

ACHIEVING ENVIRONMENTAL JUSTICE

-- A DEPARTMENTAL STRATEGY --

U.S. Department of Housing and Urban Development

March 24, 1995



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

March 24, 1995

Carol M. Browner, Administrator
U.S. Environmental Protection Agency
401 M Street, S.W.
West Tower, Room A101
Washington, D.C. 20460

Dear Administrator Browner:

The President's Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," signed February 11, 1994, requires the Department of Housing and Urban Development (HUD), along with other Federal agencies, to develop a strategy which identifies and addresses the disproportionate and adverse impacts of environmentally unsafe and unsuitable living environments faced by low-income and minority populations. The Executive Order directs us to demonstrate how we intend to integrate environmental justice concerns into HUD policies, programs, and activities.

We have worked hard to define a common sense approach to our strategy that not only captures several of the Department's important initiatives -- empowerment zones, childhood lead poisoning, brownfields cleanup, and colonias development -- but also advances the fundamental philosophy of HUD's commitment to communities, to the housing needs of its poorest and most vulnerable populations, to fair housing and open housing markets, and to locally-driven economic development. At HUD, we believe that committing to and ensuring environmental justice not only complements the Department's mission but also the current efforts underway to downsize and "reinvent" the agency.

I am pleased to submit to you the Department of Housing and Urban Development's environmental justice strategy, "**Achieving Environmental Justice.**"

Sincerely,


Henry G. Cisneros

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A Message from the Secretary

The Department of Housing and Urban Development touches the lives of millions of people and thousands of communities every day. HUD helps provide the nation's families and communities with affordable homes, rental assistance, access to mortgage credit, expanded homeownership opportunities, homeless assistance, and family and social services, and acts as a catalyst for community development, economic growth, and job creation. For many Americans, especially low-income and minority families, HUD plays an active role in their quality of life and physical environment.

Ensuring environmental justice is a natural goal in HUD's mission and priorities.

We, at HUD, are committed to creating communities of opportunity. However, **real** opportunity -- economic, educational, social -- is less tangible for those Americans who are trapped in run-down, isolated public housing which is contaminated with lead, for those families who live in inner-city neighborhoods on or adjacent to industrial waste sites, and for those families who subsist in border communities that lack basic infrastructure, housing, and sanitation. HUD is helping to change those intolerable conditions -- to change the way our society thinks about urban policy and environmental issues. Three basic principles drive HUD's environmental justice effort.

HUD will promote sound environmental considerations in community development and housing policies that, at the same time, will preserve housing affordability and encourage rural and urban economic growth and private sector investment.

HUD is able to address environmental inequities in two primary capacities. First, HUD helps provide resources to America's urban communities, an investment which has become increasingly urgent over the past several decades as we have witnessed capital flight -- human and financial -- from our central cities. The major shift in the nation's industrial base from heavy manufacturing to other forms of production has left behind "brownfields" -- obsolete, contaminated industrial sites -- that few want to develop. Such lost land use opportunities weaken the economic base of the nation's metropolitan communities.

Meanwhile, poor people, and especially poor minority Americans, have become increasingly concentrated in central cities and other isolated urban communities. Where industry has stayed in the cities, poor or minority neighborhoods have literally become dumping grounds for industrial waste. All of

the hazardous waste in eight southern states, for example, is disposed of in two landfills located in mostly African American communities. All three of California's commercial hazardous waste sites are located in mostly Latino communities. This problem of urban industrial pollution, coupled with the concentrations of poor, minority families, contributes to the poverty of these communities by impeding their revitalization.

HUD is committed to regenerating the nation's central cities as an integral part of a broad strategy for building strong metropolitan communities. HUD, through the President's Empowerment Zone and Enterprise Communities program and other HUD initiatives, can help local leaders and community organizations convert brownfields into locations for affordable homeownership and neighborhood business centers. However, as we provide flexible tools for state and local governments and community groups to breathe life back into distressed urban neighborhoods with an eye toward resolving environmental problems, we must be mindful not to exacerbate private sector reluctance to invest in America's inner cities. Clearly, a good balance must be struck. I believe, with innovative strategies and partnerships at the local level, proper investments in improving environmental conditions can attract businesses to urban areas.

Second, HUD helps provide resources to those rural communities, armed with resources too meager to provide a real vision of hope and prosperity for its residents. The colonias, for instance, the region which stretches along the U.S. - Mexico border, represents some of the worst and most dehumanizing poverty in this country. Families in the colonias live in desolate shantytowns of adobe huts and rickety trailers. There are no sewer systems, no running water, no jobs. These border conditions should be brought to the same standards we maintain elsewhere in the United States.

HUD will promote environmental quality in public housing, federally-assisted rental housing, and homeownership programs to ensure that low-income and minority families and individuals will have a safe and healthy start to greater self-sufficiency.

In addition to empowering communities, HUD helps house America's families and individuals. We are committed to providing housing that is more than a place to live but a place to "start." Housing products -- public housing, assisted rental housing, homeless shelters -- should not be an end but a step from which people can move upward into a better life.

For instance, HUD is changing the basic idea of public housing so that the nation thinks of it not as a service that is provided residents but as a partnership with people who have a stake in a hopeful future. Of the 1.4 million public and Indian

housing units in the country, a majority of them are in good condition. But many are still isolated both physically and socially from the larger community and are in deplorable shape. Public and Indian housing should be safe, well-designed, and a source of pride to the community, not rundown high-rises that attract violent crime. With the cooperation of residents, civic leaders, and the private sector, we intend to help demolish the worst public housing developments in the country and transform the others into safer, more promising places to live.

Older public housing, like most housing built before 1978, may have lead-based paint. Lead poisoning can cause learning disabilities, behavioral problems, and even brain damage in our children. It is critical that HUD-assisted homes offer healthy environments for raising a family.

