



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Emily Weinstein
Director, Housing and
Community Development

SUBJECT: Lead Hazard Reduction Grant
Program

DATE: February 22, 2026

City Administrator Approval


Jestin Johnson (Feb 26, 2026 18:50:46 PST)

Date: Feb 26, 2026

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To:

- (1) Accept And Appropriate Up To \$4.4 Million In Grant Funds From The Federal Lead Hazard Reduction Grant Program;**
- (2) Enter Into A Professional Services Agreement With Habitat For Humanity East Bay/Silicon Valley, Inc. In An Amount Not To Exceed \$4,021,094.30, To Provide Grant Administration And Management Construction Services For The Lead-Based Paint Mitigation And Healthy Homes Programs, And To Waive The City Of Oakland's Local And Small Local Business Enterprise Program Requirements, Local Employment And Oakland Apprenticeship Requirements, And Request For Proposal/ Qualifications Competitive Process Requirements;**
- (3) Upon Completion Of A Competitive Procurement Process, Enter Into One Or More Agreements In A Total Amount Not To Exceed \$321,397 With One Or More Workforce Development Services Providers To Expand The Supply Of Workers And Firms Available To Conduct Lead-Based Paint Mitigation And Healthy Homes Work; And**
- (4) Make Grants To Eligible Property Owners For The Remediation Of Lead-Based Paint Hazards And Healthy Home Improvements**

EXECUTIVE SUMMARY

The City of Oakland (City) is home to over 140,000 homes that were built before the ban on lead-based paint in 1978. Many of these homes have exposed pre-1978 paint, which poses a serious hazard of lead poisoning for children under the age of six and pregnant persons. While the City has long used a portion of its Community Development Block Grant funds to remediate lead-based hazards and unlocked additional resources for lead-based paint remediation in a 2021 legal settlement, these resources are inadequate to meet the magnitude of demand for remediation services.

In late 2025, the City successfully applied for \$4.4 million in funds from the U.S. Department of Housing and Urban Development (HUD) Lead Hazard Reduction (LHR) grant program. This is a

recurring competitive federal program to fund remediation of lead-based paint hazards, and this is the first time the City has been awarded a grant from this program. The bulk of the funds from the grant will provide approximately 50 grants to low-income homeowners and rental property owners with low-income tenants to fund lead-based paint remediation work. Habitat for Humanity East Bay/Silicon Valley (Habitat) was written into the federal funding proposal to serve as the program administrator, as doing so made the proposal highly competitive and the City had previously selected Habitat to administer a similar program following an open bidding process. These grants will be open to qualifying properties with children under six across Oakland but will heavily prioritize 33 census tracts in the top 5% of lead risk statewide. These households will also benefit from \$400,000 specifically earmarked for healthy home improvements- work completed to address other in-home health hazards like mold or radon that are discovered in the course of remediating lead-based paint.

Up to \$321,397 of the \$4.4 million is budgeted for workforce and business development programs. These programs will expand the supply of workers certified to perform lead-related work through training, certification, and individualized support and build contractor capacity to compete for project contracts through contractor engagement and one-on-one support focused on navigating City and program requirements. Examples of these requirements are weekly certified payroll for work on multi-unit buildings, licensing, bonding, insurance, etc. This item would authorize the homeowner and rental property owner grants, the contract with Habitat and one or more future contracts with workforce/business development providers following a competitive procurement process.

Upon successful completion of this grant, which is expected to be no later than 2030, the City will be eligible to apply for another round of LHR grant funds. If the City completes its scope early, it may be able to pursue additional funds before 2030. Staff anticipate that this funding source could be an ongoing resource for remediating lead-based paint hazards for years to come.

BACKGROUND / LEGISLATIVE HISTORY

Lead-Based Paint Hazards in Oakland

Lead is a potent neurotoxin that, when ingested, causes a serious range of health issues that are permanent and irreversible. These include lower intelligence, slowed growth, learning disabilities, kidney damage, cardiovascular issues, elevated risk of miscarriage, and elevated risk of premature birth¹. There is no safe level of lead exposure. Lead was banned from paint in the United States in 1978, and all pre-1978 homes have a risk of lead-based paint exposure.

