

Summary of Federal Programs for Brownfields Redevelopment in Disadvantaged Communities¹

Agency/ Program	Activities/Brownfields-related Use of Funds	Targeting to Disadvantaged Communities	Websites
Agriculture, Department of - Rural Development	<p>Rural Development:</p> <ul style="list-style-type: none"> ○ Provides grant, loans and loan guarantee assistance for a variety of business, commercial and industrial projects in small towns and rural areas. ○ Supports the installation and improvement of critical infrastructure needed to support economic development. ○ Helps finance the construction of key public facilities. 	<p>Housing programs generally targeted to low income households (check specific programs through website in right-hand column)</p>	<p>Agency site: http://www.rurdev.usda.gov State Contacts: http://www.rurdev.usda.gov/recd_map.html Housing and Community Facilities: http://www.rurdev.usda.gov/rhs/ Business and Cooperative Programs: http://www.rurdev.usda.gov/rbs/</p>
Commerce, Department of - Economic Development Administration	<p>Economic Development Administration (EDA):</p> <ul style="list-style-type: none"> ○ Funds public works, infrastructure improvements, and public buildings designed to leverage job growth, especially in the industrial and technology sectors. ○ Capitalizes revolving loan funds for state and local implementation of strategies to attract private sector investment — targeted to local governments, states and regional development organizations ○ Provides planning grants to economically distressed states and regions — targeted to state, regional, local and tribal governments ○ Funds infrastructure modernization at closed military bases — targeted to local governments, development organizations and reuse authorities 	<p>Project must meet one or more economic distress criteria set forth in 13 CFR 301.3(a). Criteria weigh unemployment rate, loss of jobs, and other indicators of economic distress.</p>	<p>EDA Programs: http://www.eda.gov EDA's Brownfields page: http://www.eda.gov/Research/Brownfields.xml EDA's guide to using EDA funds on brownfields sites: http://www.eda.gov/PDF/EDABFFactSheet.pdf</p>

¹ Outlined here are the *primary* federal programs that offer financial assistance for brownfields redevelopment in disadvantaged communities. Programs are described only in summary form. This list does not include sources for technical assistance or programs that are primarily for other non-redevelopment purposes. For a complete list and description of federal brownfields-related programs, see: [Guide to Federal Brownfields Programs](#), 2005.

Sources: To develop this table, NEMW used the 2005 Guide as a starting point, then updated and clarified information by checking agency websites.

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<i>Defense, Department of – Army Corps of Engineers²</i>	US Army Corps of Engineers (USACE) - The Corps supports brownfield redevelopment efforts through its specific, Congressionally authorized water-resource related projects or by way of reimbursable engineering activities. The Corps offers expertise and assistance in flood control, dredging, environmental restoration, aquatic ecosystem restoration, collaborating with other federal agencies.		Agency Site: http://www.usace.army.mil Environmental programs: http://www.usace.army.mil/CEPA/FactSheets/Pages/Environment.aspx NEMW guide for using USACE for brownfields redevelopment: http://www.nemw.org/CorpsBFreddev.pdf
<i>Environmental Protection Agency – Brownfields Program</i>	Site Assessment Program – Grants up to \$200,000 for environmental site assessments. Funds may be used on public and privately owned sites. Applications may be for community-wide or site-specific funding. Higher funding amounts are available for: <ul style="list-style-type: none"> ○ Coalitions of eligible entities may apply together under one recipient for up to \$1,000,000; ○ An applicant may apply for community-wide assessments for both petroleum and hazardous substance assessments, totaling \$400,000. ○ Site-specific grants can be up to \$350,000. 	Ranking criteria for “community need”	EPA Brownfields topics: http://epa.gov/brownfields/index.html EPA Brownfields funding: http://www.epa.gov/swerosps/bf/application.htm#pg Guide to establishing an RLF: http://www.epa.gov/swerosps/bf/pdf/bss_rlf_080708.pdf
	Cleanup Revolving Loan Fund (RLF) – up to \$1 million for capitalization of a cleanup revolving loan fund. Loans may be made to private entities that are not responsible persons. 40% of funds may be used as a sub-grant for sites owned by public and non-profit entities other than the grant recipient.	Ranking criteria for “community need”	
	Cleanup Grants – Grants up to \$200,000 per site for site remediation. Limited to sites owned by public, quasi-public entities, and non-profits that are not responsible persons.	Ranking criteria for “community need”	
	Job Training Grants – Grants up to \$200,000 to train people for jobs in the environmental field, including cleaning up brownfields contaminated with hazardous substances, pollutants or contaminants and petroleum	Ranking criteria for “community need”	

