

**TESTIMONY OF
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U.S. ENVIRONMENTAL PROTECTION AGENCY
BEFORE THE
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES**

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Good morning Chairman Gibbs, Ranking Member Napolitano, and Members of the Subcommittee. I am Mathy Stanislaus, Assistant Administrator for the U.S. Environmental Protection Agency's (EPA) Office of Solid Waste and Emergency Response (OSWER) that is responsible for the EPA Brownfields program. Thank you for the opportunity to appear today to discuss the status of the Brownfields program.

Brownfields sites are in the heart of America's downtowns and existing/former economic centers and reclaiming these vacant or underutilized properties and repurposing brownfields is at the core of the EPA's community economic revitalization efforts through the Brownfields program. Repurposing land can be the impetus for spurring community revitalization. The keys to community revitalization are the willingness of the people to work together to find common needs and goals and government's willingness to work with the community to redefine, and in some cases, rezone, industrial corridors, commercial districts, and residential neighborhoods to match neighborhood needs and community goals. We know the damage that abandoned, blighted, properties can do to a community, and the opportunities these properties present when local, state, or federal partners can provide seed money to leverage other private or public sector funding. That is why our Brownfields program can help be a catalyst for redevelopment and revitalization and hinges on the success of key partners working together to

implement the vision of local communities. On average, approximately \$18 in private and public funding is leveraged for every grant dollar expended by the EPA's Brownfields program.

By awarding brownfields grants, the EPA is making investments in communities so that they can realize their visions for environmental health, economic growth, help support job creation and advance social goals. In reviewing proposals and awarding grants, the EPA has found that brownfields come in a range of sizes and types. Brownfields range from large industrial sites to small properties such as dry cleaners, vacant lots and gas stations. They represent the faded economic vibrancy of a community, and are often associated with social issues of high unemployment, and crime. They also represent future opportunities to revitalize the area to bring jobs, affordable housing, recreational space and other vibrant activity back to the community. These sites are hidden assets, but assets nonetheless, because of their advantages such as proximity to transportation, and other infrastructure, we are also now investing in some of the communities identified in the President's Investing in Manufacturing Communities Partnership (IMCP) initiative. The IMCP is an Administration-wide initiative that will accelerate the resurgence of manufacturing and help communities cultivate an environment for businesses to create well-paying manufacturing jobs in cities across the country. The EPA is involved in the IMCP initiative because many of these sites have past industrial uses, have access to a ready workforce that through training can participate in the cleanup, have redeveloped, end uses, and are located near established universities and R&D centers. These brownfields sites are uniquely situated to attract new manufacturing activities.

The EPA's land cleanup programs help protect public health and the environment and maintains a data base with more than 541,000 sites, almost 23 million acres. As part of our data analysis, the EPA found that the population living within 3 miles of brownfields sites is more likely to be minority (47.6%), low income (17.1%), linguistically isolated (11.9%), and less likely to have a high school education than the

U.S. population as whole (17.2%)¹. However, by cleaning up brownfields properties not only are we protecting human health and the environment, studies have shown that residential property values near brownfields sites that are cleaned up increase between 5 and 13 percent, and there are additional economic and environmental benefits.

The EPA Brownfields program provides direct funding to communities, states, tribes and nonprofits for brownfields assessment, cleanup, revolving loans, research, technical assistance, area-wide planning, and environmental job training. The unmet need for brownfields funding for local communities to address abandoned, underutilized, and contaminated sites continues to rise. This demand for brownfields funding far exceeds Brownfields program funding levels and is exacerbated by increasing assessment and cleanup costs. The EPA is currently only able to fund approximately one quarter to one third of the competitive grant applications we receive. The program estimates that over the past five years, an additional 1,767 requests for viable projects scored highly, but were not selected because of limited funding. If the EPA had the funding to select, and the resources to manage, the additional 1,767 high scoring proposals, the grants would have leveraged an estimated additional 50,633 jobs and over \$12 billion of public and private funding.

