

Developing Brownfields The Right Way

by Mathy Stanislaus and Jody Kass
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Mayor Michael Bloomberg's plan to build on an estimated 7,600 acres of contaminated land, known as brownfields, will eliminate health hazards that plague poor neighborhoods and communities of color and create space for desperately needed housing. The mayor's plan is visionary, courageous and insightful, and the implementation plan includes provisions that empowers residents and community based organizations and directs funds where they are most needed.

A Transparent Process

A dozen groups, including [New Partners in Community Revitalization](#) has lobbied the city to create a centralized office focused on redeveloping city brownfield sites. The mayor included such an office in his plan, but it now needs the authority, staff and funding to develop and implement his agenda. Moving forward, the office will also need to ensure that the projects it assists have emerged from a community planning effort or have support of the local community. And any project that seeks city help to develop a brownfield must demonstrate that their projects are consistent with the city's sustainability goals.

Dual Role

The primary focus of the city's new Office of Environmental Remediation is to advance the redevelopment of the city's brownfield sites, but it will also be charged with regulatory oversight. When the same agency that develops a project also has the responsibility for regulating it, an inherent conflict arises. To avoid that, the new office will need to develop policies and procedures and hire the right personnel to assure a user-friendly program while achieving regulatory goals.

Making the Best Use of Funds

The mayor announced that the city will provide \$15 million for a public-private revolving loan fund to finance remediation and related costs. But it is not clear how the city will get these dollars into specific projects. The city government should maximize its funds by leveraging private dollars for remediation through partnerships with community lending institutions such

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as [NY Metro Brownfields Redevelopment Fund Program](#) , which uses federal and city funds to credit enhance remediation loans.

Environmental Insurance

The mayor also announced a \$10 million investment for an environmental insurance initiative, which will be important for developers of affordable housing. Because of the scope of the overall development, the city will be in an excellent position to negotiate reasonably priced environmental insurance policies (even for small sites), with few or no exclusions.

A Fight in Albany?

The Bloomberg administration is asking the state to give the city regulatory authority for cleanup oversight. This could be tough. State enforcement laws create the liability so it is the state that has the authority to provide liability relief. Delegating that authority to the city would be unprecedented, so such a change would likely take a long time. Therefore, the city needs to focus on getting the state to immediately fix the problems with its [Brownfield Cleanup Program](#) , so that contaminated historic fill sites (sites contaminated with debris or waste from commercial or industrial processes that was then mixed with soil to build up areas for development) are no longer excluded. This exclusion provision disproportionately affects New York City.

Also on the mayor's to-do-list in Albany is fixing the state's [Brownfield Opportunity Area program](#) . The state government must release the funds promised for local planning for brownfield sites. These funds have been held up for years because two agencies, the [Department of State](#) and the [Department of Environmental Conservation](#) , have to sign off on every detail and every step of an already long and demanding process.

The legislature and the governor understand the need to fix this, and there seems to be agreement that the state's planning agency, the Department of State, should be solely responsible for this program. Yet, it is still unclear whether Albany will act to fix this in the few

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weeks before the legislative session ends.

Working with Private Property Owners

The mayor has also called for new incentives to encourage private property owners to participate in the state brownfield planning program.

One way to achieve this is to grant the existing eight percent increase in brownfield tax credits only to projects that built in a way consistent with plans that emerge from the state's Brownfield Opportunity Area program. If the project is not consistent, it would not receive any tax credits. Beyond asking the state to create incentives, the city should use its own resources to encourage private property owners to participate in brownfield planning and development and to take a strong role in improving these once blighted areas of our city.

Jody Kass and Mathy Stanislaus are co-directors of New Partners for Community Revitalization, a NYC-based nonprofit working to revitalize low and moderate income neighborhoods through brownfields reclamation.

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