As one of the oldest cities in Alameda County, the City has a disproportionately large share of pre-1978 homes. Of the over 140,000 homes built before 1978, approximately 31,645 renter-occupied homes were built before 1940². The Environmental Protection Agency (EPA) estimates that 87% of pre-1940 homes still contain lead-based paint³.

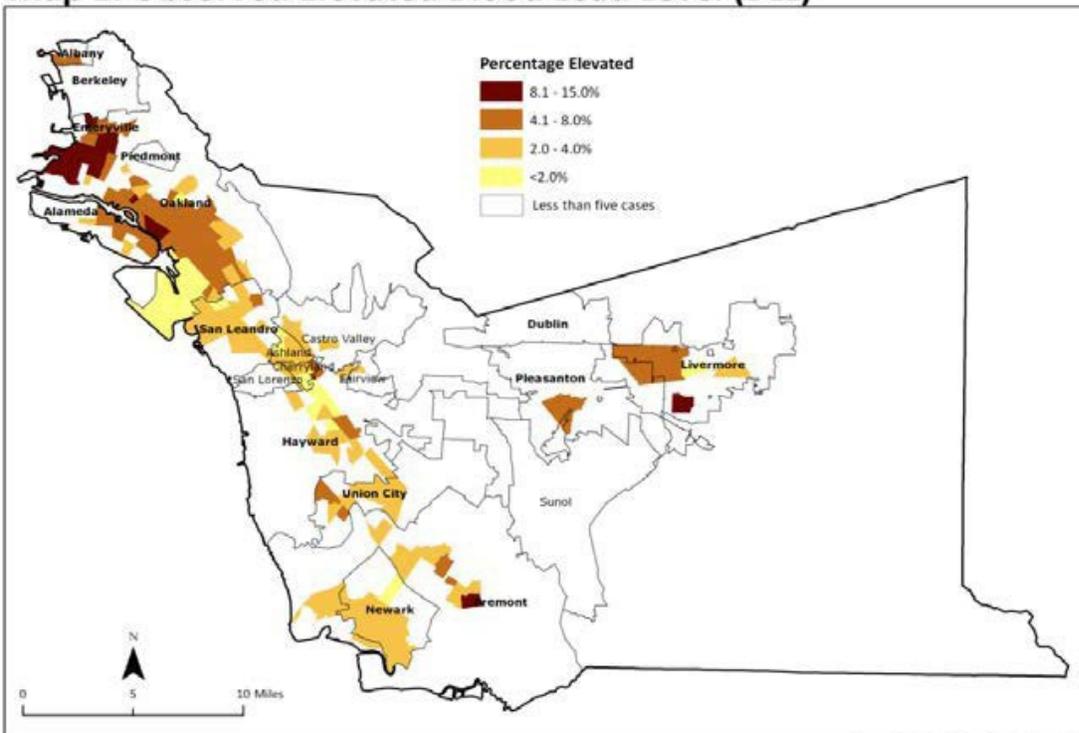
¹ <https://www.epa.gov/lead/learn-about-lead#effects>

² HUD data provided in the LHR Program Notice of Funding Opportunity

³ <https://www.epa.gov/lead/how-can-i-tell-if-my-home-contains-lead-based-paint>

To better understand lead-based paint hazards in Oakland, the City's Department of Race & Equity (DRE) commissioned a Racial Equity Impact Analysis on eliminating lead-based paint hazards. [This report](#), which was published in September 2021, found that a majority of child lead poisoning cases were found in Oakland. As identified in Map 1 below, most of the ZIP codes with the highest rate of elevated blood lead levels were in Oakland. The report also found that Black and Latino children were at elevated risk of elevated blood lead levels.

Map 1. Observed Elevated Blood Lead Level (BLL)



Source: CAPE, with data from CDA CLPPP. 2012

The City's Past Efforts to Remediate Lead-Based Paint Hazards

Historically, the City's primary efforts to remediate lead-based paint hazards have been under the City's Housing & Community Development Department (Oakland HCD). Oakland HCD uses a portion of Oakland's Community Development Block Grant (CDBG) allocation to fund a home rehabilitation program. This funds the [Lead-Safe Homes Program](#) (LSHP), which provides grants of up to \$40,000 to low-income homeowners to remediate lead-based paint hazards. Oakland HCD staff help scope LSHP projects and oversee the work of painting contractors; while the program is valuable, it is only able to serve roughly ten households per year. Thus, the need for additional resources to bolster program capacity is essential.

