

NICHE MARKETS

LOOKING OUTSIDE THE BOX

Brownfields Loan Funds Prove Critical in Supportive and Affordable Housing Projects



Prior to development at Loring Place North



Every city, county, region, and state in the nation addresses a unique set of local market conditions and community needs. The U.S. Environmental Protection Agency (EPA) Brownfields Program's revolving loan fund (RLF) grants offer flexible features that empower cooperative agreement recipients (CARs) to establish RLF programs to meet their community needs and serve local markets. Several RLF CARs are using RLF loans and subgrants to address specific types of projects that might not otherwise be funded.

EPA's Office of Brownfields and Land Revitalization supports RLF CARs by developing or enhancing existing Brownfields program policies, whenever possible, to provide communities flexibility to address their redevelopment needs.

For example, New York City has a severe shortage of affordable housing. In recent years, the city committed to creating or preserving 200,000 affordable units over the next decade—an effort that will provide affordable homes for roughly a half-million residents.

New York was unable to use its RLF funds to cleanup properties targeted for reuse as affordable housing, due to a requirement that loan recipients must own the property being cleaned up. The city worked with EPA and found flexibility within the program's statutory requirements to allow the city to issue RLF subgrants to affordable eligible entities that are housing developers and RLF loans to supportive housing developers.

NEW YORK CITY OFFICE OF ENVIRONMENTAL REMEDIATION

The New York City Office of Environmental Remediation (OER) operates the nation's only local brownfields cleanup program. The City of New York received \$2.2 million in RLF funding from the EPA. The city Department of Housing Preservation and Development (HPD) serves as the RLF fund manager and makes RLF loans to affordable developers on behalf of OER.

Since 2014, OER has approved loans and subgrants totaling \$1.83 million to developers. The financed projects will create 835 affordable housing units.

HOME FOR HARLEM DOWLING CASE STUDY REPORT

More than 5,000 tons of soil, much of it hazardous waste left by a dry cleaner, was removed from this 10,000 square-foot site. The 60-unit project will include 59 apartments affordable to families earning from 15% to 60% of the Area Median Income and one unit for the building superintendent. Total development costs were \$27.5 million.

Significant funding sources:

- New York City Housing Development Corporation issued a \$4.89 million loan for development and construction activities at the site.
- New York City HPD issued a \$5.3 million loan for development and construction activities at the site.
- OER provided a \$50,000 RLF subgrant for site remediation.
- A private lender executed a \$4.19 million loan for development and construction activities at the site.
- The project also benefited from a low-income housing tax credit equity of \$11.19 million for development and construction activities at the site.

Loring Place North ready for occupancy



Rooftop terrace with raised beds at Loring Place North



LORING PLACE NORTH CASE STUDY REPORT

This 13,478-square-foot site was excavated to remove historic fill. A 66-unit supportive housing project will include 51 units for formerly homeless disabled individuals; 14 units for low-income families; one unit for the building superintendent; and on site social services. Total development costs were \$27.7 million.

Significant funding sources for the project:

- New York City HPD provided an \$8.76 million loan for development and construction activities at the site.
- OER issued a \$382,000 RLF no-interest loan with a 15-year term, and a \$115,000 RLF subgrant for site remediation.
- A private lender executed a \$5.17 million loan for development and construction at the site.
- The project also benefited from low-income housing tax credit equity of \$11.05 million for development and construction activities at the site.

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