to less than 260,000 by 2004. Data on the blood-lead levels of children aged 1-5 years are being collected by the CDC through its National Health and Nutrition Examination Survey (NHANES); full results are scheduled for 2004, the same year as the HUD National Survey of Lead Hazards in Housing.

Healthy Homes Initiative

Besides lead hazards, mold-induced illness, asthma and many other serious and deadly childhood diseases and injuries are known to be related in part to housing. The Department requests continued support for its Healthy Homes Initiative, which is targeted at these other housing-related childhood diseases and injuries. For example, asthma-related deaths stand at 12,000 per year and asthma costs to the nation increased from \$6.2 billion in 1990 to \$12.7 billion in 2000 (Public Health Advisory Board, March 2002, Washington, D.C.).

While more than 7 million occupied housing units have physical problems that pose health and safety threats, there is currently no single approach that coordinates health and housing responses with disease and injury. It is clearly inefficient to conduct separate campaigns for each disease and each housing-related hazard. Instead, the Healthy Homes Initiative will expand the partnership HUD has developed with the Centers for Disease Control and Prevention (CDC), the U.S. Department of Agriculture, the National Institute of Standards and Technology (NIST), the Environmental Protection Agency (EPA) and other Federal, State and local agencies in childhood lead poisoning prevention to include assessment and intervention of housing-related hazards that contribute to diseases and injuries. That partnership enables HUD to combine its existing expertise in urban planning, architecture, engineering, public health and environmental sciences and overall housing issues with other agencies' expertise in the medical and public health areas. For example, HUD completed the first national assessment of allergens in Housing, together with the National Institute of Environmental Health Sciences.

Measures of progress in the Healthy Homes Initiative under development will include the identification of asthma triggers in housing and the award through competition of an additional 10 grants or contracts or cooperative agreements. Future goals based on this ongoing research will seek to develop means of measuring successful interventions in the multiple areas targeted under Healthy Homes.

EXPLANATION OF INCREASES AND DECREASES

The total budget request increases from \$126 million in fiscal year 2003 to \$136 million in fiscal year 2004. The request for the lead hazard control grant program to cities, counties and States is increased from \$96 million in fiscal year 2003 to \$106 million in fiscal year 2004. The grant funding increase is a ramp-up in funding reflecting the increased capacity of the program to operate at the level required to meet the 10-year lead hazard eradication goal. With the additional \$10 million for Operation LEAP and (the same as 2003) the total HUD funding for lead-hazard control is \$116 million (Table 1).

Healthy Homes and Technical Studies/Assistance both remain the same as fiscal year 2003 (\$10 million each). Outlays increase \$9 million as the budget authority has increased over time and expenditures occur from grants in the pipeline of grants.

PROGRAM DESCRIPTION AND ACTIVITY

Legislative Authority. The 1992 Appropriations Act (P.L. 102-139) and the 1993 Appropriations Act (P.L. 102-389) provided the initial legislative authority for the Department's lead-hazard reduction activities for privately owned low-income housing. The Housing and Community Development Act of 1992 (P.L. 102-550) included substantive authorization, under Title X, for a "Lead-Based Paint Hazard Reduction" program. In the absence of new legislation, the existing Program has continued under its old authority.

The Housing and Urban Development Act of 1970 (12 U.S.C. 1701 z-1 et seq.) provides legislative authority for the Department's Healthy Homes Initiative.

Program Area Organization. Allocations from all sources for the Office of Healthy Homes and Lead-Hazard Control activities for 2002 through 2004 are shown in Table 2.

Table 2

	ACUTAL <u>2002</u>	CURRENT ESTIMATE <u>2003</u>	ESTIMATE <u>2004</u>	INCREASE + INCREASE - <u>2004 vs. 2003</u>
	(Dollars in Thousands)			
Category:				
A. Lead-Based Paint Grant Program	\$80,000	\$96,000	\$106,000	+\$10,000
B. Operation LEAP	6,500	10,000	10,000	...
C. Technical Assistance & Support	13,258	10,000	10,000	...
D. Healthy Homes	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	...
Total	109,758	126,000	136,000	+10,000

A. Hazard Control Grants to State and Local Governments. The Budget requests \$106 million for grants to State and local governments with approved Consolidated Plans (States and Native American Tribes must also possess an EPA authorized lead training and certification plan). These grants are designed to perform lead hazard control in low-income, privately owned rental and owner-occupied housing and to build program capacity. In 2004, HUD will target grants to those jurisdictions where the work will result in identifiable neighborhoods or jurisdictions that are entirely lead-safe. As of December 2002, nearly \$700 million has been awarded to grantees serving over 200 jurisdictions in 35 States and the District of Columbia. The grant program is having a dramatic impact in selected target areas and has reduced both the average blood lead levels and incidence of poisoned children nationwide.