HUD will champion the principles of environmental justice as we rethink how HUD programs and services can be designed and delivered to create the conditions of real opportunity where people can take action to improve their own lives.

HUD, with the support of the President, is currently undergoing a bold transformation of the Department into a lean and responsive agency. HUD's reinvention plan proposes to consolidate 60 of its major programs into three performance-based funds, overhaul the public housing program, and devolve housing and community development responsibilities to state, tribal and local governments. Nonetheless, HUD is committed to meeting the housing needs of the poorest and most vulnerable Americans. I will continue to keep environmental justice issues in mind as we move forward in redesigning the Department.

The President has asked each of the federal agencies to launch an environmental justice strategy that can be effective immediately. Although the following does not represent the range of environmental problems that befall our poorer communities, HUD's Environmental Justice Strategy highlights problem areas in which the Department can take action today -- to help facilitate environmental justice initiatives through the Administration's empowerment zone program, to protect children from lead hazards in their homes, to support brownfields redevelopment, and to embark on a targeted strategy for underdeveloped communities along the U.S. - Mexico border.

I am pleased to present the Department's environmental justice strategy to the American people as a testament of HUD's commitment to building stronger, healthier communities for all.


Henry G. Cisneros

I. ENVIRONMENTAL JUSTICE: PRIORITY INITIATIVES

Introduction

As mentioned in the Secretary's message, HUD has proposed to radically restructure the way we serve the nation's communities and low-income families. HUD is proposing to consolidate 60 of its major programs into three performance-based funds, transform public housing as it exists today, and create an entrepreneurial, government-owned FHA corporation. If approved by Congress, these changes will be launched as early as FY 1996.

The proposed changes will improve the federal role in meeting the community development and housing needs of today's families. As we reduce the number of HUD programs and increase local discretion, the Department will explore ways in which to sustain national standards in local community and housing plans. HUD will not sway from the basic principle that low-income families and minority families should have equal access to healthy, thriving living environments.

As HUD works with Congress, state, tribal, and local leaders, and community-based organizations through this legislative and budget cycle, we will be sensitive to environmental justice concerns. The reinvention of HUD will give policymakers and the public a real opportunity to redesign federal housing programs and policies from the bottom up to better assist state, tribal and local leaders to meet housing and community development needs. This complete overhaul presents a good avenue for environmental justice considerations to be integrated into the core mission of the "new" HUD.

The President's Executive Order asks each of the federal agencies to identify several key initiatives or projects that can be undertaken immediately to address today's environmental justice issues. The following section lays out HUD's commitment to the creation of healthy and viable communities through the President's Empowerment Zone program, the prevention of childhood lead poisoning, the "greening" of urban brownfields, and the revitalization of distressed rural communities along the U.S. - Mexico border. In each discussion, HUD illustrates the environmental issues confronting the communities, evaluates our efforts to date, and proposes a series of "next steps" to ensure a thoughtful implementation of these priority initiatives.

A. EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

The Problem

President Clinton's Empowerment Zones and Enterprise Communities program provides needed resources, flexibility, and coordination among Federal, state, and local governments and private actors to correct numerous problems in urban and rural communities, including the range of environmental issues which impede growth and vitality. In line with the goals of environmental justice, the empowerment zone program targets resources at low-income and minority areas suffering from pervasive poverty, which often includes high incidence of crime, and a lack of jobs, corporate capital, adequate public services, healthy physical environments, strong infrastructures, and affordable housing.

HUD Response-to-Date

HUD plans to help urban communities which have a commitment to healthy, viable communities to better meet their environmental cleanup goals. Through the Administration's Empowerment Zone program, HUD will work closely with 72 large and small cities (6 urban empowerment zones, 2 supplemental zones, 4 enhanced enterprise communities, and 60 urban enterprise communities), many of which have integrated environmental concerns into their community plans by providing federal resources, relieving federal regulations, and combining federal funding streams to ensure immediate local action in reviving distressed communities.

HUD has a lead role in the Interagency Task Force which administers the Administration's largest urban economic development initiative -- the Empowerment Zones and Enterprise Communities (EZ/EC) program. The Administration's EZ/EC program is designed to revitalize and empower American communities and their residents to create jobs and opportunity; take effective action to solve the difficult and pressing economic, human, community, and physical development challenges today; and build for a better future through a partnership of Federal, State, and local governments and the private sector in each region. Businesses will be encouraged to invest in distressed areas, thereby creating jobs, and the entire region will be challenged to make jobs throughout the local labor market accessible to the residents of the designated communities.

The majority of EZ/EC applicants cited past land contamination and lead-based paint hazards in homes as serious impediments to urban redevelopment and included proactive environmental initiatives in their comprehensive community plans.

Among the empowerment zone and supplemental empowerment zones designated by the President on December 21, 1994, Baltimore, Chicago, Detroit, Los Angeles, and Cleveland all included environmental justice and/or brownfields related activities in their proposals. Chicago, for example, has a strategy for addressing the so-called "toxic doughnut" on its Southside. Los Angeles proposed an expedited cleanup of brownfields through low-cost loans and improved procedures and an environmental justice program to identify and disseminate risk information to residents. Cleveland has a model brownfields initiative. Among the Enterprise Communities, the Minneapolis plan calls for the cleanup of contaminated soil and groundwater while Bridgeport, Pittsburgh, and Tacoma each identified linkages to environmental justice concerns.

Next Steps: HUD Proposal for Future Strategies

1. *Promote Environmental Justice through the Interagency Task Force*

The Interagency Task Force is responsible for assisting all the designated empowerment zones and enterprise communities in implementing their strategic plans. To date, the Task Force has made contact with all of the urban and rural designees. Initial visits to all of the sites will be completed within the next few weeks. Following the first set of visits, HUD, in conjunction with EPA and other agencies on the Task Force, will identify specific environmental justice issues which will need addressing.