Brownfields Program Accomplishments

The Brownfields program is premised on partnerships between the public and private sector, with the EPA's critical early resources providing certainty and leveraging funding from other government agencies and the private sector to achieve positive economic, environmental and social outcomes. More than 106,000 jobs have been leveraged and \$23.3 billion in cleanup and redevelopment has been leveraged through brownfields project funding since the inception of the Brownfields program. In FY

¹U.S. EPA, Office of Solid Waste and Emergency Response Estimate. 2014. Data collected includes: (1) site information as of the end of FY 2011 from ACRES; and (2) census data from the 2007-2011 American Community Survey (ACS). Site data from FY 2011 was chosen to correspond most closely to the census data in the 2007-2011 ACS. In FY 2011 this included 11,568 Brownfields Program sites in the 50 U.S. states with accurate location data.

2015, Brownfields program grantees are projected to assess more than 1,300 properties, clean up more than 120 properties, leverage more than \$1.1 billion in cleanup and redevelopment funding, and help create at least 5,000 cleanup and redevelopment jobs in communities that typically have unemployment rates higher than the national average. Additionally, the EPA's research has shown that redeveloping a brownfields site rather than a greenfield site has significant environmental benefits, including reducing vehicle miles traveled and related emissions by 32 to 57 percent, and reducing stormwater runoff by an estimated 47 to 62 percent.

Small and Rural Communities

Our data show that our funding and technical assistance is reaching many small and rural communities. In FY 2015 alone, 56 percent of the EPA assessment and cleanup grant funding went to small and mid-size communities of 100,000 population or less, and approximately 24 percent went to smaller communities of 20,000 population or less. The distribution of funding in FY15 was consistent with what we have been seeing over the past six years, with over half of the funding going to communities of 100,000 or less and about one quarter going to communities of populations less than 20,000.

In addition, the average grant award success rate of communities with populations less than 1,000 was 34 percent and for communities with populations under 10,000 it averaged 30 percent which compares favorably to our overall average success rate of 28 percent for all communities that enter our grant competition. Additionally, our Technical Assistance to Brownfields Communities (TAB) grantees have provided technical assistance to hundreds of small and rural communities.

Technical Assistance

The Brownfields program provides a host of technical assistance directly to communities through other cooperative agreement recipients. Our technical assistance providers are extremely successful in providing workshops and one-on-one assistance to all brownfields communities, with a special focus on small and rural communities. For example, Technical Assistance to Brownfields (TAB) grants support technical assistance providers in every region of the country to work with communities to help them increase their understanding and involvement in brownfields cleanup and revitalization, help to move brownfields sites forward in the process of cleanup and reuse, and identify and prepare applications for funding resources. The TAB grantees serve as an independent resource assisting communities with community involvement, better understanding the health impacts of brownfields sites, science and technology relating to brownfields site assessment, remediation, and site preparation activities, brownfields finance questions, information on integrated approaches to brownfields cleanup and redevelopment, facilitating stakeholder involvement, understanding and complying with state brownfields and voluntary cleanup program requirements, and facilitating redevelopment activities.

On average, TAB grantees spend over half of their effort providing direct, site-specific technical assistance to communities that ultimately contributes to cleanup and redevelopment. However, it is important to note that even the general brownfields information provided by TAB trainings, workshops and seminars has a ripple effect that often leads to cleanup and redevelopment. We have cities tell us that it was attending one of the TAB grantee sessions that got their brownfields program started.

In the past five years, the TAB Program has provided technical assistance to several thousand communities.

Brownfields Grants

Area-Wide Planning Grants

Through our Brownfields Area-Wide Planning Program, the EPA is enabling communities to identify cleanup and reuse scenarios for the high priority brownfields sites within their neighborhood (or downtown, waterfront, commercial or industrial corridor, etc) and use these sites as catalysts to drive larger community revitalization efforts. These grants fund development of area-wide plans that are the result of broad community involvement including stakeholder and partnership engagement, brownfields and market-based economic and feasibility analyses, evaluations of existing environmental conditions and infrastructure, coordination with other local or regional community planning efforts, and financial strategies needed to generate new economic vibrancy in areas characterized by abandoned and underutilized brownfields properties.

The EPA's Area-Wide Planning Grants is a relatively recent innovation that emerged from economically distressed communities which have identified a need to conduct comprehensive inclusive community planning and studies to reverse decline and decay by assessing infrastructure needs, and redevelopment uses on brownfields sites that meets community needs. A key factor in the emergence of this tool is communities desire to have a direct stake in the redevelopment strategies so they can benefit from the redevelopment and avoid displacement of long term residents and existing businesses.

