

# **Fresh Greens for Brownfields:** *Foundations and Other Non-profits – Their Role in Financing Community Revitalization*

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# *What this Discussion Will Cover...*

- **Current real estate/redevelopment climate...**
  - *What impact on brownfields/related investment?*
- **Foundations**
  - *Funding process*
  - *Tips and helpful hints*
  - *Potential partners*
- **Community Development Corporations**
  - *Types and opportunities*
- **VIPs (very important possibilities)...ARRA links to:**
  - *SBA/ARRA*
  - *EECBGs/ARRA*
  - *Weatherization/ARRA*



# *The Current Redevelopment Climate:*

**What is the impact on  
contaminated property/reuse  
transactions?**

What are the practitioners saying now?

- *Interviews conducted in Jan-Feb 2009 with 50 leaders -- spanning all sectors in the brownfields/infill/sustainable reuse markets*
- *Lenders, investors, insurers, developers*
- *Transaction support – legal, engineering, planning, environmental*
- *State and local officials, CDCs, dev. authorities*



## *Redevelopment Now: The Practitioners Speak*

### *Dysfunctional credit markets*

- Tighter underwriting, LTVs, collateral value impacts
- More stringent bank due diligence policies – 98% of lenders reported stricter environmental standards since mid-2008
- 40% of real estate investors must refinance this year – estimated \$160 billion
- 1/3 drop in private commercial transactions in 2009
- Impacts of bank staffing churn
- “Learning curve” impacts of new entrants to market – investors, insurers



# *Redevelopment Now: The Practitioners Speak*

## *Investment/revenue issues*

- Traditional redevelopment leaders taking a “time out”
  - *Fewer deals, declining transaction volumes, more caution*
  - *“Going with winners” limits creativity/innovation*
- Declining property values, state/local tax revenues -- \$4.3 billion drop in 2009
  - *Deterring use of TIF, abatements, tools pegged to growth*
  - *Municipal bond issue rates rising, issuances dropping*
- State/local deficits -- \$131 billion '09, \$181 billion '10
- Foundation endowments decimated – down 1/3



# *Redevelopment Now: The Practitioners Speak*

## *From brownfield cleanup/ reuse perspective*

- Decline in types of traditional infill/reuse
  - *Retail chain outlets, small business start-ups*
  - *Office/commercial retrofits/renovations*
- Reduced practical value of federal tax incentives
  - *LIHTCs, brownfield cleanup expensing*
  - *New markets, historic rehab tax credits holding stable*
- Reduced practical value of state and local tax abatements, incentives



# *Redevelopment Now: The Practitioners Speak*

## *Role of public and non-profit sector incentives*

- Incentives/investments poised to play an even more important role as catalyst, gap funder
  - *Traditional programs more competitive; some public resources up but foundation giving down*
  - *Leveraging and alternative packaging strategies more important*
  - *New opportunities to be tapped*

# *Seeking Foundation Funding: Focus on Targets*

- Define/prioritize brownfield reuse objectives
  - *For example -- bricks-and-mortar development, training, community services, infill/vacant property reclamation/open space/business & community development?*
- Identify the applicant's strengths – from the funder's perspective
  - *For example – capacity building, project facilitation, project implementation?*
- Determine who funds defined brownfield/reuse/sustainability activities – and how to make the fit

# *Seeking Foundation Funding: Focus on Targets (cont.)*

- Understand how foundation's grants fit into applicant's financing strategy –
  - *Role – i.e., critical seed funding to jump-start; gap financing to overcome barrier; incremental funding for leveraging opportunities*
- Consider a range of foundations
  - *National, regional, state*
- Use the right tools and methods to “seal the deal”
  - *Demonstrate how organization's project will meet foundation's objectives*

# *Foundation Proposal Process: Key Components*

- Executive summary
  - *Project pitch/marketing piece*
- Statement of need
  - *Why is project critical and funding required?*
- Project description
  - *Nuts & bolts of implementation and evaluation*
- Budget
- Organizational information
  - *History, key activities, constituents, services*
- Conclusion
  - *Emphasis on long-term sustainability, benefits*