² Sources also included NEMW guide for using USACE for brownfields redevelopment: <http://www.nemw.org/CorpsBFreddev.pdf>

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<i>Environmental Protection Agency – Clean Water State Revolving Funds</i>	Clean Water State Revolving Funds (CWSRF) Funds - can be used by states for loans of up to 20 years to finance activities that include brownfields mitigation to correct or prevent water quality problems, and which have a revenue stream to provide for loan repayment. There is no limit on the amount of funding that a project can access.		CWSRF: http://www.epa.gov/owmitnet/cwfinance/cwsrf/
<i>Federal Housing Finance Board and Federal Home Loan Bank</i>	Affordable Housing Program (AHP) – subsidizes the cost of owner-occupied housing for low and moderate-income individuals and families. The subsidy may be in the form of a grant or a below-cost or subsidized interest rate on an advance. AHP funds are primarily available through a competitive application program at each of the FHLBanks.	Families/individuals at or below 80 percent of the area median income, and rental housing in which at least 20 percent of the units are reserved for households with incomes at or below 50 percent of AMI.	Agency Website: http://www.fhfb.gov AHP: http://www.fhfb.gov/Default.aspx?Page=47
	Stand-by Letter of Credit (LOC) - The LOCs are credit enhancement/guarantees backing loans made by member institutions. LOCs can be issued to back a variety of loans and bonds, including: local government GO bonds, commercial real estate projects, TIF bonds, IDBs, and non-profit facilities. .		See this presentation: http://www.cdfa.net/cdfa/cdfaweb.nsf/fbaad5956b2928b086256efa005c5f78/9f0e8158fdc4ea8c862575b6005294be/\$FILE/FHLB%20Indy.pdf
	Community Investment Program (CIP) - Provides funding in the form of advances to members institutions with a discounted interest rate. An advance under the CIP is offered to a member at the FHLBank's cost of funds plus reasonable administrative costs. Members use CIP advances to fund the purchase, construction, rehabilitation, refinancing or predevelopment financing of owner-occupied and rental housing for low-moderate income households.	Households with incomes at or below 115% or the area median income.	CIP: http://www.fhfb.gov/Default.aspx?Page=47
	Community Investment Cash Advances (CICA) - programs offer funding, often at below-market interest rates and for long terms, for members to use to provide financing for projects that are targeted to certain economic development activities. These	o Rural Development Funding (RDF): Targeted beneficiaries with	CICA: http://www.fhfb.gov/Default.aspx?Page=48&Top=3

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	include commercial, industrial, manufacturing and social services projects, infrastructure, and public facilities and services. CICA lending is targeted to specific beneficiaries, including small businesses and certain geographic areas.	<p>incomes at or below 115% of the area median income;</p> <ul style="list-style-type: none"> ○ Urban Development Funding (UDF): targeted beneficiaries with incomes at or below 100% of the area median income. 	
Health and Human Services – National Institute of Environmental Health Science	NIEHS Worker Education and Training Program (WETP) These training grants provide model occupational safety and health training for workers and their supervisors who perform dangerous jobs in hazardous waste management and remediation programs.		WETP: http://www.niehs.nih.gov/wetp/
	Hazardous Waste Worker Training Program (HWWTP) The NIEHS WETP has established an effective national framework to develop and provide comprehensive training that is needed to address Superfund cleanups, chemical emergency responses, RCRA corrective actions and environmental restoration.		HWWTP: http://www.niehs.nih.gov/wetp/program/hazwaste.htm
	Minority Worker Training Program (MWTP) This program focuses on delivering training to disadvantaged young adults in order to prepare them for employment in the areas of environmental cleanup and construction. The MWTP works with academic institutions, with a particular focus on HBCU, as well as public schools and community-based organizations located in or nearby impacted areas.	(Goal of program is to increase the number of underrepresented minorities in the construction and environmental remediation industries.)	MWTP: http://www.niehs.nih.gov/careers/hazmat/programs/bmwt/index.cfm
Health and Human Services – Office of Community Services	Community Economic Development (CED) Program - provides funds to create employment and business development opportunities for low-income residents. Eligible applicants include: private, nonprofit organizations that are community development corporations (CDC) including faith-based, charitable and Tribal and Alaskan Natives organizations.	Beneficiaries are low-income individuals that may be unemployed or receiving public assistance, at-risk youth, persons with	Community Economic Development: http://www.acf.hhs.gov/programs/ocs/ced/fact_sheet.html

