

COMMUNITY PLANNING AND DEVELOPMENT
 BROWNFIELDS REDEVELOPMENT PROGRAM
 2005 Summary Statement and Initiatives
 (Dollars in Thousands)

BROWNFIELDS REDEVELOPMENT PROGRAM	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2003 Appropriation	\$25,000	\$4,694	-\$163	\$29,531	\$2,750	\$12,576
2004 Appropriation/Request	25,000	26,782	-148	51,634	51,634	20,000
2005 Request	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>23,000</u>
Program Improvements/Offsets	-25,000	-26,782	148	-51,634	-51,634	3,000

Summary Statement

No funding is requested for the Brownfields Economic Development Initiative (BEDI) in fiscal year 2005 as the Department continues to support the redevelopment of brownfields through the Community Development Block Grant (CDBG) program. A separate Brownfields program will not be retained in large part because of slow expenditure of funding and lengthy time frames to produce tangible results. Reliance on CDBG is expected to emphasize high priority needs with a propensity for projects that are "ready to go."

Brownfields Redevelopment Program

COMMUNITY PLANNING AND DEVELOPMENT
 BROWNFIELDS REDEVELOPMENT PROGRAM
 Summary of Resources by Program
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2003 Budget Authority</u>	<u>2002 Carryover Into 2003</u>	<u>2003 Total Resources</u>	<u>2003 Obligations</u>	<u>2004 Budget Authority/ Request</u>	<u>2003 Carryover Into 2004</u>	<u>2004 Total Resources</u>	<u>2005 Request</u>
Competitive Grants	\$24,837	\$4,694	\$29,531	\$2,750	\$24,852	\$26,782	\$51,634	...
Total Brownfields Redevelopment Program	24,837	4,694	29,531	2,750	24,852	26,782	51,634	...
FTE								
Headquarters			6				5	5
Field			<u>1</u>				<u>1</u>	<u>1</u>
Total			7				6	6

**COMMUNITY PLANNING AND DEVELOPMENT
BROWNFIELDS REDEVELOPMENT PROGRAM
Program Offsets
(Dollars in Thousands)**

Competitive Grants	<u>Amount</u>
2003 Appropriation	\$24,837
2004 Appropriation/Request	24,852
2005 Request	<u>...</u>
Program Improvements/Offsets	-24,852

Proposed Actions

No funding is requested for the Brownfields Economic Development Initiative (BEDI) in fiscal year 2005 as the Department continues to support the redevelopment of brownfields through the Community Development Block Grant (CDBG) program and cooperation with the Environmental Protection Agency (EPA). A separate Brownfields program will not be retained in large part because of slow expenditure of funding and lengthy time frames to produce tangible results. Reliance on CDBG is expected to emphasize high priority needs with a propensity for projects that are "ready to go."

Under the authority of Section 108(q) of the Housing and Community Development Act of 1974 as amended, BEDI grants were awarded competitively for economic development and remediation of qualified brownfields projects. BEDI grants must be used with Section 108 loan guarantees to either enhance the security of the guaranteed loans or to improve the feasibility of proposed projects.

Only Community Development Block Grant (CDBG) entitlement communities and non-entitlement communities are eligible recipients. CDBG-eligible housing and economic redevelopment are eligible activities in the BEDI program. These include: (1) assistance to private, for-profit entities for economic development projects; (2) acquisition of property; (3) rehabilitation of buildings or construction of real property improvements carried out by public or private nonprofit organizations; (4) infrastructure improvements, including construction, reconstruction or installation of public and other site improvements; (5) clearance, demolition, removal and rehabilitation of buildings and improvements; and (6) the investigation and clean-up of environmental contaminations in connection with any of these eligible activities.

