

114TH CONGRESS
1ST SESSION

H. R. 3098

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

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2015

Ms. HAHN introduced the following bill; which was referred to the Committee on Financial Services

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Brownfield Redevelop-
5 ment and Economic Development Innovative Financing
6 Act of 2015”.

1 **SEC. 2. BROWNFIELD REDEVELOPMENT AND ECONOMIC**
2 **DEVELOPMENT INNOVATIVE FINANCING**
3 **PROGRAM.**

4 (a) ESTABLISHMENT AND PURPOSE.—The Secretary
5 of Housing and Urban Development, in consultation with
6 the Secretary of the Treasury, shall establish a program,
7 to be known as the Brownfield Redevelopment and Eco-
8 nomic Development Innovative Financing program, under
9 which the Secretary may guarantee, and make commit-
10 ments to guarantee, the repayment of principal and inter-
11 est on loans made by lenders to local governments, local
12 redevelopment agencies, or BRAC redevelopment projects
13 for the purposes of carrying out projects for redeveloping
14 brownfields and promoting urban renewal.

15 (b) ELIGIBILITY REQUIREMENTS.—

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

22 (A) a master plan that meets the require-
23 ments under subsection (c);

24 (B) a certification from the Environmental
25 Protection Agency, or an entity designated by
26 the Environmental Protection Agency, that the

1 brownfield to be redeveloped under the master
2 plan requires environmental remediation; and

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

5 (2) LOAN ELIGIBILITY.—A loan may be guar-
6 anteed under the Program only if the loan meets the
7 following requirements:

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

- 12 (i) acquisition of a brownfield site;
13 (ii) remediation of a brownfield site;
14 (iii) relocation of existing facilities in
15 operation on the redevelopment site; or
16 (iv) site preparation, including the in-
17 stallation of utilities, sewers, storm drains,
18 and transportation facilities.

19 (B) CONTAMINATION.—A local govern-
20 ment, local redevelopment agency, or BRAC re-
21 development project may not receive a loan
22 guarantee under the Program if the applying
23 agency was responsible for contaminating a
24 brownfield to be redeveloped using such loan.

1 (C) NUMBER OF LOANS.—A local govern-
2 ment, local redevelopment agency, or BRAC re-
3 development project may not at any time have
4 more than one outstanding loan that is guaran-
5 teed under the Program.

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

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

9 (ii) exceed the lesser of—

10 (I) the total cost of the redevel-
11 opment project for which the loan is
12 to be used; or

13 (II) \$150,000,000.

14 (E) INTEREST RATE.—Such loan shall
15 bear interest at a rate negotiated between the
16 lender and the borrower, subject to any limita-
17 tions that the Secretary may establish.

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

21 (G) REPAYMENT.—Such loan—

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

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

4 (c) MASTER PLAN.—A master plan under this sub-
5 section shall describe the proposed brownfield redevelop-
6 ment project for which the loan guarantee is to be made,
7 and shall include—

8 (1) a description of the project to be funded by
9 the loan, including a schedule of activities to be un-
10 dertaken and a budget for such project;

11 (2) a demonstration that the brownfield redevelop-
12 opment project will result in major redevelopment,
13 based on economic development and environmental
14 quality and restoration, in the community in which
15 such project is located, which shall include informa-
16 tion regarding—

17 (A) the extent of non-Federal funds com-
18 mitted to the project;

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

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

23 (D) a description of the environmental and
24 economic impact of the project on the commu-
25 nity;

1 (E) the amount of affordable housing cre-
2 ated by the project;

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

5 (G) the extent of integration of green tech-
6 nology into developments and buildings created
7 by the project;

8 (H) the extent of improvement in air qual-
9 ity expected to result from the project; and

10 (I) the extent to which complete streets
11 planning and transit-oriented development is in-
12 corporated into the project;

13 (3) evidence of the commitments of investment
14 from non-Federal entities, established through zon-
15 ing or other documentation; and

16 (4) a remediation action plan that has been ap-
17 proved by the Environmental Protection Agency, or
18 its designee.

