

**COMMUNITY PLANNING AND DEVELOPMENT
BROWNFIELDS REDEVELOPMENT PROGRAM
2012 Summary Statement and Initiatives
(Dollars in Thousands)**

BROWNFIELDS REDEVELOPMENT PROGRAM	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	obligations	Outlays
2010 Appropriation	\$17,500 ^a	\$8,151	...	\$25,651	\$5,750	\$17,152
2011 CR	17,500	17,325 ^b	...	34,825	10,000	28,000 ^c
2012 Request .....	...	<u>17,325</u>	...	<u>17,325^c</u>	<u>7,000</u>	<u>21,000^c</u>
Program Improvements/offsets	-17,500	...	...	-17,500	-3,000	-7,000

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

b/ Does not include \$2.041 million of expired 2009 funds.

c/ These numbers differ from the 2012 MAX schedules in the President's Budget Appendix. This justification contains the most current estimates.

Summary Statement

No funding is requested for the Brownfields Economic Development Initiative (BEDI) in fiscal year 2012. 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.

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. Both Community Development Block Grant (CDBG) entitlement communities and non-entitlement communities are eligible to receive grants.

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.

Brownfields Redevelopment Program

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 use 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 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.

Brownfields 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. Between fiscal years 1998 and 2010, 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 reserve was prohibited.

Program Relationship to Strategic Plan Goals and Subgoals

The BEDI Program advances subgoal 4A of the Department's Strategic Plan: Catalyze economic development and job creation while enhancing and preserving community assets. Brownfields sites tend to be part of abandoned neighborhoods in older urban areas with high poverty rates where infrastructure already exists. BEDI grants preserve economic activity that already exists and assists in enabling new business and job development for neighborhood residents.

Brownfields Redevelopment Program

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

<u>Budget Activity</u>	<u>2010 Budget Authority</u>	<u>2009 Carryover Into 2010</u>	<u>2010 Total Resources</u>	<u>2010 Obligations</u>	<u>2011 CR</u>	<u>2010 Carryover Into 2011</u>	<u>2011 Total Resources</u>	<u>2012 Request</u>
Competitive Grants	\$17,325	\$8,151	\$25,476	\$5,575	\$17,500	\$17,325	\$34,825	...
Transformation Initiative	<u>175</u>	<u>...</u>	<u>175</u>	<u>175</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>
Total	17,500	8,151	25,651	5,750	17,500	17,325	34,825	...

<u>FTE</u>	<u>2010 Actual</u>	<u>2011 Estimate</u>	<u>2012 Estimate</u>
Headquarters	4	4	6
Field	<u>3</u>	<u>3</u>	<u>2</u>
Total	7	7	8

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

Competitive Grants	<u>Amount</u>
2010 Appropriation	\$17,325
2011 CR	17,500
2012 Request	<u>...</u>
Program Improvements/Offsets	-17,500

Proposed Actions

No funding is requested for the Brownfields Economic Development Initiative (BEDI) in fiscal year 2012. The program's activities will remain eligible under the Community Development Block Grant program.

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

Transformation Initiative	<u>Amount</u>
2010 Appropriation	\$175
2011 CR .....	...
2012 Request .....	...
Program Improvements/offsets .....	...

Proposed Actions

No funding is requested for the Brownfields Economic Development Initiative (BEDI) in fiscal year 2012. The program's activities will remain eligible under the Community Development Block Grant program.

Brownfields Redevelopment Program

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

<u>Budget Activity</u>	<u>2010 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2010 Resources</u>
Competitive Grants	\$17,325	...	...	...	\$8,151	\$25,476
Transformation Initiative	<u>175</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>175</u>
Total	17,500	...	...	...	8,151	25,651

Brownfields Redevelopment Program

**COMMUNITY PLANNING AND DEVELOPMENT
BROWNFIELDS REDEVELOPMENT PROGRAM
Crosswalk of 2011 Changes
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2011 President's Budget Request</u>	<u>2011 CR</u>	<u>2011 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2011 Resources</u>
Competitive Grants	\$17,500	...	...	\$17,325	\$34,825
Transformation Initiative	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>
Total	17,500	...	...	17,325	34,825