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		disabilities, persons who are homeless, and individuals transitioning from incarceration.	
Housing and Urban Development³	<p>Community Development Block Grant Program (CDBG) - CDBG funded activity must meet one of the program’s three objectives: 1) principally benefit low- and moderate-income persons; 2) prevent or eliminate slums or blight; or 3) meet other urgent community development needs. Funds may be used for economic development activities, including brownfields redevelopment, that have the potential to stimulate job and business opportunities in low-income and blighted communities.. HUD funding can be used for cleanup of all types of contaminants as well as necessary redevelopment activities like demolition.</p>	Funding formula measures community needs, including the extent of poverty and housing overcrowding. 70% of the CDBG funds must be used for activities that benefit low- and moderate-income persons.	<p>CDBG: http://www.hud.gov/offices/cpd/communitydevelopment/programs/</p> <p>see also: HOME Program: http://www.hud.gov/offices/cpd/affordablehousing/programs/home/</p>
	<p>Brownfields Economic Development Initiative (BEDI) – grants are intended to spur the return of brownfields to productive economic use through financial assistance to public entities in the redevelopment of brownfields, and enhance the security or improve the viability of a project financed with Section 108-guaranteed loan authority. Therefore BEDI grants must be used in conjunction with a new Section 108-guaranteed loan commitment.</p>	BEDI projects must increase economic opportunity for persons of low-and moderate-income or stimulate and retain businesses and jobs that lead to economic revitalization.	<p>BEDI: http://www.hud.gov/offices/cpd/economicdevelopment/programs/bedi/ BEDI FAQ: http://www.hud.gov/offices/cpd/economicdevelopment/programs/bedi/bfieldsfaq.cfm</p>
	<p>Section 108 Loan Guarantee Program - Section 108 provides federally guaranteed loans for large-scale economic development, housing, and public infrastructure projects. Small cities must work through their states. CDBG recipients must provide security for the loan, including a pledge a portion of their current and future CDBG grants.</p>	Projects must meet one of three objectives: 1) principally benefit low- and moderate-income persons; 2) prevent or eliminate slums or blight; or 3) meet other urgent community development needs.	<p>HUD 108 Loans: http://www.hud.gov/offices/cpd/communitydevelopment/programs/108/</p>

³ Source: [Guide to Federal Brownfields Programs](#), 2005 and Agency website

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	<p>Neighborhood Stabilization Program – HUD’s new Neighborhood Stabilization Program provides emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program (NSP) provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes.</p>	<p>Program funding formula includes consideration of the number and percentage of home foreclosures, homes financed by a subprime mortgages, and homes in default or delinquency.</p>	<p>Neighborhood Stabilization Program: http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/</p>
	<p>Renewal Community/Empowerment Zone/Enterprise Community (RC/EZ/EC) - Initiatives offer tax incentives and flexible funding. These efforts bring communities together through a strategic planning process to attract the investment necessary for sustainable economic and sustainable community development. Incentives for businesses to locate in and invest in EZ zones include:</p> <ul style="list-style-type: none"> o Wage credits for hiring EZ residents; o Deduction of equipment purchases; o Partial gross income exclusion from capital gains; o EZ bonds at favorable interest rates for business expansion. 	<p>Tax incentives are limited to businesses that invest in and expand jobs in EZ/EC Communities.</p>	<p>RC/EZ/EC:: http://www.hud.gov/offices/cpd/economicdevelopment/programs/rc/index.cfm</p> <p>EZ tax incentives: http://www.hud.gov/offices/cpd/economicdevelopment/library/taxincentivesez.pdf</p>
<p>Small Business Administration</p>	<p>Small Business Administration (SBA)</p> <ul style="list-style-type: none"> o Offers loan guarantees to support small businesses — targeted to small businesses through lending institutions and certified development corporations. o Assists in developing management and marketing skills — targeted to small businesses. SBA policy states that the agency is not to participate in a project until cleanup and liability relief have been achieved. 		<p>Agency website: www.sba.gov</p> <p>7(a) and 504 loan guarantees: http://www.sba.gov/services/financialassistance/index.html</p>
<p>Transportation, Department of</p>	<p>Transportation Enhancements (TE) - TE activities offer communities funding opportunities to expand transportation choices such as: bicycle and pedestrian facilities; landscaping and scenic beautification; and other investments that enhance communities and expand transportation choices. Communities</p>		<p>TE: http://www.fhwa.dot.gov/environment/te/index.htm</p> <p>See also:</p>