The empowerment zone program, due to its convergence of federal assistance, provides the perfect platform for comprehensively addressing on-going local and intergovernmental efforts in reducing lead hazards, restoring brownfields, treating obsolescent energy and water systems and other environmental efforts. The empowerment zone program also provides a prime opportunity for federal agencies to work in coordination, with increased flexibility, in initiating new efforts to resolve complex environmental issues that require multiple agency involvements, such as Energy, Defense, and EPA.

Again, the Task Force will identify the range of environmental issues to be addressed in these communities. Where innovative interagency collaborations in dealing with environmental justice issues are successful, the Task Force will be eager to replicate and build upon those model efforts in other communities.

2. *Promote Environmental Justice with Non-Designees*

The Administration is committed to providing assistance to communities which applied for the empowerment zone or enterprise community designation, but which were not selected. This will

include technical assistance as well as federal agency coordination.

When the Task Force contacts these communities, we will determine if there are environmental justice issues that need to be pursued.

B. CHILDHOOD LEAD POISONING

The Problem

Lead poisoning is the number one health hazard to America's children under the age of six. Approximately 1.7 million children have been exposed to dangerous levels of lead. Lead poisoning can cause learning disabilities, behavioral problems, and even brain damage.

Poor, urban, minority children are at especially high risk for having harmful levels of lead in their blood.

A recent Journal of the American Medical Association study shows that while Americans' elevated blood-lead levels have dramatically decreased over the years, the problem continues for children living in predominantly poor areas where the housing stock has not been effectively maintained. Eliminating the hazards of lead-based paint in the nation's housing is a cornerstone of lead poisoning prevention efforts; it must be addressed as a holistic environmental justice concern, not simply a housing, health, or environmental issue.

The Journal's findings reinforces the greater need for the Department of Housing and Urban Development (HUD), the Department of Health and Human Services (HHS), and the Environmental Protection Agency (EPA), the principal agents for protecting children from lead poisoning, to work even more diligently and in coordination with each other and with state and local actors to address lead issues.

HUD's Larger Role and Environmental Justice Accomplishments to Date

Although laws governing lead-based paint have been in existence since 1971, the Housing Act of 1992 was the first comprehensive piece of legislation to regulate the reduction of lead hazards in homes built before 1978, the year lead was banned in paint. HUD has taken an active role in the fight against lead poisoning. The following list highlights some of HUD's major responsibilities in ensuring lead-safe homes in this country:

- to develop lead-based paint guidelines and policies applicable to HUD and other Federal housing programs to ensure that families are protected from lead hazards in their homes;
- to operate a grant program for State and local governments to develop cost-effective methods for reducing lead hazards in low-income private housing;

- to conduct and supervise HUD or interagency lead-based paint research;
- to conduct demonstrations, studies, and standards development and promote technology improvements in lead-hazard reduction; and
- to support and design public information and awareness initiatives on lead poisoning.

HUD has been working and will continue to work in earnest to address the complicated and sometimes competing facets of the lead poisoning problem. HUD must partner with health advocates, low-income housing providers, realtors, the insurance industry, environmentalists and state and local leaders, in order to achieve the fine balance between affordability and childhood health.

While the scope of the lead issue stretches from public to private housing and from low-income to middle-income families, HUD has made great strides over the years to respond to the lead problems faced by poor and minority families. The following is a list of HUD's accomplishments to date in addressing lead issues in public housing and low-income and minority neighborhoods.

A. *Lead in Public Housing*

1. General Lead Reduction Activities. HUD provides public housing agencies and Indian Housing Authorities with funds to test and abate lead in paint prior to all public housing modernization activities. At the same time, in accordance to a congressional mandate, PHAs have completed testing for lead hazards in approximately 80 percent of the nation's public housing built before 1978. HUD has also awarded a total of \$15 million since FY 1992 to eligible HAS to conduct risk assessments in individual housing developments.
2. Studies on Lead Testing in Public Housing. HUD has several studies underway to examine the quality of lead testing in public housing:
 - *Comprehensive Review by the Army Corps of Engineers.* HUD has enlisted the assistance of the Army Corps of Engineers to review the quality of public housing lead-based paint testing done to date. The Army Corps will retest a sampling of public housing units for accuracy. Final conclusions and recommendations are expected in June 1995.
 - *Short-Term Analysis with the Center for Lead-Safe Housing.* While the more comprehensive study is taking place, HUD, in conjunction with the Center for Lead Safe Housing, has conducted a short-term analysis of completed

paint inspections by 40 public housing authorities. The final recommendations were submitted to HUD at the end of December 1994. The recommendations served as an important guide to the Department, in advance of the 1994 testing deadline, enabling HUD to take immediate remedial actions to prevent inaccurate inspections in untested public housing developments and to reinspect or correct already completed unreliable inspections.

B. *Lead in Low-Income and Minority Neighborhoods*

1. Lead Hazard Control Grant Program. Since FY 1992, HUD has awarded a total of \$279 million through 64 grants to 56 State and local governments to reduce lead hazards in private, low-income housing. The grant program supports such activities as public education, paint inspections and risk assessments, low-cost interim controls, and lead abatements of varying levels of completeness. Grantees have the flexibility to choose the hazard control methods that work best locally, provided the work is done safely. An intensive evaluation is underway to determine the effectiveness of local intervention strategies.
2. Neighborhood-Based Lead Poisoning Prevention Demonstration. In FY 1994, HUD and the Centers for Disease Control jointly funded competitive grants to Chicago, Illinois and Providence, Rhode Island, to develop comprehensive, innovative lead poisoning prevention programs in targeted low-income neighborhoods. Local residents are involved in the planning and implementation of these local strategies.