The program also helps communities identify resources they can access (or need to access) to help implement the projects identified in the plans, and to attract the public and private sector investments needed to help with cleanup and area revitalization, in a more systematic and resource-effective manner. We have held three competition rounds since we initiated the program in 2010. Information provided by grantees indicate the \$4 million the EPA grant investment helped leverage approximately \$400 million in other public and private sector funding for area-wide plans.

To foster the implementation of these plans, the EPA has partnered with other agencies such as HUD and DOT to take a one government approach to redevelopment implementation resources.

Specifically, we have advanced the “preference and priority” concept in which communities that have successfully completed the planning under the AWP program would get preferential points in TIGER grant competition. This essentially would deliver federal economic development resources based on a local community’s vision, built on strong local partnerships, and an inclusive local engagement process.

For example, Cumberland County and the City of Carlisle, Pennsylvania, worked closely with members of their community, the state and local partners to develop a plan and implementation strategy for connecting, cleaning up and revitalizing three large brownfields that were former manufacturing sites.

A combination of state transportation and economic development funding and local and private resources totaling \$5.5 million are being devoted to the effort. Together these partners will work to transform these sites into community-oriented mixed-use development and build upon local tourism opportunities.

In Toledo, Ohio the City is addressing challenges associated with the multiple brownfields sites located within the Overland Industrial and Cherry Street Legacy neighborhoods, including high poverty and unemployment rates, a high percentage of vacant parcels, limited access to food, and difficult transportation access due to an outdated street layout. Through their brownfields area-wide planning process, community members were able to organize together, build upon previous efforts (including the EPA-supported brownfields assessment and cleanup activities, urban agriculture development, sustainable communities technical assistance) and leverage new support from the Toledo Community Foundation Partners for Places initiatives, Vista volunteers from the Corporation for National Service, and brownfields assessment support from the State of Ohio. Together, they created an approach that concentrates on strategies to support a revitalized area with a mix of industrial, commercial, and live/work spaces.

Through the course of our EPA staff working closely with these grantees, we identified that there are several cross-project themes that help grantees develop successful brownfields area-wide planning projects. Most notably, the strongest projects have well-managed and innovative community involvement opportunities throughout the project, well-maintained partnerships, feasible cleanup and redevelopment scenarios, clear priorities and strategies developed for plan implementation, and a focus on maximizing investments and leveraging. We encourage our current grantees to incorporate these and other key lessons learned from past projects.

Assessment Grants

Assessment grants provide funding to: inventory, characterize, and assess properties; develop cleanup plans; and conduct community involvement activities related to brownfields. Assessment grants have the effect of being a financial risk management tool by identifying a management strategy for environmental conditions. The environmental site assessment is a key redevelopment tool that provides the information that communities need to jump-start economic development and reuse. Such information is critical in financial underwriting and generally providing cost assurance as a predicate to additional funds necessary to cleanup and redevelop these projects. Grantees have reported to the EPA that brownfields assessment grants have led to the cleanup of more than 1,240 properties, 2,500 sites with ongoing development activities, and another 6,075 sites were found not to require cleanup. Data provided by the EPA funded site assessments indicates that about 20 percent of the properties assessed show little or no contamination, thus making these sites available for development and reuse after a relatively small public investment. Since the program's inception, the EPA has awarded 2,648 assessment grants to small and large communities, usually for \$200,000 each, for a total of \$633.9 million.

In many communities, the EPA's brownfields assessment and cleanup programs address critical site preparation needs that have made us "step one" in the economic redevelopment process. For example,

the City of Brea, California's Rails-to-Trails project will transform an abandoned Union Pacific railroad corridor and other city properties into a multiuse trail using assessment and cleanup funds. The Tracks at Brea will consist of a 4.5-mile east-west route across the city featuring a two-way paved bicycle trail and a separate pedestrian path. Comprising about 50 acres of linear open space, the project will create a significant public amenity within an urban corridor previously lacking in recreational and open spaces. The long-term goal is to connect the Tracks to pedestrian and bicycle infrastructure in neighboring cities. The EPA has awarded \$2.725 million toward the project, including brownfields assessment (\$200,000), cleanup grants (\$200,000 & FY15 \$600,000) and revolving loan funds (\$1.725 million) to address environmental challenges. The city also received more than \$7.6 million in funds from various federal and state agencies for the project. Construction is underway in several segments, and the entire project is expected to be completed in 2016-2017.