In 2001, the City joined a coalition of other local governments that sued lead-based paint manufacturers over the impacts of their products. On December 21, 2021, the City Council adopted [Resolution No. 88978 C.M.S.](#), which accepted a legal settlement with these lead-based paint manufacturers and agreed to a division of the settlement funds with the other local governments. \$23,985,922.92 were provided to Oakland and Alameda County to jointly use for

programs to mitigate the impacts of lead-based paint. Approximately \$14.4 million (60%) of the lead settlement funds would be spent in the City for lead poisoning prevention purposes. Using a portion of the first tranche of settlement funds released to the in 2022, the City hired a consultant to support the program design of an Equitable Lead Hazard Abatement Program (ELHAP). Once the ELHAP design is complete, the City and County would reach an agreement on the final use plan for the remaining funds in a second tranche.

The ELHAP design process is ongoing and should be completed by late spring 2026. The City Council last received an [informational report](#) on the progress of ELHAP development on June 25, 2024. The Green & Healthy Homes Initiative, Inc. (GHHI) was selected as the City's ELHAP program design consultant in a competitive procurement process that concluded in October 2024. GHHI is a nationally renowned nonprofit with deep expertise in lead-based paint remediation, program design, and healthy home improvements. GHHI has helped numerous other communities design or reorganize their lead-based paint remediation efforts, including Milwaukee, Baltimore, and Washington, D. C. GHHI's scope of work for the City includes a needs assessment, program design recommendations, and assistance identifying future funding sources that could help implement the program design.

GHHI supports the work of an inter-departmental ELHAP working group, led by the City Administrator's Office. This working group includes representatives of Oakland HCD, DRE, Planning & Building Department, and Office of the City Attorney. This working group will prepare a final list of program design recommendations for the ELHAP. Recent work from this group included a [roundtable with lead-based paint abatement professionals and workforce development providers](#), which was held on January 15, 2026. [Additional community engagement in the first half of 2026](#) will help ensure that the final ELHAP program design is fully responsive to community needs.

The City Council item focuses on the federally funded program. This federally funded program is separate and distinct from the settlement-funded ELHAP, though the two efforts will complement each other.

The Lead Hazard Reduction Grant Program

The LHR grant program is a recurring federal funding source for lead-based paint remediation and healthy homes improvements. On June 30, 2025, HUD announced a competitive Notice of Funding Opportunity (NOFO) for a total of \$364.5 million. As part of their funding opportunity identification work for ELHAP, GHHI notified City staff about this opportunity. On August 14, 2025, Oakland HCD staff submitted an application for \$4.4 million. GHHI was retained to provide advice and feedback on the City's application and provided useful expertise that contributed to the success of the application.

The LHR grant program is a long-standing HUD program with strong bipartisan support. While the County has previously received funding other this program, the City has not previously applied. LHR funds are primarily used for remediating lead-based paint hazards. This typically involves painting over exposed lead paint hazards with a strong lead-free layer to prevent the chipping of lead paint, as well as replacing some windows and doors. In areas with high wear, such as near windowsills, this work may also involve the removal of the underlying lead layers. In addition to funding the physical remediation work, funds from this grant can also be used to

expand the workforce and contractor pool for lead-based paint remediation work. To help address co-occurring home health hazards (like mold or radon), HUD also authorized up to \$400,000 per recipient jurisdiction to be used for additional healthy home improvements at the same properties lead-based paint remediation is being conducted.