19 (d) SELECTION CRITERIA.—The Secretary shall es-
20 tablish criteria for selecting local governments, local rede-
21 velopment agencies, and BRAC redevelopment projects to
22 receive loan guarantees under the Program. Such criteria
23 shall take into consideration the information required
24 under subsection (c)(2). Such criteria shall provide that
25 existing BRAC redevelopment projects having existing

1 Federal grants, loans, or other assistance or commitments
2 for Federal grants, loans, or other assistance, shall be
3 given additional favorable consideration toward such selec-
4 tion.

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

13 (f) PROTECTION AGAINST LIABILITY FOR ENVIRON-
14 MENTAL REMEDIATION.—The Federal Government shall
15 not be liable under the Comprehensive Environmental Re-
16 sponse, Compensation, and Liability Act of 1980 (42
17 U.S.C. 9601 et seq.) or any other Federal, State, or local
18 law as a result of a loan guarantee made under this sec-
19 tion.

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

22 (1) PROCESSING.—The Secretary shall con-
23 sider, process, and approve all requests for loan
24 guarantees under this section using an approval
25 process that is substantially identical to the approval

1 process used for loan guarantees provided under sec-
2 tion 108 of the Housing and Community Develop-
3 ment Act of 1974 (42 U.S.C. 5308).

4 (2) REPAYMENT SCHEDULE AND
5 COLLATERALIZATION.—To be eligible for a loan
6 guarantee under this section, an applicant shall
7 demonstrate a viable repayment schedule and shall
8 provide sufficient collateral to ensure repayment of
9 loans so guaranteed, which may be in the form of
10 a pledge of grants for which the applicant may be-
11 come eligible under title I of the Housing and Com-
12 munity Development Act of 1974 (42 U.S.C. 5301
13 et seq.), except that the Secretary may not require
14 a pledge of such grants as collateral and shall pro-
15 vide for applicants to provide collateral in other
16 forms, at the option of the applicant.

17 (3) CONGRESSIONAL OVERSIGHT.—Before final
18 approval of any loan guarantee under this section,
19 the Secretary shall notify the Committees on Finan-
20 cial Services and Appropriations of the House of
21 Representatives and Committees on Banking, Hous-
22 ing, and Urban Affairs and Appropriations of the
23 Senate of such approval.

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

1 (1) BRAC REDEVELOPMENT PROJECT.—The
2 term “BRAC redevelopment project” means a
3 project to redevelop a site that has been designated
4 as a Base Realignment and Closure Site by the Sec-
5 retary of Defense, through the Defense Base Closure
6 and Realignment Commission, and is listed on the
7 website of the Department of Defense as such a site.

8 (2) BROWNFIELD.—The term “brownfield” has
9 the meaning given such term in section 101(39) of
10 the Comprehensive Environmental Response, Com-
11 pensation, and Liability Act of 1980 (42 U.S.C.
12 9601(39)).

13 (3) LOCAL REDEVELOPMENT AGENCY.—The
14 term “local redevelopment agency” means any agen-
15 cy, office, or division of a State government whose
16 purpose includes improving blighted, deteriorated, or
17 otherwise economically depressed areas.

18 (4) REMEDIATION ACTION PLAN.—The term
19 “remediation action plan” means, with respect to a
20 brownfield redevelopment project, a document that
21 describes how the project site will be remediated,
22 what technology will be used to accomplish such re-
23 mediation, and when the remediation actions will
24 take place.

1 (5) PROGRAM.—The term “Program” means
2 the Brownfield Redevelopment and Economic Devel-
3 opment Innovative Financing program established
4 under this section.

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

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

11 (j) AUTHORIZATION OF APPROPRIATIONS.—There is
12 authorized to be appropriated to the Secretary
13 \$100,000,000 for fiscal year 2016 for costs (as such term
14 is defined in section 502 of the Federal Credit Reform
15 Act of 1990 (2 U.S.C. 661a)) of loans guaranteed under
16 this section, which amounts shall remain available through
17 fiscal year 2020.

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