

## Attachment 2

The following paragraphs will be inserted at the end of the *Environmental Regulations* section on page IV-10:

In addition, the cost of developing single-family housing may increase if the area is environmentally contaminated. Contaminated areas are often referred to as brownfields. Brownfields are abandoned, idle, or underused properties where redevelopment is hindered by known or suspected contamination. They can vary in location and size; however, many are former industrial or commercial sites in urban areas. Costs associated with the development of brownfields may include environmental investigation and site assessment; environmental cleanup, including removal of underground storage tanks, soil, and other contaminated substances; and demolition or rehabilitation of buildings that may include asbestos abatement. These costs are not typically associated with developing greenfields (properties that have not had any previous type of development other than farming), which may make greenfield sites more attractive than brownfields for potential developers and investors. One of the primary barriers to the redevelopment of a brownfield site is fear on the part of potential purchasers or investors of assuming unlimited liability for clean up.

The cost of developing brownfield sites, and sites in older urban areas in general, may also be increased by the need to assemble multiple parcels that could have several different owners. Interest in a site for redevelopment could cause existing owners to expect greater compensation and the process and complexity of site assembly may increase the timeline of the development process, which would increase the cost of development. Large parcels are more readily available for development in greenfield areas and the costs associated with site assembly may be avoided.

The benefits of brownfield redevelopment have been recognized by Federal, State, and local governments. State liability exemption legislation and many Federal and State grant, loan, and incentive programs have been created to assist local governments, non-profit organizations, and businesses with brownfield redevelopment. The benefits of brownfield redevelopment, assistance programs, and case studies are discussed further in the *Best Practices* chapter.

The following sentence will be inserted at the end of the *Environmental Regulations* section on page IV-16:

In addition, the same increase in costs for developing a brownfield site for single-family housing applies to multi-family housing, including the costs associated with site assembly.