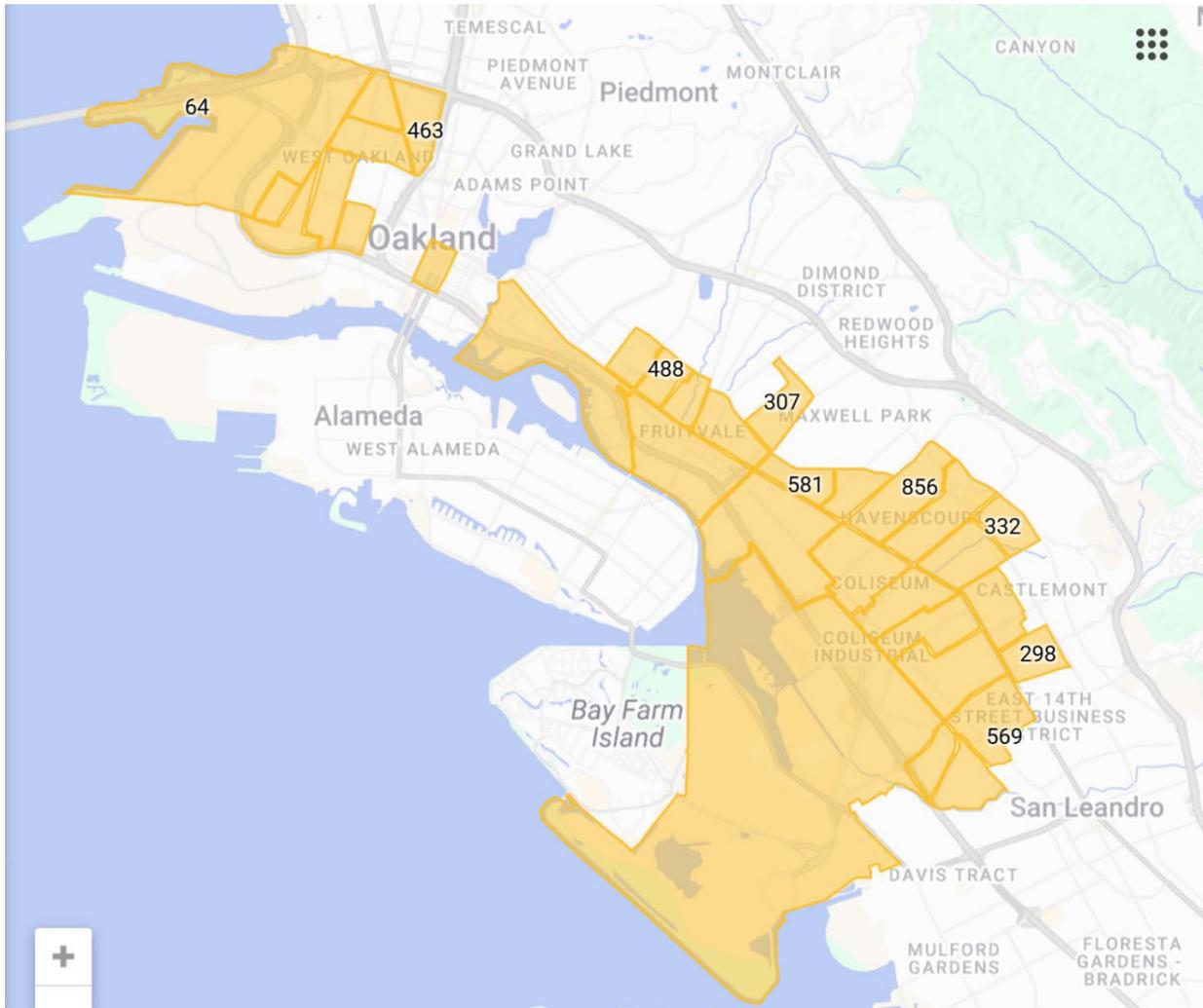
ANALYSIS AND POLICY ALTERNATIVES

The City's LHR Grant Program

This program will advance the Citywide priority of housing, economic and cultural security by reducing the number of Oakland households facing lead poisoning hazards. Staff project that Oakland's LHR grant program will fund lead-based paint remediation services for approximately 50 homes. Of those 50 homes, up to 35 will also receive healthy home improvements. Based on the requirements of the LHR grant program, owner-occupied housing must be occupied by households earning less than 80% of Area Median Income (AMI) and must have a child under six residing at the home or have a child under six spend significant time there. Rental housing units must be occupied by households earning 80% AMI or below, and half of rental units served must be occupied by households earning 50% AMI or below. In larger buildings of five or more units, 20% of households may earn more than 80% AMI. The proposed program design is a grant primarily to encourage the neediest households to participate, but the proposed structure also creates less administrative burden than a matching requirement or loan requirement.