# *Key Foundation Targets in Context of Brownfields/Sustainable Development*

## **National – Surdna Foundation**

Relevant program goals/priorities

- *Create green/sustainable communities; improve land-use patterns*

Relevant activities

- *Outreach, revitalization planning, implementation; community redevelopment*

Funding range

- *\$30,000 to \$1 million, over 8 months to 4 years*

Time frame

- *Rolling applications; 3 award cycles per year*

How to apply

- *On line – [www.surdna.org](http://www.surdna.org)*

# *Key Foundation Targets in Context of Brownfields/Sustainable Development*

## **National – Enterprise Community Partners**

Relevant program goals/priorities

- *Green building/design; affordable green housing*

Relevant activities

- *Design charettes; land/building acquisition; title/closing/ legal costs; Phase I ESAs*

Funding range

- *\$5,000 to \$3 million, depending on activity*

Time frame

- *Two funding rounds per year*

How to apply

- *On line – [www.greencommunitiesonline.org](http://www.greencommunitiesonline.org)*

# *Key Foundation Targets in Context of Brownfields/Sustainable Development*

## **National – Kresge Foundation/Green Building Init.**

Relevant program goals/priorities

- *Environment, community development*

Relevant activities

- *Historic preservation, green renovation, sustainable new construction*

Funding range

- *\$50,000 to \$100,000*

Time frame

- *Rolling; decisions in 4-6 weeks*

How to apply

- *On line – [www.green@kresge.org](mailto:www.green@kresge.org)*

# *Key Foundation Targets in Context of Brownfields/Sustainable Development*

## **National – Georgia-Pacific Foundation**

Relevant program goals/priorities

- *Environment, entrepreneurship, community enrichment*

Relevant activities

- *Clean air/water; land conservation; affordable housing*

Funding range

- *Determined on a case-by-case basis*

Time frame

- *Rolling, with applications accepted between 1/1 and 10/31; early submission recommended before funding runs out*

How to apply

- *On line, for applicants within 30 miles of a G-P facility --*

[www.gp.com/gpfoundation/grant/quiz/asp](http://www.gp.com/gpfoundation/grant/quiz/asp)

# *Key Foundation Targets in Context of Brownfields/Sustainable Development*

## **National – Tiffany & Co. Foundation**

Relevant program goals/priorities

- *Urban parks; mining site reclamation; economic development in current and former mining communities*

Relevant activities

- *Site restoration, remediation, and beautification*

Funding range

- *\$30,000 to \$1.25 million, over 2-3 years*

Time frame

- *New proposals accepted as of 2/1/09*

How to apply

- *On line – [www.tiffanyandcofoundation.org](http://www.tiffanyandcofoundation.org)*

# *Key Foundation Targets in Context of Brownfields/Sustainable Development*

## **National – Ford Foundation**

Relevant program goals/priorities

- *Community/economic development; sustainable development*

Relevant activities

- *Planning, housing, enterprise creation, environmental protection*

Funding range

- *Varies; typically, \$50,000 to \$250,000*

Time frame

- *Rolling applications; typically, decisions within 3 months*

How to apply

- *On line – [www.fordfound.org](http://www.fordfound.org)*

# *Key Foundation Targets in Context of Brownfields/Sustainable Development*

## **State/regional Foundations**

### Arkansas

- *Walton Family Foundation*
- *Winthrop Rockefeller Foundation*
- *Northwest Arkansas Community Foundation*

### Louisiana

- *Rapides Foundation*
- *Baton Rouge Area Foundation*
- *Goldring Family Foundation*

# *Key Foundation Targets in Context of Brownfields/Sustainable Development*

## **State/regional Foundations**

### New Mexico

- *Albuquerque Community Foundation*
- *Quest Foundation*
- *Frost Foundation*

### Oklahoma

- *Bartlesville Community Foundation*
- *Samuel Roberts Noble Foundation*
- *Oklahoma City Foundation*

