



# CAPITOL WEEKLY

COVERING CALIFORNIA GOVERNMENT AND POLITICS

## Lead paint ruling hurts homeowners, rewards trial bar

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“There’s no place like home” – the popular movie line rings true for many proud homeowners. Your home represents your hard work and ability to provide for loved ones – it’s a sign that you’ve arrived.

Home ownership remains the quintessential American dream, despite its burdens and financial hurdles. If you’re a homeowner who’s worked hard to buy the roof over your head, the value of your home may be at risk due to a recent court ruling.

Homes built between 1951 and 1981 are also labeled public nuisances, and homeowners must deal with the consequences.

A California judge has ruled that homes built before 1981 are a public nuisance because those homes are presumed to contain some lead paint.

Because of the lawsuit, which was pushed by trial lawyers looking for a way to line their pockets, all pre-1981 homes have now been “red tagged” as public nuisances in the 10 communities that participated in the lawsuit. Those are the counties of Santa Clara, Alameda, Los Angeles, Monterey, San Mateo, Solano and Ventura; the cities of Oakland and San Diego; and the city and county of San Francisco.

The frightening new label adds to the burden of California homeowners who now face the likelihood of decreased property values, added financial liability, intrusive government inspections and forced public disclosures.

To remove the public nuisance label, impacted homeowners must comply with the government’s plan for searching and remediating their homes – a process that varies depending on the year the home was built.

For homes built before 1951, homeowners who agree to a government inspection can access funding to fix the problem. A government representative will decide if and how lead paint abatement will be performed and the amount of funding the homeowner will receive, and the results will be tracked in a public database. Homeowners who choose not to participate in the court’s abatement program will also be listed in a public database for failing to comply.

High housing costs are chasing California’s middle class out of the state, and business will follow.

Homes built between 1951 and 1981 are also labeled public nuisances, and homeowners must deal with the consequences. However, they’re not eligible to receive funding from the court’s abatement plan. This leaves millions of homeowners with an unfunded mandate to remediate certain lead paint in their homes – an expensive and lengthy process.

For families who are one crisis away from living on the streets, the added repair expenses could be the final nail. And the impacts are not limited to low-income homeowners; the ruling will also squeeze California’s middle-class whose entire financial savings are vested in their homes.

Added housing expenses will force tough financial decisions: Should I do unnecessary remediation work on my house to preserve its value or save for college? For some working families, the added burden will beg the question: Why stay?



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High housing costs are chasing California's middle class out of the state, and business will follow. Small businesses cannot attract and retain a qualified workforce if workers cannot find affordable housing near their place of work. More and more of our small business owners are opting out of California and setting up shop in states where their employees can afford to live. This disastrous court ruling will only add to the bleeding, piling yet another financial burden onto the backs of cash-strapped Californians.

While state lawmakers are aware of the problem and have introduced proposed legislation on the issue, their proposals so far only make it worse. The only viable solution is one that will overturn the court ruling and remove the "red tag" on millions of California homes. Low-income and middle-class homeowners have done their part – they've worked hard to buy their homes. Now it's time for Sacramento to step up and have their backs.

*Ed's Note: John Kabateck is the state director for the National Federation of Independent Businesses in California, which represents 22,000 dues-paying small business members across the state.*