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113TH CONGRESS
2D SESSION

H. R. 4173

To establish the Brownfield Redevelopment and Economic Development Innovative Financing program to promote urban renewal, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2014

Ms. HAHN (for herself and Mr. GIBSON) introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To establish the Brownfield Redevelopment and Economic Development Innovative Financing program to promote urban renewal, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Brownfield Redevelopment and Economic Development Innovative Financing Act of 2014''.

SEC. 2. BROWNFIELD REDEVELOPMENT AND ECONOMIC DEVELOPMENT INNOVATIVE FINANCING PROGRAM.

(a) ESTABLISHMENT AND PURPOSE.—The Secretary of Housing and Urban Development, in consultation with the Secretary of the Treasury, shall establish a program, to be known as the Brownfield Redevelopment and Economic Development Innovative Financing program, under which the Secretary may guarantee, and make commitments to guarantee, the repayment of principal and interest on loans made by lenders to local governments, local redevelopment agencies, or BRAC redevelopment projects for the purposes of carrying out projects for redeveloping brownfields and promoting urban renewal.

(b) ELIGIBILITY REQUIREMENTS.—

(1) APPLICATION.—A local government, local redevelopment agency, or BRAC redevelopment project shall be eligible to receive a loan guarantee under the Program only if such government, agency, or project submits to the Secretary (at such time and in such form as the Secretary may require)—

(A) a master plan that meets the requirements under subsection (c);

(B) a certification from the Environmental Protection Agency, or an entity designated by the Environmental Protection Agency, that the brownfield to be redeveloped under the master plan requires environmental remediation; and

(C) any other information as the Secretary may require.

(2) LOAN ELIGIBILITY.—A loan may be guaranteed under the Program only if the loan meets the following requirements:

(A) USE.—Such loan shall be used for costs of carrying out a project to redevelop brownfields and promote urban renewal, which may include—

(i) acquisition of a brownfield site;

(ii) remediation of a brownfield site;

(iii) relocation of existing facilities in operation on the redevelopment site; or

(iv) site preparation, including the installation of utilities, sewers, storm drains, and transportation facilities.

(B) CONTAMINATION.—A local government, local redevelopment agency, or BRAC redevelopment project may not receive a loan guarantee under the Program if the applying agency was responsible for contaminating a brownfield to be redeveloped using such loan.

(C) NUMBER OF LOANS.—A local government, local redevelopment agency, or BRAC redevelopment project may not at any time have more than one outstanding loan that is guaranteed under the Program.

(D) AMOUNT OF PRINCIPAL.—The original principal amount of such loan shall not—

(i) be less than $25,000,000; and

(ii) exceed the lesser of—

(I) the total cost of the redevelopment project for which the loan is to be used; or

(II) $150,000,000.

(E) INTEREST RATE.—Such loan shall bear interest at a rate negotiated between the lender and the borrower, subject to any limitations that the Secretary may establish.

(F) DURATION.—The term to maturity of such loan shall not be shorter than 20 years nor longer than 30 years.

(G) REPAYMENT.—Such loan—

(i) shall not require any repayment of principal or interest within 10 years after the date that the lender makes the loan to the borrower; and

(ii) shall require that repayment shall begin not later than 15 years after the date that such loan is made.

(c) MASTER PLAN.—A master plan under this subsection shall describe the proposed brownfield redevelopment project for which the loan guarantee is to be made, and shall include—

(1) a description of the project to be funded by the loan, including a schedule of activities to be undertaken and a budget for such project;

(2) a demonstration that the brownfield redevelopment project will result in major redevelopment, based on economic development and environmental quality and restoration, in the community in which such project is located, which shall include information regarding—

(A) the extent of non-Federal funds committed to the project;

(B) the number of long-term jobs created by the project;

(C) the environmental remediation of brownfield sites due to the project;

(D) a description of the environmental and economic impact of the project on the community;

(E) the amount of affordable housing created by the project;

(F) the reduction of vehicle congestion and emissions expected to result from the project;

(G) the extent of integration of green technology into developments and buildings created by the project;

(H) the extent of improvement in air quality expected to result from the project; and

(I) the extent to which complete streets planning and transit-oriented development is incorporated into the project;

(3) evidence of the commitments of investment from non-Federal entities, established through zoning or other documentation; and

(4) a remediation action plan that has been approved by the Environmental Protection Agency, or its designee.

(d) SELECTION CRITERIA.—The Secretary shall establish criteria for selecting local governments, local redevelopment agencies, and BRAC redevelopment projects to receive loan guarantees under the Program. Such criteria shall take into consideration the information required under subsection (c)(2). Such criteria shall provide that existing BRAC redevelopment projects having existing

Federal grants, loans, or other assistance or commitments for Federal grants, loans, or other assistance, shall be given additional favorable consideration toward such selection.

(e) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for such guarantee with respect to principal and interest, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

(f) PROTECTION AGAINST LIABILITY FOR ENVIRONMENTAL REMEDIATION.—The Federal Government shall not be liable under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) or any other Federal, State, or local law as a result of a loan guarantee made under this section.

(g) PROCESSING; REPAYMENT AND COLLATERAL; CONGRESSIONAL OVERSIGHT.—

(1) PROCESSING.—The Secretary shall consider, process, and approve all requests for loan guarantees under this section using an approval process that is substantially identical to the approval

process used for loan guarantees provided under section 108 of the Housing and Community Development Act of 1974 (42 U.S.C. 5308).

(2) REPAYMENT SCHEDULE AND COLLATERALIZATION.—To be eligible for a loan guarantee under this section, an applicant shall demonstrate a viable repayment schedule and shall provide sufficient collateral to ensure repayment of loans so guaranteed, which may be in the form of a pledge of grants for which the applicant may become eligible under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), except that the Secretary may not require a pledge of such grants as collateral and shall provide for applicants to provide collateral in other forms, at the option of the applicant.

(3) CONGRESSIONAL OVERSIGHT.—Before final approval of any loan guarantee under this section, the Secretary shall notify the Committees on Financial Services and Appropriations of the House of Representatives and Committees on Banking, Housing, and Urban Affairs and Appropriations of the Senate of such approval.

(h) DEFINITIONS.—For purposes of this section the following definitions shall apply:

(1) BRAC REDEVELOPMENT PROJECT.—The term ''BRAC redevelopment project'' means a project to redevelop a site that has been designated as a Base Realignment and Closure Site by the Secretary of Defense, through the Defense Base Closure and Realignment Commission, and is listed on the website of the Department of Defense as such a site.

(2) BROWNFIELD.—The term ''brownfield'' has the meaning given such term in section 101(39) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(39).

(3) LOCAL REDEVELOPMENT AGENCY.—The term ''local redevelopment agency'' means any agency, office, or division of a State government whose purpose includes improving blighted, deteriorated, or otherwise economically depressed areas.

(4) REMEDIATION ACTION PLAN.—The term ''remediation action plan'' means, with respect to a brownfield redevelopment project, a document that describes how the project site will be remediated, what technology will be used to accomplish such remediation, and when the remediation actions will take place.

(5) PROGRAM.—The term ''Program'' means the Brownfield Redevelopment and Economic Development Innovative Financing program established under this section.

(6) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(i) REGULATIONS.—Not later than 6 months after the date of enactment of this section, the Secretary shall issue regulations as may be necessary to carry out the Program.

(j) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary $100,000,000 for fiscal year 2015 for costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of loans guaranteed under this section, which amounts shall remain available through fiscal year 2019.

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