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	may also use TE funds to contribute toward the revitalization of local and regional economies by restoring historic buildings; renovating streetscapes; or providing transportation museums and visitors centers.		<ul style="list-style-type: none">○ Transportation and Community and System Preservation Pilot Program (TCSP): http://www.fhwa.dot.gov/tcsp/index.html○ Congestion Mitigation and Air Quality Improvement Program http://www.fhwa.dot.gov/environment/cmaggps/○ Federal Transit Administration: http://www.fta.dot.gov/grants_financing.html

Federal Brownfields-related Tax Incentives for Disadvantaged Communities⁴

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Brownfields Tax Expensing Program	<p>Brownfields Tax Incentive - Section 198(a) of the Internal Revenue Code provides the following benefits to taxpaying entities conducting environmental cleanup at brownfields sites:</p> <ul style="list-style-type: none"> ○ Allows environmental cleanup costs at eligible properties to be fully deductible in the year incurred, rather than capitalized and spread over a period of years. ○ Improvements in 2006 expanded the types of properties eligible for the incentive to include those with petroleum contamination. ○ Previously filed tax returns can be amended to include deductions for past cleanup. 		<p>Brownfields Tax Expensing Program: http://www.epa.gov/swerosps/bf/bftaxinc.htm</p>
Historic Preservation Tax Incentives	<p>Historic Preservation Tax Incentives - reward private investment through rehabilitating historic properties such as offices, retail stores, warehouses, factories and rental housing. The current tax incentives offered by this program are two different tax credits, which directly reduce the amount of tax owed by a property owner. These two tax credits are mutually exclusive and their use depends on the type of building.</p> <ul style="list-style-type: none"> ○ A 20 percent tax credit for the certified rehabilitation of certified historic structures. ○ A 10 percent tax credit for the rehabilitation of non-historic, non-residential buildings built before 1936. 		<p>National Park Service Historic Preservation Tax Credit: http://www.nps.gov/history/hps/tps/ta/</p> <p>State Historic Preservation Offices: http://www.ncshpo.org/</p>
Low Income Housing Tax Credits	<p>Low Income Housing Tax Credits – provide dollar-for-dollar tax credit to investors who provide equity or capital to qualifying projects that produce low income housing. Credits are allocated to the states based on a formula. For projects without federal financing, the tax credit's value is approximately nine percent of the development cost, excluding land. The credit can be taken by the developer or syndicated to other entities with tax liability and converted into equity or capital for the developer. Projects may involve remediation of land and/or buildings.</p>	<p>The tax credit is available for units rented to low-income occupants. At least 20% of occupants must have incomes below 50% of median income, or at least 40% of occupants with incomes</p>	<p>HUD Guide: http://www.huduser.org/datasets/lihtc.html#about</p> <p>National Low Income Housing Coalition: http://www.nlihc.org/template/index.cfm</p>

⁴ . For a complete list and description of federal brownfields-related programs, see: [Guide to Federal Brownfields Programs](#), 2005. To develop this table, NEMW used the 2005 Guide as a starting point, then updated and clarified information by checking the agency website.

		of 60 percent or less than the area median income.	
New Markets Tax Credits⁵	New Markets Tax Credits (NMTC) - provides private-sector investors (e.g., banks, insurance companies, corporations or individuals) with federal income tax credits, in return for new investments in eligible businesses in low-income communities, including brownfields projects. Tax credits are allocated by the Community Development Financing Institutions Fund (CDFI) for distribution by intermediary entities - Community Development Entities (CDEs). CDEs can include organizations such as community development corporations (CDCs), community development financial institutions, community development venture capital funds, small business development corporations, community loan funds, specialized small business investment companies and others. The credit provides a total of 39 percent of the cost of the project investment and is claimed over a seven-year credit allowance period.	Investments must be located in qualifying low income communities, i.e. a census tract where a) The poverty rate for such census tract is at least 20 percent; or b) The Median Family Income does not exceed 80 percent of area median income.	CDFI: http://www.cdfifund.gov Using NMTC on brownfields sites: http://www.epa.gov/brownfields/pubs/nmtxcr_0605.pdf

⁵ Sources also included the EPA guide to using NMTC on brownfields sites: http://www.epa.gov/brownfields/pubs/nmtxcr_0605.pdf