Although the program is open to applicants citywide, a priority will be placed on serving applicants from the 33 census tracts in the top 5% of lead risk statewide. A map of these census tracts is included below (Map 2). An interactive version of this map is [available here](#).

Map 2: Priority Census Tracts (in yellow)



Numbers present on census tracts are estimated households eligible for ELHAP services. For census tracts where this is not shown in the static image above, please consult the [interactive map](#).

Staff anticipate the City's LHR grant program will source applicants from several avenues. While interested homeowners and property owners will be able to directly contact Habitat to apply, the City will also work with the County to refer households with detected lead exposure. The City and County will coordinate to avoid any duplication of assistance to the same household. The City will also work with several community groups in communities with the greatest lead-based paint exposure risk to promote this new program.

Habitat, a certified Local Business Enterprise (LBE), has long-standing experience serving the Oakland community with home rehabilitation services. Habitat was previously selected by the County to administer the County's [RENEW AC home rehabilitation program](#). Habitat also has recent experience working on federally funded home improvement programs, as they are a

current recipient of the [Older Adults Home Modification Grant Program](#). On May 20, 2025, following a competitive procurement process, the City Council adopted Resolution [No. 90728 C.M.S.](#), which awarded a \$1.5 million contract to Habitat to administer a home rehabilitation program. Although Habitat is a LBE, it is too large to qualify as a Small Local Business Enterprise (SLBE). This necessitates a waiver of the SLBE requirement, as the program administration is a single indivisible scope.

Up to \$321,397 from the LHR grant will be used for lead-based paint mitigation workforce and business development programs. This will expand the supply of workers certified to perform lead-related work through training, certification, and individualized support. It will also build contractor capacity to compete for project contracts through contractor engagement and one-on-one support focused on navigating City and program requirements, such as weekly certified payroll for work on multi-unit buildings, licensing, bonding, insurance, etc. This resolution would authorize the Administration to award one or more contracts, following a competitive procurement process, to expand the supply of workers certified to perform lead-related work and to build contractor capacity. These service providers would organize trainings, recruit potential construction-related workers and supervisors, and provide workers with individualized support. These service providers would also conduct contractor engagement and capacity building to ensure contractor readiness in LHR grant program participation. To work on lead-based paint remediation projects, workers and supervisors must receive a specialized certification. The classes for this certification can cost several hundred dollars, which may be a barrier for some workers, supervisors, and contractors. This LHR grant program can help offset these costs and provide the necessary support to ensure that the workforce is not only certified to perform the work, but that they are competitive in securing work. The contractor engagement and capacity building will be essential for small/local contractors to meet compliance requirements (prevailing wage, insurance, etc.) that would otherwise serve as a barrier to participation in publicly assisted projects. By expanding the supply of qualified lead-based paint remediation workers and contractors, the City will not only be ensuring a strong workforce and contractor pool for the LHR-funded remediation projects, but will also lay a strong foundation for the settlement-funded ELHAP work to come.

The program will focus primarily on single-family homes (both rental and ownership) at the beginning of program operations before later seeking to also serve small multifamily buildings. Rehabilitation work on small multifamily buildings triggers new contractor requirements, most notably the weekly submission of certified payroll, that small contractors can find challenging. A key priority for the business development component of the LHR grant program budget is helping small contractors build the capacity needed to meet these added requirements. Temporarily focusing on single-family homes will ensure funds are swiftly spent to address active lead poisoning risks while allowing time for the City's new contractor supports to begin operation. Once these supports are operational, the program can broaden to cover both single-family and multifamily homes.

Due to the limited number of current qualified firms and workers eligible to work on lead-based paint mitigation projects, staff recommend waiving the City's Small/Local Business Enterprise, local hire, and apprenticeship requirements. This would be in line with existing practices in the City's LSHP program. Despite active recruiting efforts by City staff involved in the LSHP program, vendor availability continues to be a challenging factor. Applying stringent vendor eligibility criteria to the LHR grant program would endanger the City's ability to meet HUD's

grant expenditure deadlines. The historic investment in workforce and business development supported by this grant will ultimately increase the proportion of S/SLBE eligible businesses that participate as construction contractors in the LHR grant program. However, these workforce and business development strategies will take time to implement and reach full effectiveness, hence the need for a waiver.

