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Brownfields Area-Wide Planning Federal Resources - 2012 Update

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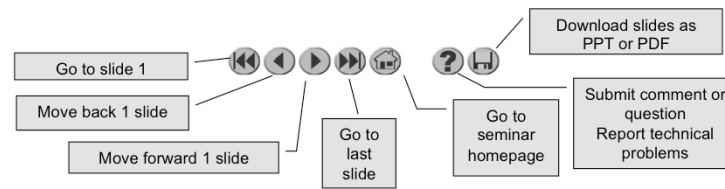
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With that, please move to slide 3.

*FY 2012 Federal
Funding for
Economic Re-development –
Briefing for BF AWP grantees*



Charlie Bartsch
Senior Advisor for Economic Development

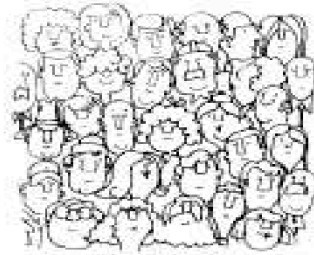
Aimee Storm
Brownfields AWP Program Coordinator

February 8, 2012

What this discussion will cover...

Federal funding available in FY 2012
from the federal programs family most
often used in conjunction with BF/site
redevelopment projects –

- *EPA, HUD, DOT*
- *EDA, USDA*
- *SBA, Others*



EPA Brownfield Assessment , Cleanup and RLF Capitalization Grants

Eligible entities

- State/local governments, tribes, redevelopment agencies, land clearance/community development/port authorities, other quasi-governmental entities; non-profits for cleanup grants ***only***

Availability

- Up to \$200,000 for ***assessment and cleanup*** grants(either hazardous substance or petroleum)
 - *Waiver for up to \$350,000 for site specific use*
- Up to \$1 million for ***RLFs***

Uses/redevelopment impacts

- ***Assessment*** – inventory, prioritize, assess sites; cleanup and linked re-development planning; brownfields AWP
- ***Cleanup and RLF*** – carry out cleanup activities; oversee cleanup construction, health monitoring; institutional controls, purchase environmental insurance
 - *RLF can be used for loans; 40% may be used for sub-grants*

EPA/Brownfields – Funding wrinkles and reality check

- Tight competition – about 1 in 3 qualified applications able to be funded
- Limit on administrative cost uses may inhibit small, non-profit applicants with little capacity
- New emphasis on implementation, leveraging commitments
- Sequential assessment/cleanup funding process may cause redevelopment timing issues
- Consider possible BF AWP ties to Environmental Workforce Development and Job Training grant

FY 2012 funding –

- *Program funded at \$95.0 million; BF ARC **grants** (assessment, cleanup, RLF) likely @ \$70 million*

EPA Clean Water, Drinking Water state revolving loan funds

- State funds capitalized by EPA each year
- States set RLF priorities within broad EPA guidelines
- Individuals and non-profits among eligible loan recipients
- Can finance loans up to 20 years; activities can include brownfield mitigation to correct or prevent water quality problems, including groundwater contamination
- Eligible activities include –
 - *Site assessments, disposal of USTs, excavation/removal/disposal of contaminated soil or sediments*

Water SRFs – Funding wrinkles and reality ***check***

- States set RLF project priorities, determine recipients of RLF proceeds
- 10% minimum of CWSRF must be used for green infrastructure/low-impact/innovative projects
 - *state discretion for DWSRF funds*
- EPA's water office is developing strategies for green infrastructure financing

FY 2012 funding –

- **Clean water SRF**
 - *\$1.469 billion for capitalization grants*
- **Drinking water SRF**
 - *\$919.36 million for capitalization grants*

HUD Community Development Block Grants

- **Entitlement cities (50,000+) and urban counties (200,000+)** get **formula-based annual grants**
- **Direct formula-based grants to states for small cities' needs**
 - *Small communities (> 50,000) compete for funds distributed by states according to state priorities*

Brownfield AWP-specific potential: Help finance all phases of brownfield redevelopment/ project implementation, consistent with HUD objectives

CDBG – Funding wrinkles & reality check

- Projects are locally determined
- Considerable local competition for funds
- Many long-time, repeat local recipients
- Low-mod benefit is primary HUD objective (minimum use of 70% of CDBG funds)
- Typical entitlement, state grantee may experience **10 % to 20% funding cut** from FY2011 levels

FY 2012 funding –

- **Community Development Block Grants**
 - *\$2.95 billion in formula grants*
 - 70% to entitlements, 30% to small cities
 - additional \$360 million for other CD purposes (total CD fund = \$3.31 billion)

