



Using HUD Programs to Address Brownfields

August 14, 2014



Current Situation

- Federal financial resources for brownfield redevelopment are limited
- Exceptions do exist throughout Federal landscape
- At HUD, CDBG and Section 108 are primary funding conduits for brownfields activities
- Brownfields Economic Development Initiative (BEDI) not funded since FY 2009



CDBG

- CDBG remains primary Federal program focused on community development - \$3.030 billion in FY 14
- CDBG is formula based program with more than 1200 direct grantees (state and local levels)
- Funding is down 24% from FY 10 to FY 14
- FY 15 outlook – House passed bill at \$3.000 billion, Senate committee mark at \$3.020 billion
- HUD estimates more than 25 jobs created, sustained, supported with every \$1 million of CDBG



Section 108

- Loan guarantee provision of CDBG program
- Enables grantees to borrow up to five times most recent CDBG grant
- \$120 million in new guarantee authority in FY 2014 plus \$100 million in carryover from FY 13
- FY 2015 request is \$500 million in guarantee authority along with fee-based approach
- Eligible activities focused on economic development, infrastructure and real estate



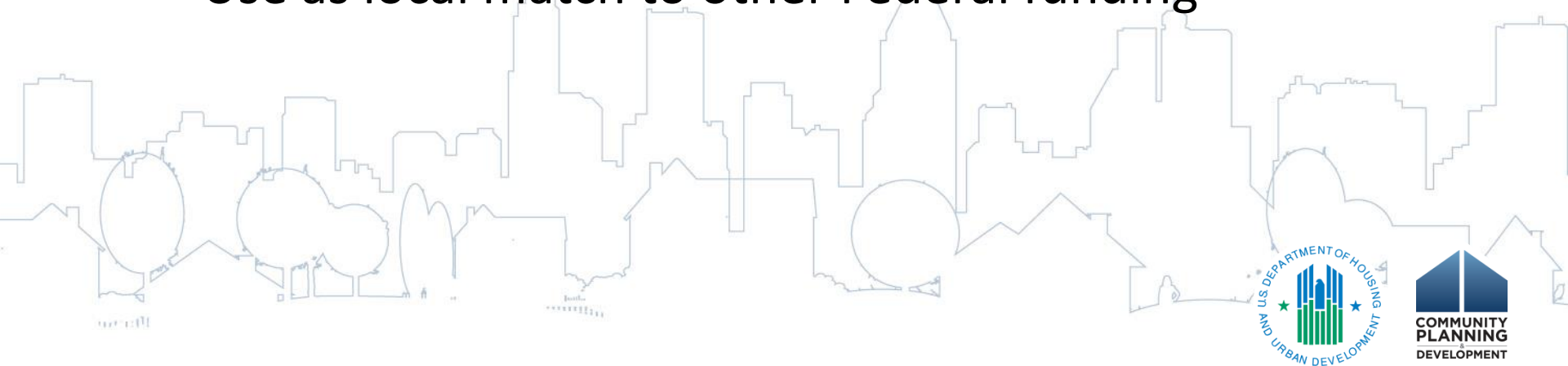
CDBG and 108 for Brownfields

- References throughout regulations regarding use of CDBG for environmental remediation
- Clearance and demolition – includes remediation of know or suspected contamination and project-specific environmental assessment costs
- Housing rehab – asbestos and lead-based paint abatement
- Economic development – activities may include costs for assessment and/or remediation



CDBG and 108 Eligible Activities

- Site acquisition and preparation
- Installation or improvement of infrastructure
- Construction of public facilities
- Loans to for-profit entities
- Loan funds/loan pools
- Use as local match to other Federal funding



CDBG National Objectives

- All uses of CDBG and 108 funds must meet one of CDBG national objectives
 - Low-mod benefit
 - Elimination of slum/blight
 - Imminent threat/urgent need
- At least 70% of funds must go to activities that benefit low-mod persons
- Use up to 30% for slum/blight in either areas qualified by known or suspected contamination or for remediation of individual properties



Putting CDBG/108 into Action

- Economic development uses represent only about 7% of CDBG annual expenditures
- Public facilities/infrastructure are estimated 32% of CDBG annual expenditures
- Section 108 commitments in recent years running at approximately \$200 million
- Many CDBG grantees have not used Section 108
- Section 108 pairs well with New Markets Tax Credit



Project Example – Santa Fe Springs, CA

- Santa Fe Springs, located just east of Los Angeles, is site of Golden Springs Industrial Park
- Closed and contaminated oil refinery was redeveloped into a 265-acre Class A industrial park, with 4 million square feet in 22 buildings, including retail and public art components
- Los Angeles County provided a \$20 million Section 108 Loan
- Santa Fe Springs contributed \$8 million and the private developer invested \$156 million
- Project created over 4,500 jobs, including 711 low-income jobs as required by the Section 108 Loan and other grant funds



CDBG TA Resources

- Technical assistance available through HUD's Community Compass (formerly OneCPD TA)
- CDBG grantees can request TA through on-line portal or HUD field offices
- <https://www.hudexchange.info/get-assistance/>
- TA ranges from on-call services to on-site TA to comprehensive needs assessments
- CDBG turns 40
[http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/CDBG_Turns](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/CDBG_Turns_40)

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CDBG Turns 40

- CDBG was enacted in August 1974
- Urging grantees to get on Twitter at #CDBGturns 40
- Visit website at:
[http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/CD BG Turns 40](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/CD%20BG%20Turns%2040)
- Videos, multimedia scrapbook, project descriptions and more info on using CDBG



Summary

- CDBG and Section 108 remain available to assist in brownfields redevelopment efforts
- Communities should check for unused, underused financial resources
- Need to get use of CDBG and Section 108 for brownfields redevelopment into local conversations on resource allocation