C. *Lead Education Campaign*

Although lead in the environment has many sources, the primary residential source of lead affecting children is surface dust from lead-based paint. Young children playing on floors or around windows contaminated with leaded dust are easily poisoned when they put fingers, toys, and other objects which have been contaminated with leaded dust in their mouths.

Because abatement and hazard reduction of lead-based paint are costly and time consuming, and because as many as 9.9 million American homes contain lead-based paint and are occupied by families with children under the age of 6, lead education is critical to protecting children from lead poisoning. Parents, in particular, are in the best position to keep their children safe from lead.

Young children in deteriorated housing with peeling and flaking paint are most at risk for lead poisoning. All too often, poor African American and Latino children are living in such deteriorated dwellings, and they are therefore

disproportionately affected by lead-based paint poisoning.

The following are basic messages that parents need to understand about childhood lead poisoning that HUD will reinforce in our outreach efforts:

- Lead is dangerous.
- Household dust is the main source of lead poisoning in young children.
- Any home built before 1978 may contain lead-based paint.
- Chipping and peeling paint should be promptly repaired by persons trained to minimize dust generation.
- Dust should be wet-mopped and wet-wiped.
- Children should be taught to wash their hands before meals.
- Children should eat healthy diets high in calcium and iron which discourage the absorption of lead in the body.
- Children at risk need to be regularly tested for lead poisoning.

HUD recognizes the critical importance of lead education in preventing childhood lead poisoning and is taking the following actions to promote it.

1. Lead-Based Paint Hazard Control Grant Program. HUD has awarded over \$279 million to 56 State and local governments for the abatement or hazard reduction of lead-based paint in privately-owned homes that are owned by or rented to low-income families. Each of these abatement programs is required to have a significant lead-education program and to actively promote community participation.

Although each grantee's program is different, the programs may include activities aimed specifically at a number of constituencies including children, parents, landlords, homeowners and renters, medical professionals, and local institutions. Grantees use a variety of means to reach these audiences including educational events, screening programs, attendance at community meetings, and direct outreach to home dwellers. They support these activities with various materials including brochures, posters, fact sheets, videos, articles, t-shirts, coloring books, buttons and stickers.

HUD grantees typically translate materials into the languages of local ethnic groups, and develop education strategies sensitive to the ways that different ethnic groups typically receive and accept information.

2. Notification. The Lead-Based Paint Poisoning Prevention Act requires HUD to notify all recipients of HUD associated housing about the dangers of lead-based paint. To this end, HUD has developed a brochure entitled "Lead-Based Paint, A Threat to Your Children." In simple language, the brochure describes lead poisoning and its origin and offers preventive or mitigative actions that parents can take. Everyone who rents or owns HUD-associated housing -- public housing, housing assisted under the block grant program, single family mortgage insurance -- must acknowledge receipt of this brochure.

This notification will be superseded in October 1995 by the notification being prepared by EPA and HUD in response to Sections 1018 and 406 of the Residential Lead-Based Paint Hazard Reduction Act of 1992. Every time a family moves in this country into a home constructed prior to 1978 -- whether they are renting or buying -- they must receive and acknowledge receipt of a copy of this new brochure.

3. Federal Hotline. HUD contributes financially and technically to the National Lead Information Center (NLIC), a federal lead hotline and clearinghouse. The hotline is an automated system which provides general information about lead, its risks, how to test for it, how to reduce risks, and whom to contact at the State and local levels for more information. The clearinghouse provides more technical information such as research reports, guidance documents, and training course offerings to Federal, State, and local officials, lead inspectors, abatement professionals, health care professionals, and researchers. In its most recent report, the NLIC reports receiving an average of 4,000 hotline and 2,000 clearinghouse calls each month.
4. Federal Interagency Lead-Based Paint Task Force. HUD co-chairs the Task Force, and actively participates in the education subcommittee which has sponsored two lead education conferences and is working to develop additional specific projects in lead education.

Next Steps: HUD Proposal for Future Strategies

A. Healthy Environments in Public Housing

1. Improved Guidance. Based on the recommendations from the two major lead testing studies, HUD will provide improved guidance material to housing authorities regarding ways to

better oversee lead reduction activities in public and Indian housing. At a minimum, this material will cover how to obtain a list of qualified inspectors, how to issue a good request for proposals, how to review the qualifications of bidders, how to write contract specifications, how to ensure that the inspector performs according to contract, and how to interpret the inspector's report. Where inaccurate testing is found, HUD has and will continue to advise housing authorities to retest paint surfaces.

Based on the short-term analysis by the Center for Lead Safe Housing, HUD was able to distribute in February 1995 such guidance materials on lead testing to all 3,000 of our public and Indian housing authorities, all HUD field offices, and key public housing interest groups like the National Association of Housing and Redevelopment Officials (NAHRO), Public Housing Directors Association (PHDA), and the Council of Large Public Housing Authorities (CLPHA). Given staff and other resources, HUD is interested in conducting field training on the new lead guidance.

HUD looks forward to the final recommendations from the longer-term Westat study, expected this coming summer, as mentioned above. It will provide HUD with another opportunity to improve the management of lead testing in public housing.

2. Congressionally-Mandated Regulations. The Department is developing Congressionally-mandated regulations on lead-based paint hazard control that, among other things, will require housing authorities to follow minimum lead evaluation and hazard reduction procedures that will be similar to HUD's Guidelines on the Evaluation and Control of Lead-Based Paint Hazards in Housing. HUD anticipates that the proposed rules will be published in the Federal Register in the fall of 1995.