HUD Section 108 guarantees, Sustainable Communities, BEDI grants

- **Section 108 loan guarantees** -- entitlement jurisdictions (cities and counties), and states on behalf of small cities, can apply for up to 5X their annual entitlement in loan guarantees, for CDBG-eligible activities
- **Sustainable communities challenge and implementation** grants for project planning and execution
- **Brownfield Economic Development Initiative (BEDI)** – brownfield redevelopment grants

Brownfield AWP specific potential: Help finance all phases of brownfield redevelopment/ project implementation, consistent with HUD objectives

Section 108, Sustainability, BEDI – Funding wrinkles & reality check

Section 108 loan guarantees --

- Typically used for infrastructure/site preparation projects with definable repayment revenue stream
- ***Caveat for small cities*** – in practice, state link severely limits participation

FY 2012 funding –

- **Section 108**
 - \$240 million in Section 108 loan **guarantees** (*supported by a \$5.95 million appropriation*)
- ***Zero funded for FY 2012:***
 - **Sustainability grants**
 - **BEDI**

DOT Highway and Transit Programs

- **Surface transportation** formula grants
 - *Finance roads, highways, bridges, traffic flow improvements*
 - *Can also finance congestion mitigation, enhancement projects*
 - *bicycle and pedestrian facilities, historic preservation/rehab/operation of historic trans. buildings/facilities*
- **Transit construction and operations** grants
 - *Finances bus/rail transit system/facility construction, modernization, and maintenance*
- **Metropolitan planning organization** formula grants
 - *Assists metro areas plan for the development and management of a range of transportation systems*

Brownfield AWP-specific potential – creative integration of a range of transportation/related projects into area-wide revitalization efforts at abandoned/underused sites

DOT – Funding wrinkles and reality check

- Linked to transportation system/facility siting
- Communities must work thru state MPOs, local transportation agencies
- Projects are determined by states, MPOs – and need to fit with MPO plan
- Planning process takes a long time
- Can be difficult to get an alternative transportation-related use into local system

FY 2012 funding –

- *\$500 million for National Infrastructure Investments (TIGER grants)*
 - Requires at least \$120.0 million in rural projects

DOT – Funding wrinkles and reality check

FY 2012 funding (cont.) –

- **Highway Trust Fund**
 - *\$39.14 billion in grants*
 - Includes \$429.8 million for transportation research
- **Transit**
 - *\$9.4 billion in formula and bus grants*

Economic Development Administration

- **Public works** grants
 - *Finance industrial site re-development, building reuse, and infrastructure preparation*
- **Economic dislocation** program
 - *capitalizes economic adjustment RLFs for distressed areas*
- **Planning** to support revitalization
 - *through Economic Development Districts (EDDs)*

Brownfield AWP-specific potential: can finance business-based, job promoting projects; support necessary redevelopment planning activities

EDA – Funding wrinkles and reality check

- Limited funding, significant competition
- Applications accepted on a quarterly basis
 - *Pre-approval at regional office level*
- Projects driven by job-generating potential, minimum \$/job requirements
- Unemployment key eligibility/ selection factor
- Often, a focus on smaller towns, rural areas

FY 2012 funding –

- ***\$220.0 million total for public works, economic dislocation, planning grants and guarantees***
 - Includes \$5.0 million for in-sourcing projects
 - Includes \$10.0 million for guarantees authorized under the America COMPETES Act

EDA – Funding wrinkles and reality check***FY 2012 funding (cont.) –***

- **Public works**
 - *\$111.64 million in grants*
- **Planning**
 - *\$29.0 million in grants*
 - To rural economic development districts
- **Economic adjustment assistance**
 - *\$50.06 million in grants*

USDA Rural Development Programs

- **Community facility, utility** loans, guarantees, and grants
- **Business and industry** loans
 - *activities can include industrial park site development/rehabilitation or access ways*
- **Intermediary re-lending** program
 - *to finance business facilities*
- **Rural development** grants (RBEGs/RBOGs)

Brownfield AWP-specific potential: can all be used to meet brownfield cleanup and redevelopment needs, finance activities complementary to reuse

USDA – Funding wrinkles and reality check

- Applications are made to state USDA state offices on a rolling basis; these offices have significant influence on project funding decisions
- Population a key determining factor; typically, the smaller the community, the more competitive it is
- Private entities eligible for B&I assistance, non-profits for all assistance

FY 2012 funding –

- **Community facilities**
 - \$1.3 billion for ***direct loans***
 - \$105.71 million for ***guaranteed loans***
 - \$11.36 million for ***grants***
 - Includes \$3.6 million for capacity building

USDA – Funding wrinkles and reality check

FY 2012 funding (cont.) –

- **Business and Industry (B&I) development**
 - \$822.89 million in ***loan guarantee authority***
- **Rural business enterprise**
 - \$24.32 million in ***RBEG grants***
- **Rural Business opportunity**
 - \$2.25 million in ***RBOG grants***
- **Rural development loans**
 - \$17.71 million in ***loan authorizations***
- **Rural Electrification Act**
 - \$33.08 million for ***economic development/job creation projects***