A longstanding Memorandum of Understanding allows HUD and EPA to integrate their efforts in the brownfields area to maximize the coordination of community development and environmental expertise. HUD focuses its financial and human resources on redevelopment of brownfields sites, while EPA concentrates its resources on up-front project assessment and remediation. More specifically, HUD and EPA target and use existing BEDI funds to jointly evaluate proposals, pro-actively help grantees find complementary sources of funding, and provide technical assistance to bring BEDI-supported projects to successful closure. EPA representatives serve on HUD's BEDI review panel and HUD staff in turn serves on EPA competition review panels. HUD is also part of the National Brownfields Partnership, which brings together resources from over 20 Federal agencies and non-governmental organizations to coordinate brownfields cleanup and redevelopment.

Between 1998 and 2003, HUD awarded 130 BEDI grants to 108 public entities, with slightly under half of all applications having been funded. Of these, 121 are to CDBG entitlement cities or counties with the remaining nine being to small cities. The average grant amount has been \$1,033,245. The largest grant awarded was for \$2.5 million while the smallest was for \$80,000. A significant portion of the total appropriation has been projected to be used as loan loss reserves to cover shortfalls in debt service on the Section 108 loans required to accompany all BEDI grants, which by definition cannot be disbursed until construction is completed and the project is open for business, a process that typically takes in excess of 5 years.

Brownfields Redevelopment Program

Brownfield redevelopment projects financed under BEDI have typically been large-scale and often complex undertakings, averaging more than \$40 million in total development costs. Each BEDI project has an average of five public and private sources of financing in all. While BEDI funds represent on average 2.3 percent of total development costs, they have leveraged an average of \$28 million in private funds and \$12 million in other public funds.

Brownfields Redevelopment Program

**COMMUNITY PLANNING AND DEVELOPMENT
BROWNFIELDS REDEVELOPMENT PROGRAM
Performance Measurement Table**

Program Name: Brownfields Redevelopment Program						
Program Mission: The Brownfield Redevelopment program helps communities more readily access revitalization resources that stimulate and promote economic and community development activities.						
Performance Indicators		Data Sources	Performance Report		Performance Plan	
			2003 Plan	2003 Estimate	2004 Enacted	2005 Plan
Support Creation of Jobs (estimate)	Grant Applications	5,400	7,000	5,400		

Explanation of Indicators

The indicator tracks, over time, the estimated number of jobs created with FY 2003 grants. Since no funds are requested for BEDI in the fiscal year 2005 Budget, no jobs were projected in the 2005 Performance Plan.

**COMMUNITY PLANNING AND DEVELOPMENT
BROWNFIELDS REDEVELOPMENT PROGRAM
Justification of Proposed Changes in Appropriations Language**

BROWNFIELDS REDEVELOPMENT

[For Economic Development Grants, as authorized by section 108(q) of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects, \$25,000,000, to remain available until September 30, 2005: Provided, That the Secretary of Housing and Urban Development shall make these grants available on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989.]

Explanation of Changes

- (1) Deletes language providing funds for competitive grants because no new funding is requested for fiscal year 2005.

Brownfields Redevelopment Program

COMMUNITY PLANNING AND DEVELOPMENT
 BROWNFIELDS REDEVELOPMENT PROGRAM
 Crosswalk of 2003 Availability
 (Dollars in Thousands)

<u>Budget Authority</u>	<u>2003 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2003 Resources</u>
Competitive Grants	\$25,000	-\$163	\$4,694	\$29,531
Total	25,000	-163	4,694	29,531

NOTES

None

Transfers

None

Brownfields Redevelopment Program

COMMUNITY PLANNING AND DEVELOPMENT
 BROWNFIELDS REDEVELOPMENT PROGRAM
 Crosswalk of 2004 Changes
 (Dollars in Thousands)

<u>Budget Authority</u>	<u>2004 President's Budget Request</u>	<u>Congressional Appropriations Action on 2004 Request</u>	<u>2004 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2004 Resources</u>
Competitive Grants	<u>...</u>	<u>\$25,000</u>	<u>-\$148</u>	<u>...</u>	<u>\$26,782</u>	<u>\$51,634</u>
Total Changes	<u>...</u>	<u>25,000</u>	<u>-148</u>	<u>...</u>	<u>26,782</u>	<u>51,634</u>

NOTES

None