Cleanup Grants

The EPA awards direct cleanup grants of up to \$200,000 per site to public and nonprofit property owners to carry out cleanup activities at brownfields sites. Since passage of the Brownfields Law, the EPA has awarded 1,128 cleanup grants totaling \$214.5 million. In Fairborn, Ohio, a former cement plant has been reborn as a training venue where emergency first responders build their skills. Funding for the site remediation came from a \$200,000 Brownfields cleanup grant, \$1 million from Wright State University and \$2.8 million from the Clean Ohio Fund. After two years of cleanup and revitalization, the property is the home office for the National Center for Medical Readiness, along with a tactical training facility managed by Wright State University. It is the first-ever research and training facility focused on the medicine of emergency disaster response. The project is poised to deliver a variety of benefits for the region. Due to the property's location on a state highway and close to downtown, the city expects the site to become a viable economic driver. Already, 16 permanent jobs have been created and more are expected as the university brings in additional staff to do the training.

These examples help demonstrate the model for successful brownfields cleanup projects- the EPA resources being part of the overall cleanup and redevelopment that not only maximizes limited federal resources to as many communities as possible but also incentivizes the public partnerships that are the anchor to a successful brownfields project.

Our cleanup grants allow us to deliver resources to a wide-range of projects across many communities. At \$200,000 per cleanup grant, the EPA often provides the first dollar that leverages other public and private funding; this model has been successful because it encourages community support for projects and allows us to work in as many communities as we have resources to engage with. The current program's success depends in large part on the ability of local communities to determine the best uses for brownfields sites based on their community engagement, their economic and infrastructure circumstances and other factors deemed important to advance a successful project. The grants are awarded based upon the strength of an applicant's response to statutory requirements, program criteria, and other factors. This has led to a broad range of successful projects from housing, manufacturing, clean energy, and recreational projects in both inland and waterfront sites. Our experience implementing the Brownfields program indicates that community decision making regarding local property reuse and development has the greatest chance of community support and success.

Revolving Loan Fund Grants

The Brownfields Program also supports property cleanup with grants to states and local governments to capitalize revolving loan funds. The Brownfields Revolving Loan Fund (RLF) grants provide the capital to make low or no interest loans and sub-grants to finance brownfields cleanup. Since passage of the Brownfields Law, the EPA has awarded 330 RLF grants totaling \$319.3 million. A Brownfields Revolving Loan Fund grantee, Downriver Community Conference (DCC), made a \$2.2 million loan to a developer to cleanup a former industrial waste landfill at the Port of Monroe, MI. The site is now home

to a fully operational green energy manufacturer called Ventower Industries. The company is a full-service fabricator and supplier of industrial scale wind turbine towers. They operate multiple shifts 24 hours a day, 7 days a week and have provided much-needed jobs to the area. The company has worked with the local community college to develop a specialized training curriculum for high-end welders that are required for its workforce. The developer's first payment on the loan from DCC is due in September 2015 with yearly payments of approximately \$225,000 for the next 10 years. These repayments will be used by DCC to issue new loans or sub grants for brownfields cleanup.

In response to stakeholder interest to combine assessment and cleanup resources, in 2012, the EPA piloted a multipurpose grant. These nine pilots are in the final year of their grant period and while a full analysis has not been completed, the pilot indicates that the more successful multipurpose grant recipients were those that had multiple areas of a brownfields site that needed assessment and cleanup funds simultaneously, such that timing did not become an impediment. The EPA is taking these lessons learned and is exploring other multipurpose options, such as assessment and RLF funds.

Environmental Workforce Development and Job Training Grants

As communities clean up brownfields and other contaminated sites, they need a trained workforce with environmental cleanup skills. The EPA's environmental workforce development and job training (EWDJT) grants provide funding to recruit, train, and place local unemployed or underemployed residents of brownfields-affected communities with the skills and certifications needed to secure full-time environmental employment in their communities, including placing graduates in brownfields assessment and cleanup projects and in the larger environmental field.