The lead hazard control grants program meets a critical need that would not otherwise be met--control of hazards in unassisted, low-value, privately owned units which house millions of low-income Americans. By building capacity and conducting public education, the program is able to greatly increase the number of units made lead-safe, beyond those it directly finances. These units represent the most deteriorated units (and therefore the most serious threat to children) in the Nation. In addition, the grant program generates significant training and employment opportunities for low-income residents in the targeted areas, which often include welfare recipients.

The proposal targets funding to housing with low-income families with children, where lead hazards would not be eliminated without HUD's grant assistance. The Centers for Disease Control and Prevention (CDC) estimates that 890,000 children have elevated blood lead levels, down from 1.7 million in the late 1980's (data from the National Health and Nutrition Examination Survey (NHANES), Phase II, 1991-1994; the next NHANES is due in 2004 and will enable an accurate measurement of progress since the mid-1990's). Lead based paint in old housing is the major remaining cause of childhood lead poisoning now that lead has been removed from gasoline and food canning, and lead in drinking water and industrial emissions have been reduced. Despite this improvement, lead poisoning remains a major childhood environmental disease, especially among some populations:

- CDC estimates that 4.4 percent of all children ages 1-5 years have elevated blood lead levels;
- For children living in pre-1946 housing where lead paint is more common, the prevalence rate increases to 9 percent;
- For low-income children in older housing, it increases to 16 percent; and
- For low-income African-American children in older housing, the prevalence rate is 22 percent.

There are also good scientific data, recently published in the peer-reviewed scientific literature, showing that the modern hazard control techniques implemented by the grantees are successful in reducing both children's blood lead levels and contaminated house dust.

Compliance Assistance and Enforcement

The lead-based paint disclosure regulation (covering virtually all pre-1978 housing) and HUD's Lead-Safe Housing Regulation (for Federally assisted housing) require both on-going compliance assistance and enforcement to ensure that the Department can carry out its statutory duties and that children are adequately protected from lead paint hazards. In addition, enforcement of these rules is necessary to realize the full benefits of these regulations. Compliance with lead-based paint regulations will ensure that parents receive the information they need to protect their children before they are obligated under a sales or lease contract or before renovation work that may disturb painted surfaces is begun in their residence.

A targeted approach has been implemented to focus enforcement efforts on housing with a history of lead-poisoned children, the presence of lead paint hazards, housing code violations,

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other physical, financial, or management problems that may indicate deferred maintenance and therefore the likely presence of lead paint hazards, and investigating tips and complaints received through a nationwide clearinghouse for lead paint.

Enforcement efforts have involved a collaboration of Federal, State, and local agencies, specifically HUD, the U.S. Department of Justice, the US Attorneys' Offices, the U.S. Environmental Protection Agency, as well as State Attorneys General and local housing and health departments.

Increased enforcement and compliance assistance will raise awareness of the precautions that can be taken to protect children from lead poisoning and the duties of the regulated community to comply with lead poisoning prevention laws at the national, State and local level.

As of July 2002, HUD's enforcement efforts have resulted in 161,000 dwelling units being made lead safe (using private funding) and two criminal convictions.

B. Operation Lead Elimination Action Program (LEAP). This Budget requests \$10 million for grants to private sector and non-profit organizations to leverage additional funding for local lead hazard control programs and activities. The leveraged funding must be spent exclusively on lead hazard control and related activities in housing units for which no other funding is available. Twenty percent of the raised funds may be used for lead hazard awareness and other public education initiatives and another 10 percent may be used for administrative costs. All housing units treated under Operation LEAP must have all lead-based paint hazards controlled and all units must be cleared to document that the work has been completed and that the units are safe for children. Funds will be awarded competitively through a Notice of Funding Availability and will be targeted to innovative initiatives that can be either local or national in scope. Examples of the types of leveraged private sector resources Operation LEAP can acquire include:

1. Groups of window, lumber, hardware, and other building component manufacturers or retail outlets could apply for Operation LEAP funds to coordinate their donation of materials and other supplies to landlords and owner-occupants to eliminate lead-based paint hazards in privately owned low-income dwellings.
2. Operation LEAP funds could be used to create a nationwide "lead-star" seal of approval program. Housing units that complete hazard control activities, or housing units that pass a lead paint risk assessment, would receive a lead-star certificate and be entered into the lead paint census database. Landlords could use this in advertising the safety of their units for families with young children, increasing the market appeal. This would create an incentive for private investment in houses to correct lead hazards. There is currently no vehicle to disclose safety of units, only the presence of hazards. This would enable HUD to count lead-safe units that are completed both inside and outside the grant program to cities, counties and States.
3. Operation LEAP funds could be used to form a partnership with banks or other mortgage institutions to provide no- or low-interest home improvement loans to finance lead hazard control. The Bank of America has expressed interest in working on lead hazard control in the past and Fleet Bank of Maine has such a program already in place. HUD lead hazard control grantees, such as Massachusetts, have used grant funds in the past to set up revolving loan funds but they are restricted to low-income recipients only. Banks could use the Operation LEAP funds as a base, but add private loan funds to help other low- or moderate-income individuals who would not otherwise be served.
4. Operation LEAP funds could be used to coordinate the donation of temporary relocation facilities for families who need to temporarily move out of their dwellings while lead hazard control work is completed, thus substantially reducing the costs of lead hazard reduction. For example, hotels and colleges could be contacted to donate temporary housing for temporary relocation of families during lead hazard control activities. Relocation is currently a significant expense for HUD lead hazard control grantees.
5. Consortia or other groups of landlords and owner-occupants which enroll their eligible housing units in a local lead hazard control program would provide funds to pay for a portion of the work in their units. Some existing grantees, such as Milwaukee, have experimented with this already. There, the grant program funds window replacement (windows often have high levels of lead paint and dust), while landlords pay for the cost of paint repair. This option may have limited success in those markets where landlords are unable or unwilling to increase their investment in their units. Operation LEAP funds would be used as a special "challenge" grant to landlords to at least match the Federal investment in their properties.

C. Lead-Based Paint Public Education, Technical Assistance and Technical Studies. The Department proposes \$10 million for the Technical Assistance and Technical Studies program to continue to support the following activities: (1) technical assistance for State and local agencies, private property owners, HUD programs and field offices and professional organizations; (2) quality control to assure that the evaluation and control of lead-based paint hazards is done properly in HUD-assisted housing; (3) technical studies and evaluation to develop streamlined lower-cost methods of testing, hazard control and clean-up; (4) manage the contracts to perform lead-based paint hazard evaluations of project-based rental assisted housing; and (5) public

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education and training. Over the past 2 years, HUD trained over 40,000 workers in lead-safe work practices, inspection, abatement and other disciplines to build the capacity to implement the Lead Safe Housing Rule nationwide.

Public outreach and education is one of the most powerful and effective tools for preventing instances of lead poisoning in high-risk populations. Increasing awareness of the presence of lead based paint hazards in communities empowers affected residents by providing them with vital information that is necessary for primary prevention of lead poisoning. To date, the majority of lead based paint outreach and education projects are being conducted as a small component by each local lead hazard control grantee.

Successful technical activities are reflected in HUD's study documenting the effectiveness of the lead hazard control methods used by HUD's lead paint grantees (Galke et al, "Evaluation of the HUD Lead Hazard Control Grant Program," Env Res 86: 149-156, July 2001). That study showed that children who lived in the units for at least 1 year had blood lead levels that declined by 26 percent and that dust lead levels declined by 50-88 percent. HUD also published several other reports on how inexpensive chemical spot test kits can be used when determining whether lead-based paint is present, and how field-portable instruments can be used for rapid on-site determination that areas in which lead hazard control projects have been completed are safe for reoccupancy, and the extent to which lead can be released into rooms from air ducts and vacuum cleaners. In fiscal year 2004, HUD will conduct another major survey of lead in housing, which will update the similar survey conducted in 2000. That survey identified the reduction in the prevalence of lead-based paint in housing since 1990 and also demonstrated for the first time that housing with lead-based paint hazards was found at comparable rates in major metropolitan areas, smaller metropolitan areas and rural areas. This new survey will track trends during the early years of the implementation of two major lead regulations, HUD's Lead Safe Housing Rule and the Lead Disclosure Rule.

To protect young children from lead-based hazards in housing that is assisted or sold by the Federal Government, HUD issued its Lead Safe Housing Rule (24 CFR 35, subparts B-R). Responding to the needs of some communities to build capacity to perform the lead evaluation and control work in assisted housing as required in the Rule, HUD initiated a program to help property owners make the transition from previous HUD lead regulations to the new Rule. As part of this program, the Office of Multifamily Housing is funding, and the Office of Healthy Homes and Lead Hazard Control is managing, a voluntary program of HUD-sponsored lead-based paint hazard evaluations of project-based rental assisted housing built before 1978. The program gives property owners and property managers information to help them control lead-based paint hazards efficiently and effectively in accordance with the Rule. In fiscal year 2004, HUD expects over 30,000 housing units to be evaluated. Staffing in support of the project involves developing and monitoring contract actions for the lead evaluations, providing data analysis and quality assurance through staff activities and contract actions, coordinating the on-site evaluations smoothly with property owners, and providing on-going technical assistance to the owners.