USDA – Funding wrinkles and reality check

FY 2012 funding (cont.) –

- **Rural Energy for America (REAP) program**
 - \$6.49 million for **loan** authorizations
 - \$1.7 million in **grants**
- **Rural water, waste water, disposal, solid waste programs**
 - \$513.0 million total loans, loan guarantees, and grants
 - \$730.69 million in water and waste **loan** authorizations
 - \$62.89 million in water and waste **guaranteed loans**
 - \$327.11 million in water and waste disposal **grants**
 - Within the \$513.0 million total:
 - Includes \$66.5 million for tribes
 - Includes \$19 million for technical assistance grants
 - Includes \$15 million for circuit rider t.a.

SBA loan/loan guarantee programs

- **Section 7(a)** guaranteed loans, including the “low docs” program
- **Community Development Corporation** guaranteed loan program
- **Small Business Investment Company** program
 - *Guaranteed loans for debentures*
- **Trust certificate guarantees**

Brownfield AWP-specific potential: can reduce private sector risks associated with small business development, including facility preparation and related needs

SBA – Funding wrinkles and reality check

- Key programs operate as guarantees of private financing
- Much decision-making delegated to private, typically SBA “certified” lenders – who may not understand VCP, other processes and liability relief mechanisms
- Limited tolerance for loss – but any small business development project activity eligible
- Small business size limits fairly generous, especially for manufacturing

FY 2012 funding –

- **Section 7(a)**
 - *\$17.5 billion limit on **guaranteed loan** levels*

SBA loan/loan guarantee programs

FY 2012 funding (cont.) –

- **Community Development Corporation (CDC) program**
 - *\$7.5 billion in loan guarantee commitments*
- **Small Business Investment Company program**
 - *\$3.0 billion in debenture guarantee commitments*
- **Trust certificate guarantees**
 - *\$12.0 billion in trust certificate guarantees*

NOTE: \$207.1 million appropriation to support all this guarantee activity for FY 2012



With Some Creative Application – What Other Federal Programs Might Be Linked to Remediation and Redevelopment?

- **HUD Choice Neighborhoods Initiative** – focusing on a range of community development/betterments, vacant property-to-housing initiatives: ***\$120 million***
 - *\$80 million to be awarded to public housing authorities*
 - *Requires consultation with EPA to coordinate, leverage federal \$\$*
- **HUD HOME Investment Partnerships** – to encourage private development of affordable housing: ***\$1 billion, allocated by formula***
- **Appalachian Regional Commission** – road and economic development projects in Appalachian states: ***\$68.26 million***
- **Community Development Financial Institutions** – for community based projects carried out thru qualified lender organizations: ***\$221.0 million (of which up to \$22 million is reserved for a healthy food financing initiative)***



***With some creative application --
5 federal tax incentives that can be
linked to BF redevelopment***

- **Rehabilitation** tax credits
 - *Permanently authorized; available to all projects meeting SHPO, federal requirements*
- **Low-income housing** tax credits
 - *\$3.5 billion in annual allocation to states*
- **New Markets Tax Credits**
 - *\$3.5 billion allocated 2/11; another round anticipated this year*
- **Energy efficiency/renewable energy** tax credits
 - *Most available thru 2013*
- **Brownfield cleanup expensing** tax deduction
 - *On hiatus; in tax extender package retroactive to 1/1/12*

BROWNFIELD AREA-WIDE PLANNING

Implementation Resource Tool



Provide BF AWP grantees the most effective way to identify and evaluate federal resources which could help with project implementation phase

BROWNFIELD AREA-WIDE PLANNING

Implementation Resource Tool

- Housing and Urban Development (HUD)
- Environmental Protection Agency (EPA)
- Department of Transportation (DOT)
- US Department of Agriculture (USDA)
- Department of Commerce (DOC)
- Small Business Administration (SBA)
- Department of Energy (DOE)
- Department of Interior (DOI)
- Health and Human Services (HHS)

BROWNFIELD AREA-WIDE PLANNING

Implementation Resource Tool

Searchable Spreadsheet of Multiple agencies
and programs

- Agency
- Type (grant; loan; etc.)
- Function (acquisition; infrastructure; housing; etc.)
- Eligibility
- Size of resource
- Rural specific

“Core” and “Related” Resources



Resources & Feedback

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U.S. EPA
Environmental Protection Agency

Technology Innovation Program

U.S. EPA Technical Support Project Engineering Forum
Green Remediation: Opening the Door to Field Use Session C (Green Remediation Tools and Examples)
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