

Holistic Approach to Brownfield Site Redevelopment is Critical for Successful Rehabilitation

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By Eric Williams

There are unprecedented amounts of federal and state funding available to California communities to turn brownfield sites into productive uses. The Bipartisan Infrastructure Law allocates \$1.5 billion towards brownfields, much through the Environmental Protection Agency’s Multipurpose, Assessment, Revolving Loan Fund, and Cleanup (MARC) program. Specific to California, the Equitable Community Revitalization Grant program administered by the Department of Toxic Substances Control allocated \$500 million to brownfields. Much of that funding supports affordable housing and other environmental justice initiatives associated with often under-served communities and can also apply to market-rate development projects. All this funding is great news for California communities that struggle with the lack of available land for development.

However, communities will need to look well beyond the assessment and remediation work often funded by state and federal brownfield grants to achieve their goals. A holistic approach to brownfield reuse and redevelopment that includes issues from the three major areas of brownfield redevelopment –environmental, real estate, and funding – is required for success. Beyond assessment and remediation, communities must, at the outset, integrate liability management, zoning and land use regulations, and private developer interest among the myriad of other complex issues challenging brownfield reuse/redevelopment.

The Environmental Protection Agency’s (EPA’s) definition of a brownfield is “Real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.” That definition casts a wide net that captures many different types of challenged real estate – former manufacturing facilities, gas stations, dry cleaners –which all dot the landscape of America’s communities as undeveloped opportunities.

The most common mistake seen by brownfield professionals in putting these sites back into productive reuse is the lack of a holistic approach to these complex projects. Because of the complexities associated with brownfield reuse/redevelopment, each factor in the three disciplines plays off one another, often in profound ways: Real estate developers want to redevelop underutilized properties that may have environmental issues with specific product types – residential, retail, office, industrial. But developers are fearful of the environmental liability that all too often doesn't have a viable responsible party. And even if a developer has a certain level of comfort with environmental uncertainty, their funding sources often do not. Or, if both developer and their funding source(s) get comfortable with environmental risk, they cover that risk by adding costs to the project, challenging the viability of projects. Then, there's local governments that have land use regulations, environmental justice mandates, and financial shortfalls to navigate.

In today's world there are unprecedented amounts of funding available for brownfield site reuse/redevelopment. EPA grants, state and local grants and revolving loan funds, federal infrastructure and other grant programs, and even traditional community-based funding tools like tax increment financing are more available today than ever in history. But every one of those sources has rules that govern eligibility, cleanup, and reuse of brownfield sites. Funding typically drives, among other things, how a site is regulated and cleaned up and what can be developed.

So, with that level of complexity and differing stakeholder interests, it's no wonder that conversations around brownfield redevelopment tend to occur in silos associated within the real estate, environmental, and funding communities.

But the most valuable lesson the last few decades of brownfield redevelopment has taught us is that it's the thoughtful integration of the three disciplines of brownfield redevelopment that makes for successful projects.

The tens of thousands of brownfield projects, including successful projects, as well as spectacular failures, offer valuable lessons:

1. **Local government should take the lead.** In the complex world of brownfields, individual private interests alone can't solve the complex issues. But local government has the resources, long-term planning, and unbiased view to lead the quest for solutions (with help – see below).
2. **Avoid the pitfalls associated with looking at the real estate, environmental, and funding aspects individually.** Conversations among local government, developers, cleanup experts, and funding sources must be essentially simultaneous and iterative. Local government entities can be the coordinator and clearinghouse for these conversations and planning efforts in ways individual private parties cannot.
3. **Put to work all the tools that a local government has at their disposal.** The great majority of grant money must run through non-profits or local government. Local government also has tools like tax-based funding (e.g., California's Enhanced Infrastructure Financing Districts), community development block grants, and other economic development tools that are effective funding sources for brownfield sites and areas. Further, local government is responsible for land-use planning and has certain housing mandates, economic development goals, environmental justice mandates, and planning tools such as Specific Plans or overlays that can shape reuse of blighted areas.
4. **Get help from the masters in the brownfield industry.** Thirty plus years of brownfield redevelopment has built brownfields into its own industry, with experts that can see the big picture associated with all brownfield challenges. Local government can and should access this experience for the initial conversations concerning brownfield sites or areas and rely on these key advisors as they plan their approach to brownfield sites and areas.

So yes, brownfield sites and areas represent some of the most sought after yet challenging projects. But with local government entities in a lead role and taking a holistic approach, reuse and redevelopment of brownfields can be immensely rewarding to all stakeholders.

About Eric Williams

Eric is a nationally recognized expert in brownfields having owned and redeveloped over \$200M of brownfield properties in his 40-year career. He now leads SCS Engineers' Brownfield program in California and western states, helping public and private clients in tackling the difficult challenges associated with brownfield projects. SCS is a national environmental consulting and contracting firm headquartered in California and serving public and private clients across the nation.