The Department proposes \$1 million for Lead-Based Paint Public Outreach and Education projects within the \$10 million for the Technical Assistance program. Approximately \$900,000 of the outreach budget will be awarded competitively through a Notice of Funding Availability to conduct an outreach/education competition for the purpose of increasing awareness of lead-based paint hazards within residential housing located in high-risk communities. This competition will allow funding to be provided to research institutions, not-for-profit institutions, community based organizations, parents groups, and others for the implementation of localized outreach and education projects throughout the country. These projects will: (1) identify the prevalence of lead based paint hazards in local communities; (2) determine a base-line level of awareness of lead paint issues in communities; (3) develop and implement innovative approaches for increasing awareness among residents living in high-risk areas; (4) provide capacity building and technical assistance to other lead-related organizations, (5) measure and evaluate changes in awareness and the extent to which outreach resulted in privately financed lead hazard control in housing during the period of performance; and (6) determine the effectiveness of various outreach and education strategies utilized.

The remaining \$100,000 in outreach and education funding will be used to develop new and effective outreach/education tools to increase awareness of lead based paint throughout the country. These funds will be used for the following: (1) the development of outreach and education materials—i.e. brochures, pamphlets, posters; (2) the development of booth displays and exhibit materials; and (3) the coordination and shipping of outreach materials to conferences throughout the country.

In addition to public education, the fiscal year 2004 Technical Assistance programs will enable State and local agencies, property owners and others to meet the requirements of the HUD Lead Safe Housing Rule on Federally owned and assisted housing (implementing sections 1012 and 1013 of Title X of the Housing and Community Development Act of 1992). The Technical Assistance programs will also provide information, in both English and Spanish, to the broader housing industry on ways to promote lead-safe housing for all families. Included in this program is HUD's contribution to the support of the National Lead Information Center's hotline and information clearinghouse, which answered over 30,000 telephone calls and Internet queries from the public on HUD issues in fiscal year 2002, and provided, in response, 800,000 documents to the public.

HUD has also provided extensive technical assistance on the Lead-Safe Housing Rule to public housing agencies, property owners, lead professionals, and national public interest

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groups, among other clients. This technical assistance uses a variety of methods, including Web-based learning, teleconferences, satellite and cable-based distance learning, classroom training, conference presentations, telephone and electronic mail hotlines, and guidance on document development and distribution, among others. All technical assistance programs will be conducted in close cooperation with the housing industry, public interest groups, professional organizations, and other Federal, State and local agencies.

D. Healthy Homes Initiative. The Budget requests \$10 million for the Healthy Homes Initiative. The Healthy Homes Initiative addresses multiple housing related health concerns, including asthma and allergies induced from mold, fungi and insect debris, allergy-inducers (allergens), carbon monoxide poisoning from improper combustion exhaust, lung cancer from radon seeping through basements, and unintentional household injuries, among other problems.

In fiscal year 2004, this amount will enable HUD to build on the models demonstrated to be effective with the first funding rounds and continue demonstration projects through competitive awards, support advances in home health and safety techniques and technology, and implement significant outreach to the public and to the building community.

The Initiative's activities are primarily carried out through competitively awarded grants or contracts. To date, the Healthy Homes Initiative has awarded 29 grants totaling \$24 million selected from over 200 applicants and an additional \$6 million in competitively awarded contracts and Interagency Agreements. The funded projects will target assessments and interventions in over 1,500 units and reach an estimated 60,000 families.

Major accomplishments include completion of the nation's first ever assessment of the prevalence of allergens in the U.S. housing stock, publication of a report comparing the effectiveness of different allergen sampling methods, examining the laboratory variance associated with measuring four different allergens in dust and publication of three peer-reviewed research topic papers on Mold, Asthma, and Injuries. In addition two peer-reviewed articles on the contribution of housing hazards to asthma, "Contribution of Residential Exposures to Asthma in U.S. Children and Adolescents" and "Residential Exposures Associated with Asthma in U.S. Children" were published in "Pediatrics." A Healthy Homes Electronic Exchange was developed to facilitate communications about Healthy Homes issues, and to provide grant information, technical resources and assessment tools to the general public. Because of the increasing concerns about mold and moisture issues in housing, HUD funded a 2-day in-house training course on remediating biocontaminants in buildings. A pilot training course, "Healthy and Affordable Housing," that presents the relationship between housing and asthma and provides practical ways for developing healthy housing was delivered in four different locations in the Northeast. Future offerings will provide this training to address Healthy Homes issues on a regional basis across the United States. A web-based Healthy Homes information listing is being developed to provide information to the consumer about indoor environmental hazards that include mold/moisture, lead, carbon monoxide, pesticides and combustion particulates, as well as information for identifying assessment and mitigation service providers. Healthy Homes Initiative grant projects are carrying out assessments and interventions (that include the provision of smoke/carbon monoxide detectors, provision of mattress covers, cleaning, plumbing repairs and moisture diversion), as well as delivering in-home and community-based education. One grantee developed a web-based "Health e-House" using virtual reality software that enables parents to "walk" from room-to-room, identify housing-related hazards and understand the pathways of exposure and the impacts on the health of children in the house. To date, over 60,000 visitors have accessed over 540,000 page views of this Health e-house.