As a first-time LHR grant recipient, the City received a total of \$4.4 million. Upon the successful conclusion of its first LHR grant, the City would no longer be restricted to the first-time grantee pool for LHR grant program funds and should be eligible to apply under the Highest Lead-Based Paint Abatement Needs category for at least \$7 million. If HUD receives LHR appropriations at past levels for the next several years, the City would likely remain competitive for this funding. The LHR grant program therefore has the potential to be an ongoing funding source for lead-based paint remediation work in the City.

FISCAL IMPACT

This item would accept \$4.4 million from HUD and appropriate it to a grant fund to be determined (TBD), project to be determined (TBD). This item would authorize these funds to be spent on grants to homeowners, \$4,021,094.30 to Habitat for Humanity for program administration/project funding, and up to \$321,397 for workforce/business development service providers. Up to 10% of the grant can be spent on indirect costs, which will offset the impact on staff time.

As a requirement of the LHR grant program application, the City pledged a \$400,000 match from HUD - Community Development Block Grant Fund (2108), Habitat for Humanity – CDBG Project (1004145). This local match represents the value of work already budgeted for under the City's existing LSHP program. This match therefore represents no change in actual funding levels or service delivery. Although CDBG funds are usually prohibited as a match for other federal grants, the LHR grant specifically allowed such a match to be made.

PUBLIC OUTREACH / INTEREST

No outreach was conducted specifically for this item. Regional Asthma Management and Prevention, a local health nonprofit, provided a support letter for this grant application. Extensive community engagement is planned as part of the ongoing ELHAP development effort in 2026. More information about this engagement is [available here](#).

COORDINATION

HCD consulted with the ELHAP working group in preparing this grant application. The County's Healthy Homes Department provided a support letter for the City's application. This item was reviewed by the budget bureau and the Office of the City Attorney. The Department of Workplace and Employment Standards was consulted regarding applicable labor requirements for work conducted under this grant.

SUSTAINABLE OPPORTUNITIES

Economic: The Racial Equity Impact Analysis on lead-based paint hazards estimated that the societal costs of lead poisoning in the City are as much as \$150 million annually. Mitigating lead-based paint hazards increases lifetime earning potential and reduces social service costs. The work funded by this grant will create new employment opportunities for Oakland residents and reduce barriers to entry in the lead-based paint mitigation field.

Environmental: Lead is a potent neurotoxin with no safe exposure level and its presence in the human body is permanent and irreversible. This grant will help dozens of Oakland families avoid lead hazards and other indoor health hazards like mold or pests.

Race and Equity: The census tracts with the highest rates of lead exposure are primarily disadvantaged portions of East and West Oakland. This grant will help reduce long-standing disparities in access to safe and healthy homes, with a special focus on low-income households.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

This item is not subject to the California Environmental Quality Act (CEQA) as it does not fund any specific projects. Prior to making grants, any necessary environmental review for individual projects will be completed as part of Habitat for Humanity's scope of work.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To:

- (1) Accept And Appropriate Up To \$4.4 Million In Grant Funds From The Federal Lead Hazard Reduction Grant Program;
- (2) Enter Into A Professional Services Agreement With Habitat For Humanity East Bay/Silicon Valley, Inc. In An Amount Not To Exceed \$4,021,094.30, To Provide Grant Administration And Management Construction Services For The Lead-Based Paint Mitigation And Healthy Homes Programs, And To Waive The City Of Oakland's Local And Small Local Business Enterprise Program Requirements, Local Employment And Oakland Apprenticeship Requirements, And Request For Proposal/ Qualifications Competitive Process Requirements;
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- (4) Make Grants To Eligible Property Owners For The Remediation Of Lead-Based Paint Hazards And Healthy Home Improvements

For questions regarding this report, please contact Caleb Smith, Senior Policy Analyst at (510) 590-6275.

Respectfully submitted,



[Emily Weinstein \(Feb 26, 2026 12:23:17 PST\)](#)

Emily Weinstein
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