Federal Resources for Brownfield Redevelopment

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May 10, 2018

PUBLIC SECTOR FINANCE ROLE

• Provide resources directly
  ▪ Competitive or formula grants; forgivable loans
  ▪ In-kind technical assistance

• Reduce financing risk and costs
  ▪ Loan guarantees; companion loans
  ▪ Interest-rate reductions or subsidies

• Improve the borrower’s financial situation
  ▪ Re-payment grace periods; tax abatements and incentives;

• Promote Public-Private Partnerships

Often essential, but not intended to be the full solution

- $ Unfunded
- $ Brownfields
- $ Zone
- $ Redevelopment
- $ EPA & State Assessment $ EPA Cleanup & RLF Grants $
COMMONLY USED FEDERAL RESOURCES/FUNDS

- USEPA (Grants & Tech. Asst.)
- USDA
- HUD: CDBG
- EDA
- DOT
- Tax code incentives

WHAT’S BEEN USED TO HELP FINANCE BROWNFIELD REUSE?

- Loans
  - EDA capital for local revolving loan funds
  - HUD funds for locally determined CDBG loans and "stuffs"
  - EPA capitalized revolving loan funds
  - SBA’s microloans
  - SBA’s Section 504 development company debentures
  - EPA capitalized clean water revolving loan funds (priorities set/programs run by each state)
  - HUD’s Section 203 loan guarantees
  - SBA’s Section 7(a) and Low-Doc programs
  - USDA business, intermediary, development loans
- Grants
  - HUD’s Community Development Block Grants (for projects locally determined)
  - EPA assessment, cleanup grants
  - EDA public works and economic adjustment grants

Grants (continued)

- DOE (nuclear system construction, preservation, rehabilitation programs)
- Army Corps of Engineers (cost-shared services)
- USDA community facility, business and industry grants

Equity capital

- SBA Small Business Investment Cos.

Tax incentives and tax-exempt financing

- Opportunity Zones
- New Markets tax credits
- Historic rehabilitation tax credits
- Low-income housing tax credits
- Industrial development bonds
- Energy efficiency construction credits

SOME BLEND OF THESE PROGRAMS CAN COVER EVERY ASPECT OF THE BROWNFIELD REVITALIZATION PROCESS:

- Brownfield reuse/redevelopment planning
- Site acquisition
- Environmental assessment and cleanup
- Installation of institutional controls
- Site clearance, demolition, debris removal
- Rehabilitation of buildings
- Construction of infrastructure
US EPA FUNDING & RESOURCES

USEPA ARC GRANTS * Contingent on BUILD Act Provisions *

<table>
<thead>
<tr>
<th>Assessment</th>
<th>RLF</th>
<th>Cleanup</th>
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<tbody>
<tr>
<td>Applicant</td>
<td>Eligibility</td>
<td>Government, Quasi-Government, Regional Council, Tribe</td>
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<td></td>
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<td>Government, Quasi-Government, Regional Council, Tribe</td>
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<td></td>
<td></td>
<td>Government, Quasi-Government, Regional Council, Tribe, Non-profit</td>
</tr>
<tr>
<td>Amount of</td>
<td>Funding Available</td>
<td>Community-wide</td>
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<tr>
<td></td>
<td></td>
<td>Up to $200,000 for hazardous substances, OR</td>
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<td></td>
<td></td>
<td>Up to $200,000 for petroleum, OR</td>
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<tr>
<td></td>
<td></td>
<td>Up to $200,000 for a combination of hazardous substances AND petroleum (not to exceed $200,000 for either type)</td>
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<tr>
<td>Site-specific</td>
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<td>Single-site proposal</td>
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<tr>
<td></td>
<td></td>
<td>Up to $500,000 per site</td>
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<tr>
<td>Assessment Coalition</td>
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<td>RLF Coalition</td>
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<tr>
<td></td>
<td></td>
<td>Up to $1,000,000</td>
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<tr>
<td></td>
<td></td>
<td>Multi-site proposal</td>
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<tr>
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<td></td>
<td>Up to $200,000 per proposal, which can include multiple parcels for a maximum total amount of $200,000</td>
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<tr>
<td></td>
<td></td>
<td>Up to 3 proposals totaling $600,000 (any combination of the above)</td>
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<td>Cost share</td>
<td>Requirement</td>
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<tr>
<td></td>
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<td>20% cost share</td>
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<tr>
<td></td>
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<td>20% cost share</td>
</tr>
<tr>
<td>Period of</td>
<td>Performance</td>
<td>3 years</td>
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<td></td>
<td>5 years</td>
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<td></td>
<td>3 years</td>
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<tr>
<td>Common</td>
<td>Eligible Grant</td>
<td>inventory, characterize, assess, reuse planning, cleanup planning, and conduct community involvement</td>
</tr>
<tr>
<td>Activities</td>
<td></td>
<td>capitalize a RLF program; provide loans and subgrants to carry out cleanup activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>cleanup activities, reuse planning, and community involvement</td>
</tr>
</tbody>
</table>