Healthy Homes demonstration and education grantees' activities include community-based hazard mitigation, national and local public education efforts, and training for health care professionals, day care personnel, environmental specialists, peer educators and hazard remediation workers. Research projects are examining asthma interventions, injury prevention, and related disease issues. Grants specifically target mold and moisture problems in inner city housing. Eligible grantees are units of local governments, such as State, local or county health or housing departments, the private sector, non-profit groups, community-based organizations, landlord organizations, parent's organizations and environmental contractors.

A key focus of Healthy Homes will also be interventions to reduce the impact of asthma related to housing condition. Asthma ranks eighth in prevalence among chronic conditions in our nation. It is a leading cause of serious illness among children and poses a special danger to the health and lives of minority children in the United States. Healthy Homes efforts will also focus primary prevention intervention consisting of education, behavior modification and hazard identification and control aimed at new mothers or women of child-bearing age who are at high-risk for having a lead poisoned or asthmatic child. Moreover, too few community contractors, carpenters and painters are knowledgeable about environmentally safe home repair work practices. Healthy Homes will also address the need to increase training opportunities for more community workers to learn about and incorporate home safety repair work practices in their daily professional routines.

Areas emphasized in Healthy Homes will include:

- demonstrating new housing maintenance techniques, and renovation and construction methods to reduce housing-related illness and injury risk factors;

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- developing and demonstrating new strategies to identify and correct housing-related illness and injury risk factors to incorporate new engineering and scientific knowledge;
- conducting research that evaluates the effectiveness of the housing interventions and public education campaigns;
- promoting use of the methods and techniques described above in other Federally assisted housing programs, and providing information to State, Tribal, and local governments, and private sector building community organizations and individuals;
- working with housing and building code councils to develop means of incorporating new code provisions into model codes;
- implementing a public education campaign to prevent both emerging and well-recognized housing-related diseases and injuries, and promote the use of identified solutions. These will be distributed through public service announcements, community-based organizations, and additional electronic and paper media; and continuing to co-chair, with CDC, the interagency task force on Healthy Homes to exchange information and ideas, and implement multi-agency program coordination; and
- working along with the Centers for Disease Control and Prevention, HUD's other partners on the task force include the National Institute of Environmental Health Sciences, Environmental Protection Agency, Consumer Product Safety Commission, National Institute for Occupational Safety and Health, the National Institute for Standards and Technology's Building and Fire Research Laboratory, and the Department of Agriculture. USDA conducts Healthy Homes research and outreach projects, such as the USDA Healthy Homes Partnership that supplies local Extension Agents with resources to provide training and information to communities in 42 States and the Virgin Islands.

STATUS OF FUNDS

In order to expedite expenditure of the funds by lead hazard control grantees, HUD has implemented a grant renewal process for high-performance grantees. This reduces the compliance burden on program recipients, one of the five HUD goals in the President's Management Agenda. In fiscal year 2002, HUD awarded approximately \$16 million through the streamlined grant renewal process.

Balances Available

a. Unobligated Balances. The following table compares the program obligations with funds available by year.

	ACTUAL <u>2002</u>	ESTIMATE <u>2003</u>	ESTIMATE <u>2004</u>
	(Dollars in Thousands)		
Unobligated balance, start of year.....	\$86,466	\$110,182	\$100,182
Appropriation.....	109,758	126,000	136,000
Recovery of Prior Year Obligations.....	<u>3,787</u>	<u>...</u>	<u>...</u>
Total Available.....	200,011	236,182	236,182
Obligations.....	<u>-89,829</u>	<u>-136,000</u>	<u>-186,000</u>
Unobligated balance, end of year.....	110,182	100,182	50,182

Lead-Based Paint Hazard Reduction Program

b. Obligated Balances. The status of obligated balances follows:

	ACTUAL <u>2002</u>	ESTIMATE <u>2003</u>	ESTIMATE <u>2004</u>
	(Dollars In Thousands)		
Obligated Balance, start of year....	\$196,223	\$186,653	\$221,653
Obligations incurred.....	<u>89,829</u>	<u>136,000</u>	<u>186,000</u>
Subtotal.....	286,052	322,653	407,653
Outlays.....	-94,587	-101,000	-110,000
Adjustments in Unexpired Accounts.....	-3,787
Adjustments in expired amounts.....	<u>-1,025</u>	<u>...</u>	<u>...</u>
Obligated balance, end of year.....	186,653	221,653	297,653

ADMINISTRATIVE EXPENSES

FTE/OBJECT CLASS	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
FTE			
Headquarters	28	54	54
Field
Total FTE	28	54	54
S&E Cost (Dollars in Thousands)			
Personal Services	\$2,715	\$5,384	\$5,529
Travel	90	74	78
Printing	59	91	93
Other Services	25	20	26
Supplies	3	3	3
Total S&E Cost	\$2,892	\$5,572	\$5,729

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SALARIES AND EXPENSES, HOUSING AND URBAN DEVELOPMENT

BUDGET ACTIVITY 13: HEALTHY HOMES AND LEAD-HAZARD CONTROL

SCOPE OF ACTIVITY

The Office has primary responsibility for the lead-based paint activities of the Department and is directly responsible for the administration of the Lead-Based Paint Hazard Reduction program authorized by Title X of the Housing and Community Development Act of 1992. The Office develops lead-based paint regulations, guidelines, and policies applicable to HUD programs, designs lead-based paint training programs, administers lead-based paint hazard control grant programs, and helps shape the lead-based paint research program. Additionally, the Office undertakes an ongoing program of information dissemination on lead-based paint matters and serves as the Department's central information source for the Secretary, the Congress, and the public on this topic. Finally, the Office administers the Healthy Homes Initiative, which develops and implements a program of research and demonstration and public education projects that address multiple housing-related problems affecting the health of children.

The Office also has responsibility for providing technical support for staff in HUD State and area Offices who provide the public with lead-based paint technical and program information. The Office represents HUD on interagency lead-based paint committees and has responsibility for other aspects of interagency coordination on lead-based paint matters and children's health and safety involving the Department. Staff activities will be focused on the following:

- continuing demonstration projects and research to evaluate the effectiveness of housing intervention and public awareness campaigns under the Healthy Homes Initiative;
- continuing management of multi-year lead hazard control grants awarded to State and local governments since 1993;
- negotiating and managing new lead hazard control grants to be awarded in 2003;
- providing consumer information and education on the hazards of lead-based paint in the nation's housing;
- cooperating with other Federal agencies having a complementary role in lead-hazard reduction;
- coordinating all of the Department's activities in lead-hazard reduction;
- managing the research and evaluation activities of HUD that relate to lead hazards;
- managing technical assistance and technical studies;
- staffing the responses and briefing materials for all Congressional and other public inquiries relating to lead-based paint activities of the Department;
- assisting with cooperative studies with other Federal agencies;
- completing inspections/risk assessments in Project-Based section 8 housing;
- providing technical assistance to HUD program participants;
- continuing the management and operation of the "**The Lead Listing**" (available under The National Lead Service Providers' Listing System at www.leadlisting.org), service developed to help consumers locate qualified lead service providers (lead inspectors, risk assessors, and abatement contractors) and lead analysis laboratories via the Internet;
- implementing and enforcing the new lead paint disclosure law for sales and leasing transactions (with legal support from OGC);
- developing and coordinating the enforcement of new streamlined lead-based paint regulations for federally assisted pre-1978 housing (with program offices and OGC);
- training of HUD staff, grantees, housing authorities, participating jurisdictions and owners and managers of pre-1978 housing in the new regulations; and
- managing multiple contracts for lead-based paint inspections and risk assessments in project-based section 8 housing.

Salary and Expenses, Housing and Urban Development
 Budget Activity 13: Healthy Homes and Lead-Hazard Control

Between the Lead Hazard Control Grant Program, Operation LEAP and the Healthy Homes Initiative, staff will be responsible for monitoring a total of approximately 600 multi-year projects or grants, as well as reviewing and scoring approximately 300 grant applications and at least 6 major contracts annually. Coupled with the implementation of two major lead paint rules, workload will continually increase in the next few years. Implementation of these activities will be accompanied by a need for widespread technical assistance, interpretation, training and outreach. As a result there will be an essential need to acquire additional staff: (1) to manage the Healthy Homes Initiative; (2) to conduct housing-related public health research and demonstration project design and management, and public health education; (3) to conduct compliance assistance and enforcement of the Lead-Based Paint Disclosure Rule and other lead-based paint program regulations; and (4) to conduct oversight and management of the lead hazard control grants and (5) to manage multiple contracts for lead-based paint inspections and risk assessments in project-based section 8 housing. Four additional FTEs are requested in 2004 in order for the Department to meet Congressionally mandated duties.

