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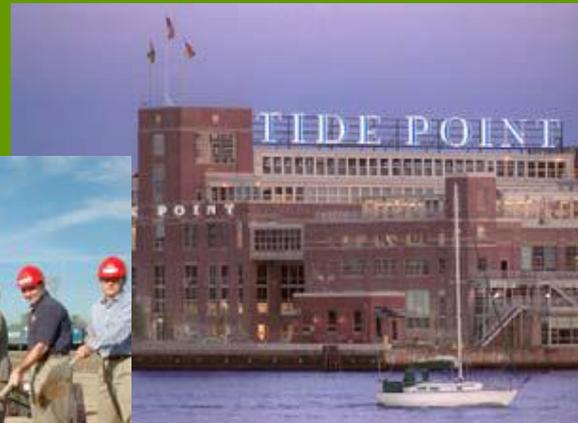
Emerging Federal Brownfields Policies

Ken Brown

Ohio Brownfields Conference
April 10, 2014

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Empowering localities to revitalize their communities through the exchange of strategies, tools, and best practices for brownfields reuse

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The NALGEP Brownfield Communities Network

- More than 2000 brownfields leaders in the community, non-profit, government and private sectors
- Overcoming barriers by convening experts, preparing white papers, and educating decision makers
- Providing technical assistance and sharing lessons learned through regional workshops, webinars, and conferences

Upcoming Events

- Webinar on Brownfields and Stormwater Management – May, 2014
- Webinar on Revolving Loan Funds – June, 2014
- Brownfields and Sustainability Summit in Washington, DC – Sept., 2014



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Today's Presentation

- 1. Brownfields Reauthorization**
- 2. FY 2014 and FY 2015 Funding for Brownfields**
- 3. Federal Brownfields Tax Incentive**



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Brownfields Utilization, Investment & Local Development (BUILD) Act of 2013

S. 491 -- Senators Inhofe (OK), Udall (NM), Crapo (ID)

HR 2896 – Rep. Slaughter (NY) with 3 co-sponsors



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Increased Funding for Clean-up Grants

- Up to \$500,000
- Can request a waiver up to \$650,000



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Multi-Purpose Grants

- Can be used for assessment, cleanup, and RLF
- Capped at \$950,000 per grant
- Funds must be expended within 3 years
- Total amount of multi-purpose grants cannot exceed 15% of total 104(k) funds available each fiscal year
- Additional ranking criteria to evaluate to include in grant guidelines
 - ✓ Overall plan for revitalization of 1 or more BF sites
 - ✓ Demonstrate capacity
 - ✓ Demonstrate need



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Eliminates Eligibility Barriers

Non-Profits

- Eligible for all categories of grants
- 501(c)(3) plus LLC and limited partnership subsidiaries to 501(c)(3)'s

Publicly Owned Sites Acquired before 2002

- Property acquired before January 1, 2002 eligible for assessment grants without burden of proving bona fide prospective purchaser status



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Eliminates Prohibition on Admin. Costs

- Allows recipients to use up to 8% of grant funding for administrative costs.



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Targeted Funding for States

- Up to \$2M of 104(k) funding can be granted to states for 128(a) eligible activities.
- To qualify, states must have used at least 50% of prior year 128(a) funds for assessment and remediation.



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New Grant Categories

Clean Energy Grants

- Clean energy project: renewable electricity (wind, solar, or geothermal energy) and energy efficiency (combined heat and power and district energy)
- Activities: planning, assessment, cleanup, feasibility analysis, design
- Grants capped at \$500,000

Waterfront Brownfields

- Sites adjacent to a body of water or federally designated floodplain.
- EPA to give consideration to grants serving waterfront brownfield sites.



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Enhanced Assistance for Disadvantaged, Small/Rural Communities

- EPA to prioritize assistance for small communities, Indian tribes, rural areas, or low-income areas with a population less than 15,000.



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Status of BUILD Act

- Senate Environment Committee unanimously approved S. 491 on April 3.
- House bill awaits Committee action.



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EPA Brownfields Funding

	FY 2013	FY 2014	FY 2015 Budget
Grants	\$100.8 M	\$90 M	\$85 M
Funding for States	\$45.9 M	\$47.7 M	\$47.7 M
Program Management	\$21.8 M	\$26 M	\$28.3 M
TOTAL	\$168.5 M	\$163.7 M	\$161 M



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HUD Brownfields Funding

Community Development Block Grants (CDBG)

- FY 2014 -- \$3.03 billion;
- FY 2015 Budget -- \$2.8 billion

Section 108 Loans:

- FY 2014 -- \$3 million to support \$150 million in guaranteed loans; Directs HUD to develop fees for borrowers.
- FY 2015 Budget – Admin. proposes fee-based funding

New Proposed Project Rebuild -- \$15 billion for redevelopment of abandoned and foreclosed commercial properties



EDA Funding

- Total EDA Funding
 - FY 2014: \$247 M
 - FY 2015 Budget: \$248 M
- Public Works and Infrastructure Grants
 - FY 2014: \$127 M
 - FY 2015 Budget: \$115 M
- Economic Adjustment Assistance Grants
 - FY 2014: \$42 M
 - FY 2015 Budget: \$47 M



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What is IRS Section 198

- Federal tax deduction for brownfield cleanup costs
- Established in 1997
- Reauthorized biannually by Congress
- Developers used deduction over 350 times since 1997
- Expired December 31, 2011



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How IRS Section 198 Works

- Brownfield developer performs cleanup.
- State environmental agency issues 198 brownfield certification letter for eligibility.
- With letter, taxpayer can deduct entire cost of remediation in year incurred against income on federal tax return.
- For \$1M cleanup -- Tax savings of \$400,000 to \$520,000, depending on income tax burden in state.



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What You Can Do

- Educate Members of Congress and staff about your local brownfields projects.
- Invite them to ribbon cuttings, tours, and events.
- Send them photos, news clips, project summaries.
- Include facts and figures on benefits to your community.



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For More Information

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