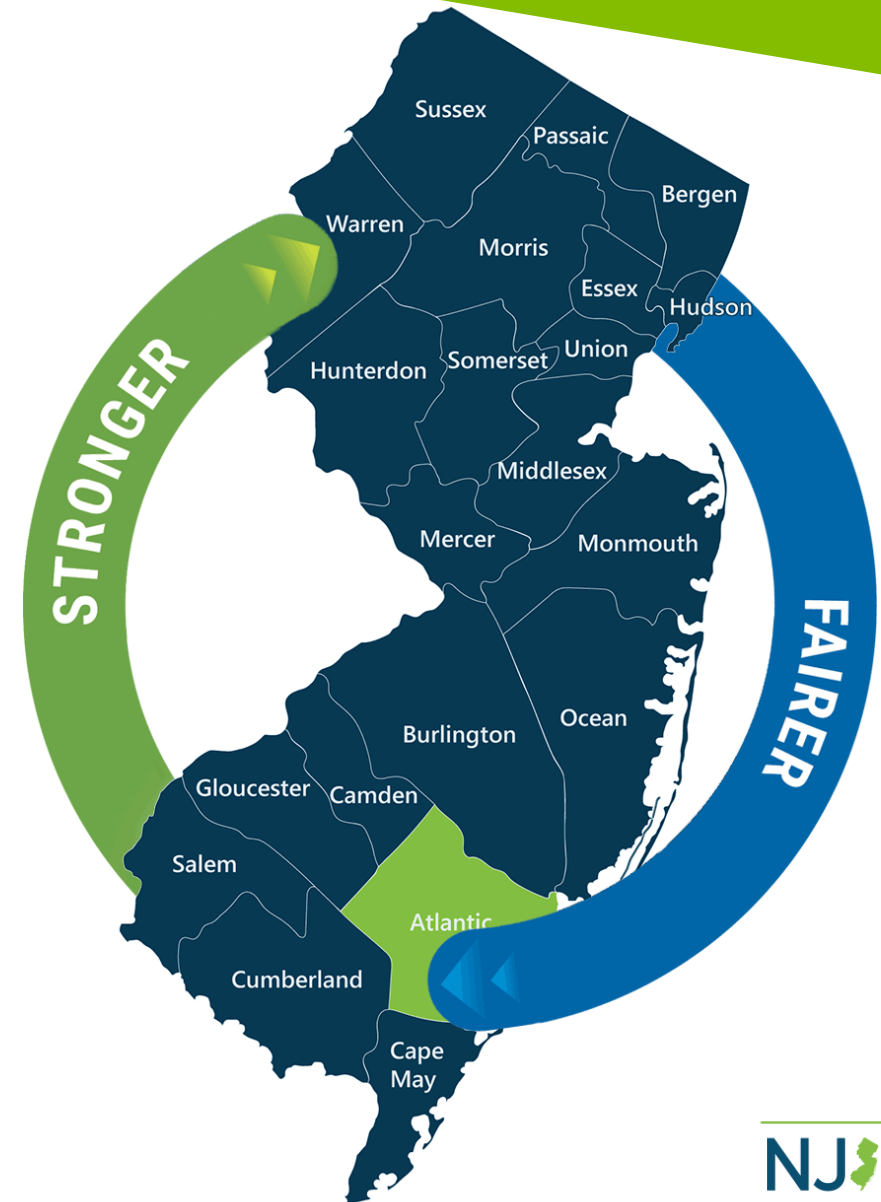


Brownfields Impact Fund

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NJEDA's Brownfields and Sustainable Systems

<https://www.njeda.com/community-revitalization/>

► Internal & External Integration & Partnerships

- Environmental Justice
- Climate Resilience
- Community Collaborative Initiative
www.nj.gov/dep/ci
- Brownfield Assistance Center @ NJIT
www.njit.edu/njbrownfields

► Brownfields Loan Program (Currently Closed)

► **Brownfield Impact Fund**
supported by USEPA RLF
(Upcoming – Early 2022)

► USEPA Assessment Grant (Upcoming – Early 2022)

► Brownfield Redevelopment Incentive (Tax Credit) (Currently Under Development)

Presentation Overview

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- 3 | SITE CONTROL REQUIREMENTS
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Brownfields Impact Fund

The Brownfields Impact Fund is a pilot program, funded by a USEPA Revolving Loan Fund (RLF) grant, that will provide \$800,000 in funding for loans to private developers, and loans and/or grants (note: grants do not require repayment) to public sector and non-profit entities to carry out cleanup activities at brownfield sites, assisting with the return of these vacant and underutilized properties to public benefit.

