

COMMUNITY PLANNING AND DEVELOPMENT  
 BROWNFIELDS REDEVELOPMENT PROGRAM  
 2006 Summary Statement and Initiatives  
 (Dollars in Thousands)

<b>BROWNFIELDS REDEVELOPMENT PROGRAM</b>	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2004 Appropriation .....	\$25,000	\$26,782	-\$148	\$51,634	\$26,654	\$10,318
2005 Appropriation .....	24,000	25,480	-192	49,288	49,288	13,000
2006 Request .....	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>14,000</u>
Program Improvements/Offsets .....	-24,000	-25,480	+192	-49,288	-49,288	+1,000

**Summary Statement**

The 2006 Budget proposes to consolidate the Brownfields program into a new, unified economic and community development effort, to be administered by the Department of Commerce. The proposed consolidated design will improve the results of efforts currently funded across multiple agencies. The proposed program design will focus on communities most in need of assistance, as well as enhance the results of the overall economic development efforts for communities across the nation.

Brownfields Redevelopment Program

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

<u>Budget Activity</u>	<u>2004 Budget Authority</u>	<u>2003 Carryover Into 2004</u>	<u>2004 Total Resources</u>	<u>2004 Obligations</u>	<u>2005 Budget Authority</u>	<u>2004 Carryover Into 2005</u>	<u>2005 Total Resources</u>	<u>2006 Request</u>
Competitive Grants ....	\$24,852	\$26,782	\$51,634	\$26,654	\$23,808	\$25,480	\$49,288	...
Total Brownfields Redevelopment Program .....	24,852	26,782	51,634	26,654	23,808	25,480	49,288	...

<u>FTE</u>	<u>2004 Actual</u>	<u>2005 Estimate</u>	<u>2006 Estimate</u>
Headquarters .....	4	6	6
Field .....	1	1	1
Total .....	5	7	7

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

<b>Competitive Grants</b>	<u><b>Amount</b></u>
2004 Appropriation .....	\$24,852
2005 Appropriation .....	23,808
2006 Request .....	---
Program Improvements/Offsets .....	-23,808

**Proposed Actions**

The 2006 Budget proposes to consolidate the Brownfields program into a new, synergistic economic and community development effort, to be administered by the Department of Commerce. The proposed consolidated design will improve the results of efforts currently funded across five agencies. The new program efforts will allow for Brownfields activities. The proposed program design will focus on communities most in need of assistance, as well as enhance the results of the overall economic development efforts for communities across the nation

**PROGRAM DESCRIPTION.** Brownfields Economic Development Initiative (BEDI) grants are authorized by Section 108(q) of the Housing and Community Development Act of 1974, as amended. To date, this program has awarded competitive grants, which must be used with Section 108 loan guarantees, for economic development and remediation of qualified brownfields projects. BEDI grants are used to either enhance the security of Section 108 guaranteed loans or to improve the feasibility of proposed projects. Eligible recipients are Community Development Block Grant (CDBG) entitlement communities and non-entitlement communities. Grants were made on a competitive basis in accordance with Section 108(q) selection criteria, including: (1) quality of the proposed plan and capacity of the applicant; (2) financial need for the assistance; (3) level of distress in the community to be served and in the jurisdiction applying for the assistance; and (4) extent of coordination with local stakeholders and the comprehensive planning process in general, including the appropriate environmental regulatory agencies.

**Eligible Activities.** Eligible BEDI activities are CDBG-eligible housing and economic redevelopment activities. 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) 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.

The Department has been working collaboratively with the Environmental Protection Agency (EPA). There is a longstanding Memorandum of Understanding with EPA and both HUD and EPA continue to integrate their efforts in the brownfields area to maximize the coordination of community development and environmental expertise.

Between 1998 and 2004, HUD awarded 147 BEDI grants to 113 public entities, with slightly under half of all applications having been funded. Of these, 138 were to CDBG entitlement cities or counties with the remaining nine awarded 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. 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: <b>Brownfields Redevelopment Program</b>					
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	
		2004 Plan	2004 Estimate	2005 Enacted	2006 Plan
Support Creation of Jobs (estimate).	Grant Applications	5,400	5,000	5,000	N/A

N/A = Not Applicable.

**Explanation of Indicators**

The indicator tracks, over time, the estimated number of jobs created with fiscal year 2003 grants. Since no funds are requested for BEDI in the fiscal year 2006 Budget, no jobs are projected in the 2006 Performance Plan.

Brownfields Redevelopment Program

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

The 2006 President's Budget includes proposed changes in the appropriations language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

[For competitive economic development grants, as authorized by section 108(q) of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects, \$24,000,000, to remain available until September 30, 2006]

**Explanation of Changes**

Deletes language providing funds for competitive grants because no new funding is requested for fiscal year 2006.

Brownfields Redevelopment Program

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

<u>Budget Activity</u>	<u>2004 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2004 Resources</u>
Competitive Grants .....	\$25,000	-\$148	...	...	\$26,782	\$51,634
Total .....	25,000	-148	...	...	26,782	51,634

Brownfields Redevelopment Program

COMMUNITY PLANNING AND DEVELOPMENT  
 BROWNFIELDS REDEVELOPMENT PROGRAM  
 Crosswalk of 2005 Changes  
 (Dollars in Thousands)

<u>Budget Activity</u>	<u>2005 President's Budget Request</u>	<u>Congressional Appropriations Action on 2005 Request</u>	<u>2005 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2005 Resources</u>
Competitive Grants .....	...	\$24,000	-\$192	...	\$25,480	\$49,288
Total Changes .....	...	24,000	-192	...	25,480	49,288