B. Lead Hazard Reductions in Low-Income and Minority Neighborhoods

1. Implementation of Targeted Neighborhood Strategies through the Grant Program. HUD will work closely with the 56 state and local grantees to facilitate the implementation of lead hazard reduction initiatives in high-risk minority neighborhoods. At the same time, HUD will work with EPA to promulgate EPA's proposed rule on national standards for state training and certification programs for lead testing and abatement workers. The final rule is critical in providing guidance to states in enacting lead paint legislation, a precondition for HUD grantees to fully tap into their funds. Within the next two years, HUD anticipates increased activity in lead hazard reduction

activities and rehabilitation of affordable housing in the nation's poorer neighborhoods.

2. Congessionally-Mandated Regulations. As with public housing, HUD is developing new lead-based paint regulations for assisted housing programs which serve low- and moderate-income neighborhoods. These changes will promote lead-safe environments in low-income assisted housing for families and their children. Again, HUD anticipates that the proposed rules will be published in the Federal Register in the fall of 1995.

C. *Opportunities for Interagency Coordination*

Solid program, policy and research coordination among federal agencies continue and remain critical in the efforts to eliminate lead hazards for children. At the same time, HUD has identified several key areas in which greater attention is needed in order to carry out an effective, broad-based strategy for lead.

1. Infrastructure Development. HUD will work with EPA, the principal agent for issuing minimum national standards for the State certification and training programs, on promulgating the regulations governing worker training and contractor certification programs to strengthen the quality of the lead industry and to accelerate the passage and implementation of state legislation across the country;
2. Superfund Liability. HUD will work with key agencies on Superfund legislation, particularly where liability issues mistakenly appear on the shoulder of the Department and public housing authorities; and
3. Science and Technology. HUD will work with key agencies to analyze the effectiveness of current lead testing and abatement technology.

D. *More Aggressive Public Education Campaign*

1. Support Local Innovations. HUD's 56 State and local grantees are the Department's greatest generators of innovative and effective public outreach and education strategies. HUD is currently compiling a catalogue of local education campaigns on childhood lead poisoning that can be shared among the current pool of grantees and other interested parties.

Under the HUD reinvention plan, the lead grant program will be folded into a larger performance-based fund. As a result, a greater number of entitlement and nonentitlement jurisdictions will have access to federal funds which they

can flexibly use to fight childhood lead poisoning. It is therefore critical that HUD take the lead in facilitating local models of lead testing, abatement and education programs and help state and local leaders replicate strong programs in their communities. HUD must become a source of ideas and an agent for change in communities across America.

In addition, HUD would like to take a more active role in integrating lead education and other lead issues into the consolidated plan technical assistance program, thereby providing another forum for working directly with the communities who will be designing local programs.

2. Targeted Outreach. In addition to supporting local innovations, HUD will pursue a more targeted public awareness/education campaign on lead poisoning prevention, aiming our efforts on the following:
 - Multicultural Venues -- In particular, HUD will target Black and Latino print and broadcast media to increase awareness of the effects of lead paint poisoning and to at least be able to conduct simple prevention methods, even when their house is not lead-free.
 - Apartment Owners -- HUD will provide materials and information to apartment owners to understand the regulations and methods for making their units lead-safe.
 - Real Estate Agencies -- HUD has the support of the National Realtors Association to jointly provide timely, accurate information about realtors responsibilities and method for helping to create more lead-safe homes in America.

E. Economic Growth and Job Creation

Economic development is a cornerstone of HUD's lead-based paint abatement and poisoning prevention programs. With the successes of its first three years, HUD sees its grant program as creating stronger neighborhood involvement and enhancing the potential for long term jobs and even cottage industries within those very communities.

HUD's early grantees have developed effective models which can be replicated in other communities across the country. For instance:

- The Cleveland Lead Abatement Specialist Training and Work Experience Program is funded with federal job training funds (JTPA), local foundation grants, and Community Development Block Grant Funds. The program

includes classroom instruction, workshop skill training, and on-the-job work experience. To date, 48 individuals have enrolled, 44 have graduated and 38 are working -- 32 of these in lead-related fields. Future grantees can eliminate "demonstration project" and use the resources for primary implementation projects, therefore creating many more lead-safe homes, community based jobs and neighborhood empowerment.

- A model, public-private sector lead hazard reduction training program has been established in Compton, a poor Hispanic and African American community near South-Central Los Angeles. More than 118 low-income workers have been trained and are working on lead-based paint hazard reduction. A minimum of five slots in each training program are made available free to community trainees recommended by HUD's grantee. Plans are underway to develop two more model training centers as part of the HUD grant program, by adding lead hazard reduction training to the existing weatherization training programs in northern (Stockton) and central (Fresno) California.

F. Special Note: Status of the Lead Grant Program Under the "Reinvented" HUD

As mentioned above, the lead hazard control grant program will continue as an integral part of the Department's anti-lead strategy and environmental justice strategy. However, in the Administration's FY 1996 budget, HUD proposed to rescind \$80 million in the lead program. In this tight fiscal environment of deficit reduction and balanced budgets, the Department needed to make a series of tough choices to meet spending caps, while sustaining funds to implement HUD's reinvention plan. Rescinding the lead grant was not an easy decision to make. As a result of the rescission, HUD will not be able to issue another round of the grant program in FY 1995. In addition, the Congress, in its rescissions package, has proposed to cut \$90 million out of the grant program.

The Department has always viewed the LBP Hazard Control Grant Program as a short term stimulus to promote state and local initiatives to fight childhood lead poisoning and to build an infrastructure of qualified lead-based paint contractors and workers across the country. The grant program has been successful in enabling states to make substantial progress in reducing lead hazards in private, low-income housing. In the past three years, HUD has awarded \$279 million to 56 cities, counties and states. As a result, local innovations to address the dangers of leaded paint are underway and 19 states have passed legislation which provide minimum standards for contractor

certification and worker training programs. In addition, 12 states have introduced lead-based paint legislation this fiscal year.