USEPA FUNDS - GRANTS * Contingent on BUILD Act Provisions *

• Assessment, Cleanup & Revolving Loan Fund Grants (ARC)
  • Annual Competition Announced in Fall 2018 with a Deadline of November/December. (RLF 2019)

• Area Wide Planning Grant (AWP)
  • Next Competition TBD

• Environmental Workforce Development Job Training Grants (EWDJT)
  • Next Competition 2019
ASSESSMENT GRANTS

Provide funding to plan, inventory and assess brownfields contaminated with hazardous substances, pollutants, contaminants and petroleum products, conduct community involvement, and cleanup/redevelopment planning.

Who is eligible?
- State, local, and tribal governments
- General purpose units of local governments
- Regional councils or redevelopment agencies

Anticipated Funding in Fiscal Year 2018

- Community-Wide Proposals:
  - Up to $200,000 for hazardous substances, or
  - Up to $200,000 for petroleum product, or
  - Up to $300,000 for hazardous substances AND petroleum in the same competition cycle

- Site-Specific Proposals:
  - Up to $200,000
  - May seek waiver and request up to $350,000

- Assessment Coalition Proposals:
  - Up to $600,000

- Award ~150 grants annually

Next Solicitation: Fall 2018

* Contingent on BUILD Act Provisions *
1. Community Need (50 points)

2. Project Description (50 points)

3. Community Engagement & Partnerships (35 points)

4. Project Benefits (25 Points)

5. Programmatic Capability (40 points)

Total Points: 200

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**ASSESSMENT GRANTS**

**CLEANUP GRANTS**

- Provide funding for remediation of brownfields contaminated with hazardous substances, pollutants, contaminates and petroleum products.

- **Who is eligible?**
  - Applicants must own the property at time of proposal submission
  - State, local, and tribal governments
  - General purpose units of local governments
  - Regional councils or redevelopment agencies
  - Non-profit organizations

- **Funding:**
  - Up to $200,000 per site (total of 3 sites)
  - Requires a 20% cost share
  - Award ~60 grants annually

Next Solicitation: Fall 2018

* Contingent on BUILD Act Provisions *

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**REVOLVING LOAN FUND (RLF) GRANTS**

- Funding capitalizes a revolving loan fund - provides loans and subgrants to carry out cleanup of brownfield sites contaminated with hazardous substances, pollutants, contaminates and petroleum products.

- **Who is eligible?**
  - State, local, and tribal governments
  - General purpose units of local governments
  - Regional councils or redevelopment agencies

- **Funding:**
  - Up to $1,000,000 ($800,000 in past years)
  - Requires a 20% cost share
  - Award ~12 RLFs biennially
  - Provide supplemental funding annually to ~30 existing high performing RLFs

Next Solicitation: Fall 2019

* Contingent on BUILD Act Provisions *
REQUIREMENTS TO SUBMIT A PROPOSAL

• Learn how to submit a proposal via www.grants.gov
  ▪ Review the Applicant Tools & Tips on the www.grants.gov website.

• Obtain the organization’s DUNS number and register in www.sam.gov NOW.

• Even if already registered in www.sam.gov make sure the account is active and will be active by the deadline.
  ▪ The account must be renewed annually by the E-Business Point of Contact (E-Biz POC).

• Ensure the correct Authorized Organization Representative (AOR) submits the proposal.
  ▪ The AOR must be designated by the E-Biz POC.

AREA-WIDE (AWP) PLANNING GRANTS

• Provide assistance for community involvement and reuse planning.
  ▪ Applicants select a focus area that is affected by Brownfields (e.g., a neighborhood, district, city block, corridor, etc.).
  ▪ Applicants must identify at least one catalyst, high priority site and any other brownfield sites in the focus area.
  ▪ Grant funds used to research existing conditions and involve the community in activities that will lead to development or an area-wide plan, including implementation strategies.

• Who is eligible?
  ▪ State, local, and tribal governments
  ▪ General purpose units of local governments
  ▪ Regional councils or redevelopment agencies
  ▪ Non-profit organizations

• Funding:
  ▪ Up to $200,000
  ▪ Award ~20 grants biennially

ENVIRONMENTAL WORKFORCE DEVELOPMENT AND JOB TRAINING GRANTS

• Provide funding to recruit, train, and place unemployed and underemployed residents of communities affected by solid and hazardous waste.