EWDJT grants form the basis of effective partnerships with local businesses that directly impact local economies. Grant funds are provided to applicants that obtain commitments from employers to hire graduates from their programs. Local businesses provide input into the development of training

curricula and in turn hire graduates to work with their businesses performing environmental remediation in their communities. Graduates of the EWDJT program are placed in local jobs conducting site assessments, brownfields and Superfund cleanup, wastewater treatment facility operations, underground storage tank removals, mold and asbestos removal, oil spill cleanup and emergency response, and other environmental services related jobs. To date, the EPA has funded 256 job training grants.

Approximately 14,000 individuals have completed training, of which, approximately 10,100 have obtained employment in the environmental field with an average starting hourly wage of \$14.18. This equates to a cumulative placement rate of approximately 72% since the program was created in 1998.

For example, through a \$200,000 EWDJT grant awarded to Civic Works in Baltimore, Maryland, 139 unemployed residents were trained, and of those, 115 were placed in full-time employment in the environmental field, including brownfields assessment and cleanup work. Civic Works recruits and trains individuals with significant barriers to employment, including low-income, ex-offenders, and veterans. In fact, 43% of the individuals entering the EPA-funded training at Civic Works have been veterans and 70% of the individuals entering the training were formerly incarcerated or have a substantial history of arrest and conviction. A notable graduate of Civic Works' training program decided to start her own environmental services business, Lifeline Environmental, LLC. The company provides asbestos, lead, and mold remediation services, as well as oil recovery and demolition and debris recycling and was formed to help address the significant unemployment in the City of Baltimore. The company has hired a number of graduates from the EPA funded Civic Works

Several other EWDJT grantees throughout the country are supporting entrepreneurial development in conjunction with the EPA funded environmental training, fostering growth of the environmental industry and helping to address unemployment in America's most economically distressed and blighted communities. Graduates of the program have also participated in the response and cleanup associated

with the BP Oil Spill along the Gulf Coast, the World Trade Center site in New York City, and Hurricanes Katrina, Rita, and Sandy.

Targeted Brownfields Assessment

In addition to its grant programs, the EPA conducts Targeted Brownfields Assessments (TBAs) through contracts with small and large businesses and interagency agreements with our federal partners. The assessment services are delivered directly to communities and tribes through the EPA contracts, enabling small and rural communities to address sites when they lack the resources or capacity to successfully compete for brownfields competitive grants. These single property assessments help communities on a direct basis, especially small and rural communities. The EPA has allocated more than \$68 million for TBA support in fiscal years 2003 through 2015. To date, the EPA has conducted TBAs at more than 2,400 properties.

Cross-Agency Partnerships

For the past six years, the Brownfields program has participated alongside fellow EPA offices, the Department of Housing and Urban Development (HUD) and the Department of Transportation (DOT) in the Partnership for Sustainable Communities. Together, our joint efforts help to ensure that federal investments, policies, and actions support development in an efficient and sustainable manner, ensuring that each agencies' policies, programs, and funding consider affordable housing, transportation, and environmental protection. Through this Partnership, the Brownfields program is able to identify key opportunities for cross-agency coordination and alignment of funding, and to strengthen our knowledge of other federal agency programs, which helps us to better assist the communities we work with. We know that each federal investment can be maximized when the local planning, infrastructure, facilities, and services are coordinated and leveraged to meet multiple economic, environmental, and community objectives.

For example, investing in public transit can lower household transportation costs, provide better access to more job opportunities, reduce greenhouse gas emissions and air pollution, decrease traffic congestion, encourage healthy walking and bicycling, and spur development of new homes and amenities around transit stations. Investing in brownfields near transit brings new sites into productive use, and can increase the use of transit. This effort maximizes the impact of millions of dollars in federal resources for transit, housing and brownfields by aligning priorities in a collaborative approach that benefits the communities in need of assistance. We anticipate that our continued coordination with HUD, DOT and our other federal partners, amongst our regional and headquarters leadership and staff, will help communities leverage planning and implementation resources for brownfields redevelopment projects for years to come.