KEY PROGRAM FEATURES



Offers loans and grants to CCI cities in the first 90 days, then extended to other projects on a first come, first serve basis



Addresses funding gaps to make the remediation phase of the project financially viable for remedial actions and other eligible activities



Minimum loan: \$50,000
Maximum loan: \$350,000

Minimum grant: \$25,000
Maximum grant: \$350,000



Fee: \$1,000*

Loan Modification Fee: \$1,000
Loan Closing Fee: 0.875%
Loan Commitment Fee: 0.875%



Visit www.njeda.com/brownfieldsimpactfund/ for more information

***The NJEDA will waive a grant application fee upon demonstration by the applicant that the imposition of the fee would impose an undue financial hardship.**

Applicant Eligibility

The USEPA RLF has separate eligibility requirements for loans and grants.

LOAN ELIGIBLE APPLICANTS

- ▶ **Nonprofit organizations** exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and other nonprofit organization as defined at 2 CFR § 200.70 (including Institutes of Higher Education, but excluding 501 (c)4);
- ▶ **Units of local government** (including County, Regional, and quasi-governmental entities);
- ▶ **For profit organizations.**

GRANT ELIGIBLE APPLICANTS

- ▶ **Nonprofit organizations** exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and other nonprofit organization as defined at 2 CFR § 200.70 (including Institutes of Higher Education, but excluding 501 (c)4);
- ▶ **Units of local government** (including County, Regional, and quasi-governmental entities).

Site Control Requirements

Potential brownfield site purchasers and current brownfield site owners are eligible as follows:

LOAN SITE CONTROL

- ▶ Must be able to demonstrate site control or a path to site control of a brownfield property.
- ▶ Borrowers do not need to own the brownfield property.

GRANT SITE CONTROL

- ▶ Must own the brownfield property at the time of the application and award of grant.
- ▶ The grantee must retain ownership of the site throughout the period of performance of the grant and must consult with NJEDA and EPA Project Officer prior to transferring title or otherwise conveying the real property compromising the site.
- ▶ For the purposes of this agreement, the term “owns” means fee simple title unless NJEDA and EPA Project Officer approves a different ownership arrangement.



Loan Overview

The Brownfields Impact Fund provides loans for remediation activities necessary to cleanup the release or mitigate the threatened release of hazardous materials to promote redevelopment of brownfields sites.

Key Program Features:



Loan Amounts

Minimum \$50,000

Maximum \$350,000

- ▶ 20-year term with no payments for the four years (no pre-payment penalty)
- ▶ Base rate of 2% with rate reductions available if project meets specific criteria (floor of 1%)
- ▶ Submit a letter of support from the municipality in which the brownfield site is located
- ▶ Division of Taxation Tax Clearance Certificate required and may be requested through the State of New Jersey's Premier Business Services (PBS) portal online
- ▶ Funds are disbursed based on a reimbursement structure for actual eligible costs incurred and provided on an invoice



Loan Overview - Rate Reductions

Option to reduce interest rate from 2% to 1% to incentivize achievement of NJEDA state policy goals.

Project site locations must meet at least TWO of the following criteria for interest rate reduction:

- ▶ within a CCI city or government restricted municipality (GRM)
- ▶ in a municipality ranked as one of the 50 most distressed municipalities per the NJDCA 2017 Municipal Revitalization Index (MRI)
- ▶ in an Opportunity Zone eligible census tract
- ▶ within an existing Planning Area 1 (Metropolitan) and within a one-half mile radius, with existing bicycle and pedestrian connectivity, to the mid-point of an existing New Jersey Transit Corporation, Port Authority Transit Corporation, or Port Authority Trans-Hudson Corporation rail, bus, or ferry station, including all light rail stations, or a high frequency bus stop as certified by the New Jersey Transit Corporation



Grant Overview

The Brownfields Impact Fund provides grants to eligible entities for remediation activities necessary to cleanup the release or mitigate the threatened release of hazardous materials to promote redevelopment of brownfields sites.

Key Program Features:



Grant Amounts

Minimum \$25,000

Maximum \$350,000

- ▶ Aggregate of grants will be limited to less than half of the total award amount (\$800K)
- ▶ Fair and public bidding process required
- ▶ Submit a letter of support from the municipality in which the brownfield site is located
- ▶ Division of Taxation Tax Clearance Certificate required and may be requested through the State of New Jersey's Premier Business Services (PBS) portal online
- ▶ Funds are disbursed based on a reimbursement structure for actual eligible costs incurred and provided on an invoice



Grant Overview - Fee Waiver Applicability



FEE WAIVER APPLICABILITY

- ▶ Municipal applicants if ranked in top 10% of Municipal Revitalization Index (MRI) in 2020
- ▶ Non-profit applicants if the fee is greater than 0.1% of annual operating budget

Eligible Activities

This funding is for **environmental cleanup** (not assessment or investigation).

