



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Erin Roseman  
Director of Finance

**SUBJECT:** Lead Paint Settlement

**DATE:** May 13, 2022

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City Administrator Approval 

Date: May 26, 2022

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## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution Accepting and Appropriating The Initial Disbursement Of Lead Paint Settlement Funds From The County Of Alameda (County) In The Amount Of \$4,797,184.58 And Authorizing The City Administrator To Establish A Separate Fund To Be Used For The Development Of An Equity Based Lead Program As Required By The Memorandum Of Understanding Between The City of Oakland And The County.**

## **EXECUTIVE SUMMARY**

Pursuant to the Memorandum of Understanding (MOU) with the County, the City of Oakland will receive an initial partial disbursement of the Lead Paint Settlement funds in the amount of \$4,797,184.58.

Approval of the proposed resolution will allow the City Administrator to accept and appropriate the lead paint settlement disbursement and to establish a separate fund to be used for the development of an Equity Based Lead Program.

## **BACKGROUND / LEGISLATIVE HISTORY**

In 2001, ten cities and counties, including the City of Oakland (City) and the County of Alameda (County), filed a lawsuit against companies that manufactured, distributed, and promoted lead paint. The lawsuit was resolved via a settlement under which defendants agreed to pay a total of \$305 million through various installments over the course of seven years. In October 2019, the public entity plaintiffs entered into an MOU to satisfy their obligations under various contingency fee agreements with outside counsel and to allocate the balance of the settlement funds. The allocation MOU set forth a formula by which funds would be allocated among the public entity plaintiffs using relative percentages of pre-1951 and pre-1978 housing stock, but because the City and the County have overlapping jurisdictions, the allocation formula did not provide a basis for division of funds between them. The allocation formula instead provided a single allocation of 10% of the balance of the settlement funds in the amount of \$23,985,922.92 to be allocated jointly to the City and the County. The settlement funds allocated to the City and

City Council  
June 7, 2022

the County are held in trust by the County Treasurer subject to the City and the County agreeing on disbursement and programming.

On December 21, 2021, City Council adopted Resolution No. 88978 C.M.S. which, among other things, authorized the City Administrator to enter into a Memorandum of Understanding with the County of Alameda for partial disposition of the settlement funds. Pursuant to the Memorandum of Understanding, the City of Oakland shall receive an initial disbursement of \$4,797,184.58 to fund the development of an Equity Based Lead Program.

### **ANALYSIS AND POLICY ALTERNATIVES**

The initial partial disbursement of \$4,797,184.58 will be used by the City to fund the development of an Equity Based Lead Program, including one-time costs for standing up the adopted recommendations from a consultant. The City has prepared a Race and Equity Impact Assessment to guide its understanding and goals for use of the initial disbursement of the settlement funds. The funds will be used pursuant to recommendations in the Race and Equity Impact Assessment. The Equity Based Lead Program will be developed in accordance with the following process:

- i) Development of a Scope of Work for program development
- ii) Selection of an expert consultant to advise program design

Development of the program would include at minimum the following components to be agreed upon by the City and the County:

1. Targeted Services for at-risk areas and vulnerable populations using indicators that demonstrate high levels of burden across multiple issues (increased likelihood of exposure to lead hazards, susceptibility to the impacts of those hazards, and limited capacity to take protective action).
2. Early prioritization and models of comprehensive proactive inspections and lead abatement activities best suited in these areas. For example, a simple prioritization might target priority areas for early abatement efforts that have high burdens on at least one indicator in each category (exposure, sensitivity, adaptive capacity).
3. Tenant protections that will avoid, or at least, mitigate the unintended consequence of displacing tenants.
4. Low-Income Landlord/Homeowner Assistance element to enable timely rehabilitation and repair; and prevent loss of ownership and equity for "legacy" property owners in Oakland.
5. Ground truthing program design options with community most impacted by unsafe housing conditions.
6. Mobilization of targeted workforce development - build out the Lead Abatement Workforce Training Program, which would "provide oversight of the training and

development of a skilled workforce to provide lead abatement services, as proposed by the Oakland Workforce Development Board (OWDB).

7. Designing and implementing an advocacy plan to raise additional resources to build program out to address remaining lead risk in communities most impacted by racial disparities.
8. A program implementation workplan.
9. Recommend other considerations for implementation.

Staff recommends appropriating the lead settlement disbursements and establishing a separate new fund to track the disbursements as it helps advance Citywide priorities of ensuring **holistic community safety**, and **responsive, trustworthy government**. The lead settlement disbursements will be used to develop an Equity based lead abatement program which will help eliminate lead-based hazards and ensure community safety within the City of Oakland. Establishing a separate fund to deposit the disbursements will provide greater transparency in the use of the funds.

### **FISCAL IMPACT**

A separate new fund will be established to deposit and track the initial disbursement of the lead settlement funds from the County in the amount of \$4,797,184.58.

### **PUBLIC OUTREACH / INTEREST**

There was no public outreach for the preparation of the report beyond the standard noticing procedures.

### **COORDINATION**

This report and resolution were reviewed by the Office of the City Attorney and the Budget Bureau.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** The Equity Based Lead Abatement Program developed by using the lead settlement funds will enable timely rehabilitation and repair to prevent economic loss for property owners in the City.

**Environmental:** The lead settlement funds will be used to build out the Lead Abatement Workforce Training Program, which would provide oversight of the training and development of a skilled workforce to provide lead abatement services that will help eliminate environmental hazards.

**Race & Equity:** The Equity Based Lead Abatement Program will target services for at-risk areas and vulnerable populations using indicators such as increased likelihood of exposure to

lead hazards, susceptibility to the impacts of those hazards, and limited capacity to take protective action. The lead settlement funds will be used to design and implement an advocacy plan to raise additional resources to build program out to address remaining lead risk in communities most impacted by racial disparities.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution Accepting and Appropriating The Initial Disbursement Of Lead Paint Settlement Funds From The County In The Amount Of \$4,797,184.58 And Authorizing The City Administrator To Establish A Separate Fund To Be Used For The Development Of An Equity Based Lead Program As Required By The Memorandum Of Understanding Between The City Of Oakland And The County Of Alameda.

For questions regarding this report, please contact Pooja Shrestha, Assistant Controller, at (510)-238-6776.

Respectfully submitted,



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Erin Roseman  
Finance Director

Prepared by:  
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Controller's Bureau, Finance Department