• Support training in various environmental programs across EPA (such as solid waste, Superfund, brownfields, emergency response, waste and stormwater, chemical safety, etc.).

• Who is eligible?
  ▪ States, counties, municipalities, tribes, and U.S. territories
  ▪ Colleges and universities
  ▪ Community job training organizations
  ▪ Non-profit training centers and Workforce Investment Boards

• Funding:
  ▪ Up to $200,000 each
  ▪ Award ~16 grants annually
USEPA TECHNICAL ASSISTANCE

- Targeted Brownfield Assessments (TBA).
- Technical Assistance for Brownfields (TAB)
- Tribal Technical Assistance

TARGETED BROWNFIELDS ASSESSMENTS (TBA)

- *EPA performs* environmental assessments for a community using a contractor
- Especially useful for small and rural communities as well as environmental justice communities
- Requests are accepted by regional EPA offices on a rolling basis
- Non-competitive (i.e., not a national competition)

TECHNICAL ASSISTANCE TO BROWNFIELD (TAB) COMMUNITIES

- Assists communities and tribes with the brownfields redevelopment process
- A national program
- Free to communities
- Funded by EPA via grants to 3 different entities
- K-State assists communities in EPA Regions 5, 6, 7 & 8
- Center for Creative Land Recycling (CCLR) assists in EPA Regions 2, 9, and 10
- New Jersey Institute of Technology (NJIT) assists in EPA Regions 1, 3, and 4
TRIBAL TECHNICAL ASSISTANCE

- Technical assistance to tribal communities addressing brownfields issues, including assistance with:
  - Understanding and building a Tribal Response Program,
  - Finding funding resources for cleanup and reuse,
  - Reviewing historical information,
  - Designing an investigation or sampling/analysis, and
  - Cleanup and redevelopment planning.

TAB TOOLS: BROWNFIELDS INVENTORY TOOL (BIT)

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TAB TOOLS: TAB EZ FOR EPA GRANT WRITING

OTHER RESEARCH, TRAINING AND TECHNICAL ASSISTANCE GRANTEES

The following four TA grantees will continue to work with communities through September 2019…

Council of Development Finance Agencies (CDFA)
Hazardous Materials Training and Research Institute (HMTR)
Groundworks USA
University of Louisville

NON-US EPA FEDERAL FUNDING & RESOURCES
USDA-RD FUNDS SUPPORTING BROWNFIELD REDEVELOPMENT

- Eligible activities include:
  - Planning for redevelopment or revitalization – for businesses and community facilities (which could include brownfield projects)
  - Site clearance/preparation, including demolition – key brownfield reuse/redevelopment activities
  - Rehabilitation/improvement of sites or structures – which might include removal or remediation of contamination as part of project
  - Construction of real estate improvements
  - Installation of amenities to enhance development

USDA CASE STUDY CHARLESTON PLACE, SEAFORED, DE (7,736)

- Abandoned sewing factory, built in 1920s
- Developed by non-profit Better Homes of Seaford
- $600,000 USDA rural development loan, plus DE Housing Authority and private bank participation
- Ribbon cutting 1/9/06; fully occupied by March

USDA CASE STUDY POTOSI, WI (700)

- Former 120 year old brewery.
- WI DNR seed grant approx. $30K
- USDA $3.3 million guaranteed loan
- Refurbished as micro-brewery, brewing museum and library
- 50 new jobs!
HOUSING AND URBAN DEVELOPMENT (HUD)
ENTITLEMENT AND STATE/SMALL CITIES CDBG PROGRAM

• Cities over 50,000 people get annual formula allocations

• Each state gets an annual funding allocation from HUD to meet small cities’ (less than 50,000 population) community development needs

• CDBG funds must meet one of HUD’s 3 broadly defined program objectives:
  – addressing the needs of low- and moderate-income people (at least 51% of funds)
  – addressing slums and blight
  – meeting an urgent community need

CDBG ELIGIBLE ACTIVITIES LINKING TO BROWNFIELD NEEDS

• Demolition and removal
• Rehabilitation of public and private buildings
• Planning
• Construction or reconstruction of infrastructure, neighborhood centers, recreation/public works facilities
• Can include coping with contamination as part of site preparation or infrastructure development
• Can be lent to private companies in some circumstances
• For the state/small cities program –
  ▪ Each state sets its own project funding priorities, defines its own program requirements, within these objectives and activities