The attached charts display detailed staffing and workload estimates based on the Resource Estimation and Allocation Process (REAP) baseline data.

TRAVEL

The table below identifies travel requirements unique to this activity. The Office currently has no field staff, making an increase in travel funds needed to manage the increased number of grants and enforcement operations.

	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004	INCREASE + DECREASE - 2004 vs 2003
	(Dollars in Thousands)			
Travel	\$90	\$74	\$78	+\$4
Total.....	90	74	78	+4

The fiscal year 2004 request of \$78 thousand is an increase from \$74 in fiscal year 2003, due to the increased number of grants and enforcement actions undertaken. Previous staffing levels have permitted the Department to conduct compliance inspections in only a few cities. When we developed our enforcement protocol, we identified the 25 cities with the largest number of dilapidated pre-1940 rental housing stock where childhood lead poisoning rates are known to be highest using data from the Centers for Disease Control and the American Housing Survey. Compliance inspections are targeted to the largest housing developments with a history of lead poisoned children, the presence of lead-based paint hazards, or other reports of deferred maintenance or poor management (which are often indicators of lead hazards). Compliance inspections are also conducted in response to tips and complaints and are coordinated with local housing, health and law enforcement agencies, which is also staff-intensive but necessary. With the requested increase in staffing the Office of Healthy Homes and Lead-Hazard Control will be able to conduct more compliance inspections. As the lead hazard control grants are increased, and as Operation LEAP and new Healthy Homes grants come on line, additional monitoring and travel expenses will be incurred.

CONTRACTS

The table below identified contract requirements unique to this activity.

	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004	INCREASE + DECREASE - 2004 vs 2003
	(Dollars in Thousands)			
General Support	\$25	\$20	\$26	+\$6
Total.....	25	20	26	+6

Salary and Expenses, Housing and Urban Development
 Budget Activity 13: Healthy Homes and Lead-Hazard Control

The fiscal year 2004 request of \$26 thousand is an increase of \$6 thousand over the fiscal year 2003 enacted estimate. These funds will be used to continue lead enforcement activities as a result of the Department's Disclosure Rule. This often includes paying for the taking of depositions, court costs, renting of reproduction equipment and copying of legal documents.

ADMINISTRATIVE EXPENSES

FTE/OBJECT CLASS	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
Lead-Based Paint Hazard reduction Program			
FTE Headquarters	28	54	54
FTE Field
Total FTE	28	54	54
Personal Services	\$2,715	\$5,384	\$5,529
Travel	90	74	78
Printing	59	91	93
Other Services	25	20	26
Supplies	3	3	3
Total S&E Cost	\$2,892	\$5,572	\$5,729

Overall Summary of Office of Healthy Homes and Lead Hazard Control Staff Requirements

	FTE			Increase + Decrease - 2004 vs 2003
	Actual 2002	Estimate 2003	Estimate 2004	
Headquarters.....	28.0	54.0	54.0	0.0
Field	0.0	0.0	0.0	0.0
Total	28.0	54.0	54.0	0.0

Summary of Office of Healthy Homes and Lead Hazard Control Staff Requirements

	FTE			Increase + Decrease - 2004 vs 2003
	Actual 2002	Estimate 2003	Estimate 2004	
<u>Headquarter Employment</u>				
Office of the Director	2.0	4.0	4.0	0.0
Budget and Administrative Services Division	5.0	8.0	8.0	0.0
Lead Hazard Control Grants Division	6.0	12.0	12.0	0.0
Lead Technical Assistance Division	6.0	12.0	12.0	0.0
Healthy Homes Division	3.0	10.0	10.0	0.0
Compliance Assistance and Enforcement Division	6.0	8.0	8.0	0.0
Total	28.0	54.0	54.0	0.0
<u>Field Employment</u>				
Total	0.0	0.0	0.0	0.0