However, nearly all of the \$279 million has not been spent. The vast amounts of outstanding monies to treat lead paint hazards in low-income neighborhoods is a result of the grant program's stipulation that localities and states cannot tap into their funds until state-wide legislation has been enacted. Only recently have certain states and cities reached the implementation phase of their lead hazard reduction programs. Therefore, despite the rescissions and the resulting withdrawal of another grant round, we believe there is still a great deal of opportunity for lead activities to continue in FY 1995.

The prevention of childhood lead poisoning remains a priority for HUD as we move to create a leaner and more efficient agency. There are three primary ways in which HUD will continue the lead-based paint agenda.

First, HUD will consolidate the LBP grant program into the new performance-based Affordable Housing Fund, a fund which enables local and state governments to meet the supply side of affordable housing needs. To ensure state and local responsibility for lead testing, hazard reduction and abatement, HUD will consider designing performance measures and incentives or "bonuses" in the Fund for lead activities.

Second, HUD will continue the regulatory oversight of lead-based paint requirements in housing policy. HUD will continue to ensure that all rehabilitation of pre-1978 housing provided by the three proposed performance-based funds meet the lead requirements set forth in Title X of the Housing and Community Development Act of 1992.

Third, under the proposed Affordable Housing Fund, HUD will set aside \$10 million in technical assistance to State and local governments to support lead research, technical studies, and education materials.

C. BROWNFIELDS REDEVELOPMENT

The Problem

"Brownfields" are contaminated, underused or abandoned, formerly industrial or commercial sites. Contamination typically has been caused by hazardous wastes from heavy industrial plants several decades ago. The term "brownfields" refers to the contrast to the more pristine undeveloped "greenfields" located in the suburbs and rural areas.

Brownfields represent a widespread and serious obstacle to urban redevelopment because under Federal or State cleanup rules, uncertainty about cleanup standards and uncertainty about who is liable for cleanup can be as problematic as the actual cost of cleanup itself. While the exact scale of the brownfields problem is unknown, it is estimated that the number of contaminated sites ranges from 100,000 to 500,000.

Brownfields pose serious problems for cities and their residents because they can further degrade the environment and represent precious lost opportunities to bring back jobs and a tax base to the inner city. If cleaned and rehabilitated, these properties have the potential to house emerging technologies and manufacturing processes. Their adaptation to new uses could restore not only the buildings and their physical environment but also the jobs and vitality of the communities surrounding them. Since many of these sites are in central cities, revitalization would particularly benefit low-income and minority residents who may have suffered the economic and health consequences of living near blighted buildings and contaminated lands. Reuse would also take advantage of existing infrastructure and reduce urban sprawl.

HUD Response-to-Date

To date, HUD has provided federal funds to state and local jurisdictions to encourage and enable the cleanup and reuse of urban brownfields. State and local recipients of Community Development Block Grant (CDBG) funds may use their funds to support the cleanup, as well as the reuse, of contaminated urban sites. Many of the actions necessary to clean up brownfields are currently eligible for assistance through the HUD Community Development Block Grant Program (Entitlement and Small Cities). Acquisition of lands defined as brownfields is an eligible expense as is the costs of removing hazardous waste and toxic contaminants.

The CDBG Section 108 Loan Guarantee Program is also available to support brownfields reuse activities, including land acquisition and cleanup following the land acquisition. The loan

guarantee assisted activities must be eligible for CDBG assistance and comply with one or more of the CDBG Program national objectives. A grantee's CDBG assistance is used as collateral for the loan.

Next Steps: HUD Proposal for Future Strategies

1. Pursue Recommendations from HUD's Symposium on Brownfields

In December 1994, HUD, with the active support and cooperation of EPA, held a symposium on the barriers to the redevelopment and reuse of urban brownfields. The symposium brought together practitioners and policy-makers representing a variety of perspectives: developers, environmentalists, community activists, mayors, and state and local officials. The symposium identified difficulties in meeting urban redevelopment and environmental goals simultaneously, identified barriers that must be overcome, and suggested actions that HUD could take to contribute to solving these problems. A number of innovative and provocative suggestions were made at the symposium which HUD would like to explore further with other federal and private sector partners. Some of these include:

- developing new financing strategies such as industrial revenue bonds, credit enhancements, real estate investment trusts, HUD loan guarantees;
- creating new public-private vehicles, such as land banks and receiver programs, to oversee cleanup and redevelopment process;
- assigning States a greater role to oversee the clean-up process;
- expanding the use of environmental insurance to limit liability;
- providing better information to communities and the private sector on sites capable of being redeveloped; and
- assessing the cumulative impact of environmental requirements on cities, and devising better means of making urban communities more economically competitive in the regional economy.

These, and other innovative recommendations are contained in the summary of the proceedings of the symposium, which is available from HUD's Office of Policy Development and Research. The Department, in coordination with EPA, is currently assessing these proposed actions as we develop comprehensive strategies for addressing urban brownfields.

2. Partner with EPA in the Recently Announced "Brownfields Action Agenda"

In January 1995, EPA Administrator Browner announced a new brownfields initiative before the U.S. Conference of Mayors. In short, the Brownfields Action Agenda calls for:

- removing 25,000 sites from the Superfund inventory to help improve their prospects for redevelopment;
- funding 50 pilot communities to develop brownfields cleanup and redevelopment strategies; and
- issuing a package of reforms to limit liability when redeveloping contaminated sites.

HUD is working with EPA on this new initiative. Already, HUD has met with EPA and the lending community to fashion ways in which to help private sector leaders overcome the stigma of investing in urban brownfields. The Department intends to continue to take an active role in implementing the Administration's agenda for brownfields.