CDBG CASE STUDY: MARSH ISLAND, CARRY, OLD TOWN, ME

• Abandoned 3-acre Lily-Tulip paper plate manufacturing site on Penobscot River
• Converted into waterfront park, 2 commercial buildings
• Key funding included $400,000 state/small cities CDBG grant for infrastructure around commercial buildings
• Other funding included:
  – $24,500 from the National Trails Recreation Act for trails, walkways, and river stabilization
  – $8,000 from ME Forest Service for trees
• Leverage: 4 new businesses, 30 jobs, $18,000 in property tax revenues, open space
**CDBG CASE STUDY SMALL BUSINESS INCUBATOR**

**WALTHILL, NE**

- Small business incubator in Walthill (population 909)
- Renovated and modernized former 4,000 sq. ft. electric power plant site, built in 1910, abandoned 20+ years
- Financing included –
  - $105,000 in state small/cities CDBG
  - $150,000 local sources

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**ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)**

- Key EDA investment Priorities
  - Public Works
  - Economic Adjustment
  - Planning
  - Regional Innovation Strategies
  - Trade Adjustment for Firms
  - Research and National Technical Assistance
  - Local Technical Assistance.
- Must be included in Comprehensive Economic Development Strategy – CEDs.

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**EDA CASE STUDY PLAINVIEW AR**

- Lumber/pressure treating facility, shut down in 1986
- Declared superfund site in 1999
- Redeveloped as specialty steel plant
- EDA public works - $763,000 for site preparation, construction, infrastructure as part of $1.1 million financing package
TRANSPORTATION PROGRAMS

• DOT highway/transit construction programs can support related revitalization by:
   Helping upgrade existing facilities
   Offering transportation amenities that improve access to and marketability of Brownfield sites
   Fund facilities and structures that serve as part of the remedial solution

• Transportation funds can be used for cleanup integral to transportation system development/upgrades

• Must work through state / local transportation agencies

DOT CASE STUDY FORMER CONOCO TOWER- SHAMROCK, TX (1,946)

• Opened in 1936 to serve the new Route 66 cutting thru the city; combined gas station and “U-Drop Inn Cafe”
• Closed in mid-1990s
• Purchased by First National Bank of Shamrock in 1997 and donated to city
• Restored by city of Shamrock for use as Chamber of Commerce
• $1.7 million DOT enhancement grant paid for most of the station restoration, supplemented by local fundraising
• Café is being restored as a revenue-generating enterprise to help cover maintenance costs
• Fun fact: inspired “Ramone’s Body Shop” in Disney movie “Cars”

NEW MARKETS TAX CREDIT

• NMTC program provides a tax incentive for private sector investment into economic development projects and businesses located in low-income communities.

• Program overseen by U.S. Department of the Treasury and directly administered by the Community Development Financial Institutions (“CDFI”) Fund [https://www.cdfifund.gov/programs-training/Programs/new-markets-tax-credit/Pages/default.aspx]

• NMTCs are allocated by the CDFI Fund to community development entities (“CDEs”)

• CDEs offer NMTCs to investors in exchange for qualified equity investments (“QEIs”) for the purpose of making loans to qualified active low-income businesses (“QALICBs”)

• Sweet spot - $5-10M loans
NMTC CASE STUDY - AVENUE OF THE ARTS
GRAND RAPIDS, MI (188,000)

- Arts-related mixed-use redevelopment project in an area largely abandoned since the 1950's
- Martineau Division-Oakes, 12,000-square-foot commercial space is occupied by the art department of Calvin College and a café
- 23 spaces for artists to live and work
- Once the project got off the ground, the city committed $2 million improvements in the development's neighborhood.

Key Elements:
- CDFI Hot Zone
  - 52% poverty rate
  - Family income 50% of area median income
- SBA Hub Zone
- NMTC $8.7 million from private investors
- 40 construction jobs, 21 permanent jobs

REHABILITATION TAX CREDITS

- Historic Preservation Credit
  - Federal
  - Limited application State credit
- Taken the year renovated building, in service
- Credit for certified rehabilitation work done on historic structures - 20% Federal rehab credit spread over 5 years

RTC CASE STUDY FORD MOTOR ASSEMBLY PLANT
RICHMOND CA (103,701)

- Built in 1930, 520,000 sq.ft.; closed 1953
- Original Albert Kahn “daylight factory”
- Rehabilitation work began in 2004
  - Included seismic retrofits, green performance measures, including solar panels on roof
- $11 million in rehab tax credits
- Today—houses several manufacturers of sustainable products, plus 45,000 sq ft meeting and entertainment venue
For Free Technical Assistance:

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Web site:  http://www.ksutab.org