Specific examples of activities provided by USEPA:

- ▶ Preparation of **Remedial Action Workplans**;
- ▶ Remediation of **hazardous substances that are part of a structure** (such as lead based paint and asbestos);
- ▶ A site's **engineered remediation cap** which could include foundations/roadways;
- ▶ **Demolition** of structures to the extent that the demolition is integral to enabling access to contamination needing remediation (must be pre-approved by USEPA);
- ▶ Purchase of **environmental insurance**;
- ▶ **Site monitoring**, including sampling and analysis, required during the cleanup process;
- ▶ Actions necessary to **cleanup the release** or mitigate the threatened release of hazardous materials such as;
 - Provide fences, warning signs or other site control precautions
 - Drainage controls
 - Capping of contaminated soils
 - Excavation, consolidation, or removal of highly contaminated soils
 - Removal of containers that may contain hazardous substances
 - Use of chemicals to retard the spread of hazardous substances
 - Containment, treatment, disposal, or incineration of hazardous materials
- ▶ **Monitoring and data collection** which are required as a component of the cleanup action (including payment of the annual NJDEP remediation permit fees, if approved by USEPA);
- ▶ **Installation of engineering and/or institutional controls** to fulfill cleanup requirements.

Other uses may be considered upon request from borrower/grantee, and approval by USEPA.

Exclusionary Criteria

- ▶ Loans or grants cannot be provided to entities who caused or contributed to the contamination of the property. Specifically, this program excludes: individuals or entities responsible for, or individuals or entities who have common ownership or control with entities responsible for, any existing environmental contamination at the site or any individuals or entities that have indemnified a responsible party or a party who has common ownership or control with a responsible party.
- ▶ Must meet the USEPA site control and eligibility requirements.

Ineligible Activities

- ▶ Pre-cleanup assessment, identification and characterization;
- ▶ Development activities that are not removal actions;
- ▶ Cleanup of a naturally occurring substance;
- ▶ Payment of a penalty or fine;
- ▶ Construction, demolition, and development activities that are not integral to cleanup actions;
- ▶ Public or private drinking water supplies that have deteriorated through ordinary use;
- ▶ Monitoring and data collection necessary to apply for, or comply with environmental permits under other federal and state laws, unless such a permit is required as a component of the cleanup action;
- ▶ Other activities unrelated to the cleanup;
- ▶ Properties already listed as Superfund sites; and
- ▶ Any use not approved by NJEDA or USEPA.

Items To Note



Funding will be available on a rolling basis, first come, first served, based on the readiness of the application and the availability of funds.

- ▶ NJEDA will vet eligibility of the project site and eligibility of the applicant based on a brief pre-qualification screening form.
- ▶ For the initial 90 days after program launch, only applications for projects located in the Community Collaborative Initiative (CCI) communities will be considered. This will prioritize investment in these communities which have high instances of brownfields, poverty, health disparities and need for revitalization. After 90 days, the program will be open throughout the state.
- ▶ Prior to closing, NJEDA will submit loans and grants to USEPA for applicant, activity and site eligibility.

Items To Note

- ▶ Applicants are required to comply with the Federal Davis-Bacon Act and New Jersey Prevailing Wage for the work for which they are being funded.
- ▶ Funds are subject to the Authority's **affirmative action and prevailing wage requirements**. These requirements shall also apply to all construction contractors (all tiers) associated with this project.
- ▶ ANY and ALL construction contracts awarded in New Jersey that require payment of prevailing wage must provide **proof of valid Construction Contractor Registration Certification (CRC)** and **proof of participation if Registered Apprenticeship Program, if employing craftworkers**.
 - Information regarding this act can be found here:
https://www.nj.gov/labor/wagehour/regperm/pw_cont_reg.html

Additional Information

Today, you have heard about NJEDA's NEW Brownfield Impact Fund program.

On January 20, 2022, NJEDA began accepting applications for both loans and grants from project sites located with CCI communities.

On April 20, 2022, NJEDA will begin accepting applications for both loans and grants state-wide.



We would like hear from you on potential brownfield sites that might be able to utilize this funding source.

Please send inquires to bfimpactfund@njeda.com or visit our website at www.njeda.com/brownfieldsimpactfund/ for additional information or to complete an expression of interest form.



Visit njeda.com or email
mdulinski@njeda.com for more information



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