

### *National Brownfields Coalition:*

*The U.S. Conference of Mayors  
National Association of Counties  
Northeast-Midwest Institute  
National Association of Local Government  
Environmental Professionals  
International City/County Management Association  
Local Initiatives Support Corporation  
National Association of Towns and Townships  
National Association of Development Organizations  
International Council of Shopping Centers  
Community Revitalization Alliance  
Center for Creative Land Recycling  
City of Rochester  
Colorado Brownfields Foundation  
City of Trenton  
Florida Brownfields Association  
The National Conference of Black Mayors  
The Real Estate Roundtable*

*NAIOP, the Commercial Real Estate Development  
Association  
Environmental Bankers Association  
National Brownfield Association  
Trust for Public Land  
Smart Growth America  
City of Cleveland  
National Brownfield Nonprofit Network Initiative  
LOCUS, Responsible Real Estate Developers and  
Investors  
Brownfields Coalition of the Northeast  
Private sector partners:  
Cherokee Investment Partners, LLC  
O'Neil Properties  
Ater Wynne LLP  
Terracon  
Cardno TBE  
Goldstein Brownfields Group*

October 28, 2010

The Honorable Patty Murray, Chair  
Senate Appropriations Subcommittee on  
Transportation, Treasury, Housing & Urban Development  
173 Russell Senate Bldg.  
Washington, DC 20510

The Hon. Christopher "Kit" Bond, Ranking Member  
Senate Appropriations Subcommittee on  
Transportation, Treasury, Housing & Urban Development  
274 Russell Senate Office Building  
Washington, DC 20510

Dear Senators Murray and Bond:

Re: Ensuring Adequate FY 2011 Funding for HUD's Brownfields Programs

In April we wrote encouraging support of HUD's brownfields and sustainable community development programs. As the House and Senate Appropriations Committees, prepare for conference committee consideration of the FY 2011 Transportation, HUD Appropriations bill, we write now to express support for the House-passed version of the bill with respect to the HUD Brownfields Economic Development Initiative (BEDI) program. As you know, the House bill includes \$17 million to continue BEDI's vital role in cleaning up and redeveloping blighted, contaminated property; whereas the Senate "zeroed" the program.

HUD BEDI funds are used to clean up and redevelop abandoned or under-utilized warehouses, inactive factories, gas stations, salvage yards, vacant lots, contaminated properties, and other eyesores that plague virtually every community. There are an estimated 450,000 to one million brownfields sites nationally and, at the current pace of cleanup, we are addressing less than two percent of this inventory annually. These properties cause blight to neighborhoods, inhibit economic development, pose risks to public health and the environment, and erode the tax base of communities throughout the country. The HUD brownfields program has been critical to helping hundreds of communities clean up and redevelop these properties, creating jobs, increasing local tax revenue, and bringing new vitality to struggling neighborhoods.

However, there are three misconceptions about the BEDI program that might lead a casual observer to conclude that the HUD BEDI program is the wrong vehicle for brownfields funding.

- ***That it duplicates the EPA Brownfields Program.*** The EPA Brownfields Program is limited to site assessment and cleanup of contaminated sites. The BEDI program is designed to complement and supplement the EPA program by providing assistance for demolition, site preparation, and building rehabilitation on contaminated sites. It should be noted that case studies of brownfields redevelopment have found that site assessment and cleanup costs comprise less than one-half of the public investments required for successful projects. Further, the BEDI program can offer substantial assistance to private sites; whereas, the EPA program is geared to publicly-owned sites.
- ***That expanded funding of the CDBG program can substitute for BEDI.*** While cleanup of contamination is an eligible use of CDBG funds, CDBG funds are also highly constrained in most communities by the necessity of addressing abandonment and meeting the needs of lower income communities by providing affordable housing. The separate construct of BEDI with HUD 108 allows communities to devote some modest funding to cleanup and redevelopment of sites according to the economic and job creation needs of the city.
- ***That the program is too small to make a difference.*** As recently as FY 2005 BEDI was \$24 million annually. These BEDI funds leveraged at least \$125 million in HUD 108 loans, making the combination of BEDI-HUD 108 *larger than the EPA Brownfields Program*. BEDI-HUD 108 is often used as gap financing on *larger* economic development and mixed use projects, i.e. projects where the *EPA funds are deemed too small* to make a difference. The HUD 108 loans further leverage non-federal dollars at a ratio of about eight to one, creating a total impact of at least \$1 billion. These investments led to many transformative redevelopment projects that cannot be dismissed as insignificant.

Again, we urge you to ensure that HUD's brownfields program receives adequate funding in the FY 2011 Transportation, HUD Appropriations bill. Without these critical seed funds, hundreds of thousands of brownfield sites and other distressed properties will continue to remain idle, blighting neighborhoods and undermining local revitalization.

If you have questions or want additional information, please contact Evans Paull at the National Brownfields Coalition, Judy Sheahan of the U.S. Conference of Mayors at 202-861-6775, or Ken Brown of the Ferguson Group at 202-331-8500.

Thank you for your consideration.

Sincerely,

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cc: The Honorable Daniel K. Inouye, Chairman, Appropriations Committee  
The Honorable Thad Cochran, Ranking Member, Appropriations Committee  
Members Transportation and HUD Subcommittee  
The Honorable Barbara Boxer  
The Honorable James Inhofe  
The Honorable Max Baucus  
The Honorable John Barrasso