State and Tribal Programs

Under the Brownfields Law, the EPA provides non-competitive grant assistance to build capacity and establish state and tribal response programs so that brownfields sites in communities can be cleaned up and reused. States and tribes are at the forefront of brownfields cleanup and reuse. The majority of brownfields cleanups are overseen by state response programs. Section 128(a) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) provides grant assistance to states and tribes to build capacity and strengthen state and tribal environmental response programs. State and tribal programs have proven to be effective partners by using this grant funding to address site assessments and cleanups. In fact, since 2006, CERCLA 128(a) grantees reported that an average of over 38,000 properties were enrolled in state and tribal response programs and more than 1,077,650 acres were made ready for reuse. Additionally, since 2006, state and tribal response programs provided technical assistance at more than 30,600 properties.

Similarly, tribal response programs are taking an active role in the cleanup and reuse of contaminated property on tribal lands. Tribes are developing and enhancing their response programs to address environmental issues on tribal lands. Through brownfields grant assistance, tribes are creating self-sufficient organizations for environmental protection. Tribal response programs conduct assessments, create cleanup standards, and educate their communities about the value and possibilities of brownfields clean up and reuse. The development of state and tribal programs is essential to help ensure the successful implementation of the national brownfields program. Providing financial assistance to states and tribes increases their capacity to meet brownfields cleanup and reuse challenges.

In fiscal year 2015, the EPA received \$54 million in requests for cleanup programs from states, tribes, and U.S. Territories. A majority of brownfields cleanups across the country are being conducted under the supervision of these programs.

The EPA awards funds to states and tribes through a national allocation process where the EPA makes individual cooperative agreement funding decisions based on remaining balances available from state and tribal prior years' grant awards, activities that help ensure effective planning and development of response and voluntary cleanup programs, as well as activities that provide the public with access to information to create an environment for meaningful public participation. States and tribes use the grant funding for a variety of activities. For some, the funding provides an opportunity to create new response programs to address contaminated properties, while for others it allows them to enhance existing programs. Some states, such as Colorado, use the funds to support cleanup revolving loan funds, while others, such as Wisconsin, use the funds to maintain a combined approach to assessment and cleanup. Many use a portion of the funds to conduct site specific activities, such as the assessment and cleanup of brownfields sites. Since fiscal year 2003, states and tribes have reported the completion of more than 2,500 site assessments on brownfields properties.

Liability Protection

A critical element of the Brownfields Law is the statutory liability protections and clarifications under CERCLA for certain landowners who are not responsible for prior contamination at brownfields properties. The Brownfields Law clarified the landowner liability protection of bona fide prospective purchasers, innocent landowners and contiguous property owners under CERCLA. These self-implementing protections increase comfort and certainty for prospective purchasers and provide incentives for redeveloping brownfields.

To qualify for liability protection, property owners must satisfy certain statutory requirements. For example, prior to acquiring a property, purchasers must meet environmental due diligence requirements by undertaking “all appropriate inquiries” into the previous uses and condition of the property. In collaboration with a wide range of stakeholders, the EPA developed a regulation establishing standards for conducting “all appropriate inquiries.” The final rule was issued in November 2005 and went into effect in November 2006. To further increase comfort and certainty and advance brownfields cleanup and redevelopment, the EPA has issued guidance and enforcement discretion policies clarifying the steps that prospective purchasers, including local governments, can take to qualify for these liability protections.

Brownfields Reauthorization

The EPA supports reauthorizing the Brownfields Program consistent with the 2002 Brownfields Law, with technical corrections included as part of the process. The EPA is ready to work with Congress and stakeholders on reauthorization efforts. It is important that any reauthorization effort be developed to avoid unintended consequences that would adversely affect the successful implementation of the Brownfields program.

Conclusion

The EPA's Brownfields Program serves as an innovative approach to environmental protection, spurring environmental cleanup, reducing neighborhood blight, preserving greenspace, leveraging private investment, leveraging jobs in cleanup and redevelopment activities, and promoting community revitalization. Our continued success will require collaboration among all levels of government, the private sector, and nongovernmental organizations. The EPA will continue to implement the Brownfields Program to protect human health and the environment, enhance public participation in local decision making, help support safe and sustainable communities through public and private partnerships, and demonstrate that environmental cleanup can be accomplished in a way that promotes economic redevelopment.