# *Key Foundation Targets in Context of Brownfields/Sustainable Development*

## **State/regional Foundations**

### Texas

- *Austin Community Foundation*
- *Communities Foundation of Texas*
- *Fred and Mabel Parks Foundation*

# *Winning Foundation Funding: Tips & Hints*

- Remember -- foundation giving priorities change
  - *With new economic and political circumstances*
  - *With new program officers and foundation leadership*
- Application processes and time frames vary
  - *From rolling to quarterly deadlines, to semi-annual or annual awards*
  - *Endowments are down – competition is tight*
- Leveraging is key
- Results count big – especially for “next projects”
- Schmoozing works!!

## *Useful Information Sources...*

- Foundation Center – **foundationcenter.org**
  - *Resource guides, web-based training*
- Funders’ Network for Livable Communities and Smart Growth – **fundersnetwork.org**
  - *Information exchange on current priorities/ trends*
- State-based networks
  - *For example – Nonprofit Resource Center of Texas, Grantmakers of Oklahoma...*

# *Community Development Corporations*

## **CDCs defined –**

- No established legal definition; some state limitations
- Vary in size, geographic scope, focus area
  - *For example – neighborhood based/city wide, carrying out housing, business lending, social service delivery, commercial development activities*
- Typically, community-based leadership, work in economic/community development, job creating, housing activities
- Estimated 4,600 CDCs in US today
- 86,000 housing units, 8.75 million sq ft of commercial space developed under CDC auspices in 2006

# *Community Development Corporations*

## Becoming a CDC

- *Non-profit organized under Section 501(c)(3) of IRS code*

Advantages of being a CDC – eligible to receive:

- *Many federal, state grants*
  - *Common CDBG, HUD/HOME recipient*
  - *Targeted SBA Section 504 development co. recipient*
- *Foundation/corporate gifts*
- *Some states have CDC “trade associations”*
  - *For example – 150-member Texas Assn. of CDCs*

# *V.I.P.s – Very important possibilities*

## **VIPs – ARRA links you should know about...**

### **Small Business Administration**

- increase guarantee levels (to 90%)
- waive guarantee fees (thru end of 2010)
- adopt new 100% guarantee for small business debt stabilization loans (up to \$35,000)
- expand Section 504 to allow refinancings

# *V.I.P.s – Very important possibilities*

## **VIPs – ARRA links you should know about...**

### **Energy Efficiency/Conservation Block Grants**

- Eligible activities include – financial incentives for energy efficiency improvements, installation of new technologies, grants to non-profits to perform energy efficiency retrofits

### **Region 6 state allocations**

- Arkansas -- \$20.1 million
- Louisiana -- \$33.6 million
- New Mexico -- \$20.6 million
- Oklahoma -- \$27.2 million
- Texas -- \$208.8 million

# *V.I.P.s – Very important possibilities*

## **VIPs – ARRA links you should know about...**

### **Weatherization Grants**

- Eligible activities include – energy efficiency improvements to low-income residential units; many of these projects are carried out by non-profits

### **Region 6 state allocations**

- Arkansas -- \$48.1 million
- Louisiana -- \$50.7 million
- New Mexico -- \$26.9 million
- Oklahoma -- \$60.9 million
- Texas -- \$327.0 million

# *V.I.P.s – Very important possibilities*

## **VIPs – ARRA links you should know about...**

### **Neighborhood Stabilization Program**

- Eligible activities include – land banking, vacant property reclamation/reuse, demolition; typical CDBG sub-recipients, such as non-profits, will be expected to carry out NSP activities

### **Region 6 state allocations**

- Arkansas -- \$19.6 million
- Louisiana -- \$38.8 million
- New Mexico -- \$19.6 million
- Oklahoma -- \$32.9 million
- Texas -- \$178.1 million



Thank  
you!

*If you have questions...*  
*If you need additional information....*

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