To supplement this effort, HUD and EPA will also jointly undertake a number of research projects to better understand the impact of brownfields on inner city development and to develop more effective program strategies to address the vacuum of investment. The first research project will assist HUD and EPA in determining the extent to which environmental hazards and environmental regulation impede private investment in urban locations. A second project will develop several reuse and redevelopment models to guide local revitalization efforts. These efforts will be integrated with HUD's initiatives to promote economic development through Empowerment Zones and Enterprise Communities and to eliminate lead-based paint hazards in the nation's housing stock.

3. Provide Better Technical Assistance

HUD will explore ways in which we can advise and train localities to cope with the many facets of this problem. For instance, HUD can work in cooperation with EPA to provide assistance to communities on the spectrum of issues dealing with brownfields rehabilitation and reuse, including identifying the scope of the problem, understanding and working through federal and state environmental regulations, choosing appropriate use and health standards, developing economic development and marketing plans, working with the business community, and working closely with and providing assistance to residents to assure that their views and concerns are identified and addressed.

4. Explore Other Interagency Efforts

In addition to the aforementioned interagency collaborations, HUD will also explore other opportunities where joint efforts will be useful. For instance, HUD intends to work in coordination with other agencies to:

- simplify the regulatory process, streamline the cleanup and reuse process for states, and increase the opportunity for greater local participation in the process;
- use the Consolidated Plan and the newly created Office of Community Viability as a vehicle for providing important linkages with other agencies to enhance the effective use of Federal funds at the local level; and
- at the community, metropolitan, state, regional, and national levels, pursue linkages with other agencies whose programs can be used to enhance HUD constituencies. Among these are the DOT Livable Community Program, HHS's Healthy Communities, and USDA's Urban Resources Partnership.

5. Promote and Support Brownfields Redevelopment through Reinvention

Under HUD's reinvention plan, HUD will establish a consolidated, performance-based fund called the Community Opportunity Performance Fund (COF) which would essentially expand upon the successes of the current Community Development Block Grant (CDBG). The COF would provide a flexible funding vehicle to communities across the nation for community and economic development for low- and moderate-income individuals. The proposed program would include a new job creation Performance Bonus pool for good performers. The Performance Bonus pool is designed to reward local initiatives aimed at economic revitalization and job creation in distressed urban areas. In will focus, in particular, on awarding funds on a competitive basis to support specific larger-scale job creation and brownfields cleanup projects that can not be adequately handled through the CDBG program.

D. COLONIAS

The Problem

Colonias are impoverished rural areas along the U.S.-Mexico border that are characterized by poor housing, inadequate roads and drainage, and substandard or no water and sewer facilities. These distressed areas are found within 150 miles of the Texas, New Mexico, Arizona and California borders and result from years of negligence to quality, affordable housing, sanitation needs and land development regulation. Most colonias residents are poor Mexican-Americans who work as farm laborers to support their families. These farmers purchase inferior lots from developers at low prices, with little money down and under high-interest bearing contracts for deed.

People living in the colonias generally construct whatever limited housing or shelter they can afford. As a result, housing and general sanitation systems are grossly inadequate or simply do not exist. The lack of adequate water and sewer systems lead to ground water contamination and the use of contaminated water for drinking and bathing. These conditions pose a serious public health, safety and environmental risk to the minority and low-income families of the border region.

HUD Response-to-Date

The Cranston-Gonzalez Affordable Housing Act of 1992 required that Arizona, California, New Mexico, and Texas set-aside up to 10 percent of their Community Development Block Grant (CDBG) funds from HUD for activities targeted to meet the needs of colonias residents. In 1994, the four states allocated a total of \$12 million for the colonias.

In 1993, Secretary Cisneros made addressing the needs of people living in the colonias one of HUD's priorities. He proposed a new Colonias Assistance Program in the Department's 1994 reauthorization bill, the Housing Choice and Community Investment Act. The new program would provide additional resources to better address the severe housing shortage and weak infrastructure of the border region. However, Congress did not approve the legislation.

Next Steps: HUD Proposal for Future Strategies

HUD will continue its commitment to infusing real hope and opportunity for the families in the border communities, despite the lack of authority for a new colonias program. The following outlines HUD's strategy to: 1) continue working closely with other federal agencies to formulate a more comprehensive strategy

for the families living along the country's southern border; 2) facilitate existing HUD activities in the colonias; and 3) incorporate colonias initiatives in HUD's reinvention plan.

1. *Actively Participate in EPA's Colonias Working Group*

As part of former Governor Anne Richards' Border Working Group formulated in 1992 in support of NAFTA, the Texas Colonias Sub-group, chaired by the Environmental Protection Agency, was formed to develop an integrated and coordinated approach to implementing financial and technical assistance for drinking water and wastewater infrastructure in the colonias along the Texas-Mexico border area.

The sub-group has proved to be a successful vehicle for coordinating State and Federal activities involved in financing water and wastewater infrastructure for the colonias by bringing agencies together to share and discuss common issues, provide specific agency perspectives to these issues, and facilitate the resolution of some of these issues.

In addition, the group has expanded its consideration of issues to include not only the availability of financial and technical assistance to colonias, but also compliance with State and local rules preventing the proliferation of illegal colonia subdivisions.

HUD will continue to participate in the Texas Colonias Sub-Group. In addition, HUD will actively pursue efforts, through the assistance of other agency group members, to explore ways of formulating similar working groups in the other three border states.

2. *Administer and Monitor Colonias Funds*

During the past three years, the Department has sought to effectively use its limited resources to assist the border region. To date, nearly \$3 million dollars have been awarded to the four border states, their local governments, and non-profit organizations working on behalf of colonia residents for the purpose of providing technical assistance, capacity building, and economic development opportunities/initiatives to colonia communities. The Department has made these grants available through the HUD's Technical Assistance Program.