Detail of Office of Healthy Homes and Lead Hazard Control Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----			----- Fiscal Year 2003 -----			----- Fiscal Year 2004 -----				
		Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE
<u>Headquarters Employment</u>												
Office of the Director												
Provide Management Oversight and Policy Guidance	NA			2.0			3.0					3.0
Subtotal				2.0			4.0					4.0
Budget and Administrative Services Division												
Manage Grant Obligation and Funding	Number of Active Grants	130	80.82	5.0		207	80.82	8.0		207	80.82	8.0
Subtotal				5.0			8.0					8.0
Lead Hazard Control Grants Division												
Manage Lead Hazard Control Grant Program	Number of Active Grants	60	208.00	6.0		120	208.00	12.0		121	208.00	12.0
Subtotal				6.0			12.0					12.0
Lead Technical Assistance Division												
Develop Program Policy for Office of Healthy Homes and Lead Hazard Control	NA			2.0			2.0					2.0
Manage Active Grants/Cooperative Agreements	Number of Active Grants/Cooperative Agreements	20	421.33	4.0		50	421.33	10.1		50	421.33	10.1
Subtotal				6.0			12.1					12.1
Healthy Homes Division												
Develop Program Policy for Healthy Homes Initiative	NA			1.0			1.0					1.0
Manage Active Grants/Cooperative Agreements	Number of Active Grants/Cooperative Agreements	10	421.33	2.0		45	421.33	9.1		45	421.33	9.0
Subtotal				3.0			10.1					10.0
Compliance Assistance and Enforcement Division												
Manager Section 1018 Enforcement	Number of enforcement cases completed	76	165.00	6.0	26	101	165.00	8.0	26	101	165.00	8.0
Subtotal				6.0			8.0					8.0
Total				28.0			54.2					54.1
<u>Field Employment</u>												
				0.0			0.0					0.0

Salaries and Expenses, Housing and Urban Development
Budget Activity 13: Office of Healthy Homes and Lead Hazard Control

HEADQUARTERS EMPLOYMENT

EXPLANATION OF CHANGES FROM 2002 ESTIMATE TO 2003 ESTIMATE

The fiscal year 2003 current estimate requests a staffing level of 54 FTEs, an increase of 26 over the fiscal year 2002 allocation of 28.

The Office of Healthy Homes and Lead Hazard Control, with the close assistance of the Office of General Counsel, has enforced the lead-based paint disclosure regulation, which took effect in 1996. This regulation covers virtually all housing built before 1978, when lead-based paint was banned for residential use. A separate regulation covers all federally assisted housing and took effect in September 2000.

To date, enforcement of the lead paint disclosure regulation has been carried out by 5 FTE in the lead paint office and another FTE in OGC, with significant additional time investment from senior management in both offices.

With this staffing level, approximately 30 major cases covering about 158,000 units have been completed in fiscal years 2001-2002 (completion means filing of a consent decree in a U.S district court, resolution or settlement of an administrative case, or ruling by an administrative law judge).

Current staffing levels have permitted the Department to conduct compliance inspections in only a few cities. When we developed our enforcement protocol, we identified the 25 cities with the largest number of dilapidated pre-1940 rental housing stock where childhood lead poisoning rates are known to be highest using data from the Centers for Disease Control and the American Housing Survey. Compliance inspections are targeted to the largest housing developments with a history of lead poisoned children, the presence of lead-based paint hazards, or other reports of deferred maintenance or poor management (which are often indicators of lead hazards). Compliance inspections are also conducted in response to tips and complaints and are coordinated with local housing, health and law enforcement agencies, which is also staff-intensive but necessary. As more cases are completed, monitoring a sample of consent decrees and other administrative enforcement cases will become necessary.

Currently, there are approximately 150 cases backlogged that require further investigation or development. Based on past experience, we estimate that on average 15 cases can be completed by one investigator FTE in the Lead Paint Office each year. The past year has resulted in 15 completed cases, plus 101 backlogged cases, which would require 7.7 FTE's to process ($116/15=7.7$). If one assumes a constant rate of growth, the coming year will yield another 115 cases. Reducing the backlog to permit a timely investigation of complaints received from the public, as well as conduct targeted inspections would therefore require an additional 15 FTEs ($7.7 \times 2 = 15$), assuming no increases in efficiency (see below for recommended staffing level).

The number of cases processed per FTE can be expected to increase as the Department gains more experience and efficiency in enforcing its lead-based paint regulations. On the other hand, the need for FTE's to enforce the lead-based paint regulation in federally assisted housing can be expected to increase in the next 2 years. The Department has been engaged in a massive training effort and compliance assistance to enable jurisdictions to implement this regulation, but has not yet brought any enforcement cases for this regulation.

Expected workload increases for fiscal year 2003 associated with the regulation for Federally assisted housing taking effect are difficult to quantify at this time. Therefore, this request focuses on the immediate need to reduce the backlog of lead-based paint disclosure cases and to meet the near-term need brought by new disclosure cases, using validated workload estimates based on this past year's experience and expected increases in efficiency.

EXPLANATION OF CHANGES FROM 2003 CURRENT ESTIMATE TO 2004 ESTIMATE

The Office of Healthy Homes and Lead Hazard Control is requesting a staffing level of 54 FTEs in fiscal year 2004 which is the same as the fiscal year 2003 staffing level.