

**COMMUNITY PLANNING AND DEVELOPMENT
BROWNFIELDS REDEVELOPMENT PROGRAM
2011 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>
2009 Appropriation	\$10,000	\$10,000	...	\$20,000	\$11,849	\$22,100
2010 Appropriation/Request	17,500 ^{a/}	8,151	...	25,651	8,000	32,000
2011 Request .....	...	<u>17,651</u>	...	<u>17,651</u>	<u>[10,000]</u>	<u>29,000</u>
Program Improvements/Offsets	-17,500	+9,500	...	-8,000	+2,000	-3,000

a/ Includes up to \$175 thousand that may be transferred to the Transformation Initiative.

Summary Statement

No funding is requested for the Brownfields Economic Development Initiative (BEDI) in fiscal year 2011. The Brownfields program will not be retained as a separate program, but the program's activities do remain eligible under the Community Development Block Grant program. The elimination of Brownfields as a separate program in large part reflects performance issues that include slow expenditure of funding and lengthy timeframes to produce tangible results and that Brownfields activity are eligible in the CDBG program at local option.

Brownfields Redevelopment Program

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

<u>Budget Activity</u>	<u>2009 Budget Authority</u>	<u>2008 Carryover Into 2009</u>	<u>2009 Total Resources</u>	<u>2009 Obligations</u>	<u>2010 Budget Authority/ Request</u>	<u>2009 Carryover Into 2010</u>	<u>2010 Total Resources</u>	<u>2011 Request</u>
Competitive Grants	\$10,000	\$10,000	\$20,000	\$11,849	\$17,325	\$8,151	\$25,476	...
Transformation Initiative .....	...	...	...	...	175	...	175	...
Total	10,000	10,000	20,000	11,849	17,500	8,151	25,651	...
<u>FTE</u>	<u>2009 Actual</u>	<u>2010 Estimate</u>	<u>2011 Estimate</u>					
Headquarters	5	4	4					
Field	3	3	3					
Total	8	7	7					

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

Competitive Grants	<u>Amount</u>
2009 Appropriation	\$10,000
2010 Appropriation/Request	17,325
2011 Request	<u> </u>
Program Improvements/Offsets	-17,325

Proposed Actions

No funding is requested for the Brownfields Economic Development Initiative (BEDI) in fiscal year 2011. The program’s activities will remain eligible under the Community Development Block Grant program.

Program Description. BEDI grants are authorized by Section 108(q) of the Housing and Community Development Act of 1974, as amended. This program provides competitive grants, which must be used with Section 108 loan guarantees for economic development and remediation of qualified Brownfields projects. Grants are made 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) project readiness to proceed with redevelopment activities. 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.

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 non-profit 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.

In most previous rounds of BEDI grants, the Department worked collaboratively with the Environmental Protection Agency (EPA). There is a long-standing 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. Specifically, HUD has focused its financial and human resources on the end-use, or construction, phase of the redevelopment of Brownfields sites, while EPA concentrates its resources on up-front project assessment and remediation. HUD and EPA continue to work closely to target and utilize existing BEDI funds to jointly evaluate proposals; to proactively help grantees find complementary sources of funding; and to provide technical assistance to bring BEDI-supported projects to successful closure. EPA representatives have served on HUD’s BEDI review panel and HUD

Brownfields Redevelopment Program

staff members in turn served 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 reclaim Brownfields.

For the first 7 years of the program, annual appropriations were \$25 million; in 2005, appropriations were \$24 million; from 2006, through 2009 BEDI received \$10 million in annual appropriations. The 2010 appropriations is \$17.5 million.

Between fiscal years 1998 and 2009, HUD awarded 195 BEDI grants to 138 public entities, representing just under half of all applications submitted. Of these, 184 went to CDBG entitlement cities or counties, with the remaining 11 awarded to small cities. The average grant amount has been \$1.1 million. The largest grant awarded was for \$2.5 million, while the smallest was for \$80 thousand. For fiscal years 2008 and later, the use of BEDI funds for loan loss reserved was prohibited.

Brownfields redevelopment projects financed under BEDI has 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.

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

Transformation Initiative	<u>Amount</u>
2009 Appropriation .....	...
2010 Appropriation/Request	\$175
2011 Request	<u>...</u>
Program Improvements/Offsets	-175

Proposed Actions

The Transformation Initiative allows the Secretary the necessary flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas.

Brownfields Redevelopment Program

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

The 2011 President's Budget does not include appropriation language.

Explanation of Changes

Deletes language providing funds for competitive grants because no new funding is requested for fiscal year 2011.

[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, \$17,500,000, to remain available until September 30, 2011: Provided, That no funds made available under this heading may be used to establish loan loss reserves for the section 108 Community Development Loan Guarantee program.] (Department of Housing and Urban Development Appropriations Act, 2010.)

Brownfields Redevelopment Program

**COMMUNITY PLANNING AND DEVELOPMENT
BROWNFIELDS REDEVELOPMENT PROGRAM
Crosswalk of 2009 Availability
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2009 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2009 Resources</u>
Competitive Grants	\$10,000	...	...	...	\$10,000	\$20,000
Transformation Initiative .....	...	...	...	...	...	...
Total	10,000	...	...	...	10,000	20,000

**COMMUNITY PLANNING AND DEVELOPMENT
BROWNFIELDS REDEVELOPMENT PROGRAM
Crosswalk of 2010 Changes
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2010 President's Budget Request</u>	<u>Congressional Appropriations Action on 2010 Request</u>	<u>2010 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2010 Resources</u>
Competitive Grants	\$17,325	...	...	\$8,151	\$25,476
Transformation Initiative	<u>175</u>	...	...	...	<u>175</u>
Total	17,500	...	...	8,151	25,651