The Department will continue to use its Technical Assistance Program as a means to channel funds to colonia communities in furtherance of its efforts to help improve the environmental and living conditions of colonia residents.

3. **Ensure Local Attention to Colonias through HUD Reinvention**

Two of the three performance-based funds under the "new" HUD have been referred to in this strategy -- the Community Opportunity Fund (COF) and the Affordable Housing Fund (AHF). The COF would provide flexible funds to states and localities for community and job creation activities. The AHF would provide flexible tools for state and local governments to build affordable housing for America's poor and vulnerable populations, enhance homeownership opportunities, and provide a range of housing counseling and supportive services.

Under the reinvention plan, HUD proposes that states bordering on Mexico (California, Arizona, Texas, and New Mexico) be required to set-aside up to 10 percent, as determined by the Secretary, of both their Community Opportunity Funds and Affordable Housing Funds to address the needs of Colonias.

II. ENVIRONMENTAL JUSTICE: OPTIONS FOR IMPLEMENTATION

Although the Department has identified these four areas as our top environmental justice initiatives, they certainly do not represent the only areas where HUD will try to ensure environmental equity in impoverished, minority communities.

The Executive Order requires federal agencies to make changes to their programs, regulations, and policies to meet environmental justice concerns. Further, the Executive Order requires agencies to: collect, maintain, and analyze data; expand opportunities for public participation; improve access to information; and submit reports within 24 months of the date of the Order on the progress in implementing agency-wide environmental justice strategies.

As previously emphasized, HUD is currently operating in a climate of uncertainty. HUD is facing reinvention, rescissions, and threatened elimination. Despite these obstacles, HUD is determined to do everything we can, within our authority and fiscal realities, to fulfill the mandates of the President's Executive Order and to ensure that all Americans live in wholesome, environmentally safe communities.

The previous section offered ways in which HUD intends to implement the four key environmental justice initiatives. In the subsequent discussion, HUD will propose options for areas in which we can consider integrating our environmental justice strategy in our existing institutional policies and practices. HUD proposes the following areas of consideration:

1. Devise internal coordinating mechanism
2. Evaluate the inventory of existing HUD policies and programs where environmental justice issues can be integrated
3. Evaluate Opportunities for Integrating Environmental Justice Issues in the HUD Reinvention Plan
4. Improve public outreach, access to information and involvement
5. Provide effective education/training and communication
6. Provide technical assistance and guidance

The following is a discussion of the six areas of consideration for implementation.

SIX OPTIONS FOR IMPLEMENTATION

1. Devise Internal Coordinating Mechanism

The first task at hand is to build upon the existing internal mechanism to coordinate and implement HUD's Environmental Justice Strategy.

- a. Establish a top-level working group to work in coordination with the existing staff-level working group to oversee, monitor, and implement the different facets of the environmental strategy.
- b. Convene the environmental officers in the field and seek their participation in this process.

2. Evaluate the Inventory of HUD Policies and Programs Where Environmental Justice Issues Can Be Considered

HUD has taken a preliminary inventory of existing policies, programs, and regulations to determine where we can integrate environmental justice issues and language. With the internal mechanism in place, we will revisit some of these areas of consideration, which could include:

- a. Site and neighborhood standards;
- b. Environmental reviews and regulations;
- c. Planning guidance;
- d. Project selection factors;
- e. Housing quality standards;
- f. Fair housing enforcement;
- g. Consolidated plan;
- h. Citizen participation requirements;
- i. Applicant certifications;
- j. Applicant narratives;
- k. Remediation and relocation policies;
- l. NOFAs, regulations, grant agreements; and
- m. Technical assistance and training for grantees and HUD staff.

3. Evaluate Opportunities for Integrating Environmental Justice Issues in the HUD Reinvention Plan

In addition to evaluating existing policies, programs, and regulations, HUD will also consider integrating environmental equity concerns in the policies and programs under the "new" HUD. For instance, as suggested in the text, HUD can consider designing environmental justice benchmarks in the performance bonus pools under each of the consolidated funds to reward well-performing State and local governments.

4. Improve Public Outreach, Access to Information and Involvement

- a. Develop new and resurrect models for improved citizen participation;
- b. Develop citizen participation indicator tools and success stories for use by field staff and communities;
- c. Increase distribution of HUD's final environmental justice strategy;
- d. Assure language is sensitive and respectful to race, ethnicity, gender, and language and culture; and/or
- e. Consult and seek input from citizen groups.

5. Provide Effective Education, Training, and Communication on Environmental Justice and HUD Programs

- a. Institutionalize environmental justice into HUD operations through training;
- b. Pursue the empowerment zone interagency efforts and announce and publish research on HUD's priority environmental justice initiatives: Childhood Lead Poisoning, Brownfields Redevelopment, Colonias;
- c. Use NOFA publications, program guidance, and application procedures as opportunities for integrating environmental justice concerns; and/or
- d. Support research and data collection, and collaborate with other agency efforts on environmental justice.

6. Provide Technical Assistance and Guidance

- a. Identify, note, and participate in interagency efforts, whenever possible to avoid duplication of effort and piggyback on other agency environmental justice undertakings;
- b. Monitor, review, and screen HUD programs, applications, and public and Indian housing portfolios to assure consideration of environmental justice concerns;
- c. Improve the capacity for localities participating in HUD-assisted programs by developing environmental justice information/guidance material and strategies for community outreach;
- d. Communicate to builders and lenders the importance of environmental justice considerations in the development of their HUD-assisted and insured projects; and/or
- e. Give special attention to environmental justice concerns by providing legal support and useful and acceptable language for program regulations and guidance material.