

SUBMITTED COMMENTS OF THE REAL ESTATE BOARD OF NEW YORK TO THE COMMITTEES ON HEALTH, HOUSING AND BUILDINGS, PUBLIC HOUSING AND THE COMMITTEE ON EDUCATION OF THE CITY COUNCIL REGARDING LEADFREE NYC AND THE ENFORCEMENT OF THE CITY'S LEAD LAWS

November 15, 2019

The Real Estate Board of New York (REBNY) is the City's leading real estate trade association representing commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople, and other organizations and individuals active in New York City real estate. REBNY supports the goals of LeadFreeNYC and appreciates this opportunity to comment on ways to further prevent lead poisoning in New York City. .

Owners typically make upgrades, whether cosmetic or related to changes in building code or safety policy, at vacancy. When it comes to rent stabilized stock, the opportunity to do this work is not on an annual basis, but decades apart. This is because the average tenancy for rent stabilized tenants is approximately 13 years. In neighborhoods like the Upper East Side and Upper West Side, tenancy rates are nearly 20 years. Those neighborhoods, and others with similar building stock age, contain large stabilized units of 3, 4, 5 or more bedrooms.

Typical of those buildings was the use of lead paint on high friction areas, such as door and window frames, radiators, and even on floors and ceilings. The larger the unit the more surface area to test and potentially mitigate. Owners are required to test, and if necessary, remediate, upon turnover by law.

The costs associated with these obligations can be significant. Those tests include a \$250 base fee, with an additional \$20-30 per wipe, typically a minimum of three, per room. The cost for these larger units for lead mitigation alone can be anywhere from \$50-75,000.

Prior to June 15, 2019, Individual Apartment Improvements (IAIs) was a viable method previously available to owners of stabilized units to cover the costs of work done for lead abatement. However, the legislation passed by the state in June provides for an IAI expenditure cap of \$15,000 that in no way covers the expense of compliance with the spirit of the laws on the books regarding lead hazard containment and abatement. Additionally, with the RGB guidelines applying to renewal leases, and not inclusive of initial leases despite the statutory authority to do so, there are no increases from the prior rent to the next year and new tenant to cover the testing of the unit either.

As the City Council explores the efficacy of its existing regulatory scheme, it is important to consider multiple tools for compliance – both carrot and stick. Missing from the current framework is an incentive program to cover the necessary work of lead testing and mitigation. One example is from the Washington D.C Department of Energy and Environment Lead Pipe Replacement Assistance Program. This program is designed to allow homeowners to recoup 50%, 80% or 100% of the cost of lead pipe replacement. The percentage of costs covered is determined by income limits of the effected households, with no income limit in place to recoup 50% of the cost of replacement. The program also allows homeowners to utilize an online interactive map to learn if their property contains lead pipes and if they are eligible for the assistance program. The program acknowledges the steep expenses associated with lead pipe replacement and the need for public funding to mitigate the public health risks posed lead pipes.

REBNY encourages the Council to consider creating a program to help owners meet the per room cost of lead abatement.

Thank you for the time and consideration of these points.

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