



## **The Brownfield Impact Fund Notice of Funding Availability**

The New Jersey Economic Development Authority (NJEDA) hereby announces the availability of grant and loan funding under The Brownfield Impact Fund. This program is supported by funding received from a United States Environmental Protection Agency (EPA) Brownfield Revolving Loan Fund (RLF) grant. The Brownfield Impact Fund is designed to provide grants to units of local government and non-profit entities and loans to units of local government, non-profit entities, and for-profit organizations. Funding received under this program is to be used for carrying out cleanup activities at brownfield sites, assisting with the return of these vacant and underutilized properties to public benefit.

This application will open on the NJEDA website on January 20, 2022, and remain open for as long as sufficient program funds are available. Funds will be awarded on a first come, first served basis upon receipt of the nonrefundable application fee, unless waived, and completed application with supporting documentation. The link to the online application for the Brownfields Impact Fund will be available on the NJEDA webpage:  
<https://www.njeda.com/brownfieldsimpactfund/>

### **Overview**

Brownfields are former commercial or industrial sites that are vacant or underutilized and are suspected or known to be contaminated. The remediation of brownfield properties can transform communities, providing benefits to the local and regional economies including fostering the development of medium, small, and microbusinesses, increasing employment opportunities, and increasing tax revenue. Brownfield remediation projects can also have an overall positive effect on the community such as increased safety, community pride, and health and wellness.

The Brownfields Impact Fund is an important program that will facilitate the redevelopment of brownfields by addressing funding gaps to make the remediation phase of the project financially viable, after which construction financing can be more readily obtained by the developer. This program can increase the economic impact of the State's investment, reactivating long-stalled sites and encouraging job creation through remediation, redevelopment, and productive reuse of the property. An additional outcome of the program is to minimize the negative environmental impacts of developing current green spaces for commercial and industrial use. The Brownfields Impact Fund will accomplish this by focusing on the reuse of distressed, abandoned brownfields properties, which are often located in sought after areas within the community. Revitalization of brownfield properties allows for economic development in key locations which often have

existing access to a potential workforce, infrastructure, and redevelopment opportunities in our communities.

### **Purpose**

Under the Brownfields Impact Fund, the NJEDA will make grant funding available to non-profit organizations and units of local governments and will make low-interest loans available to for-profit organizations, non-profit organizations, and units of local government. For-profit organizations will not be eligible to apply for grant funding. Funds will be awarded on a first come, first serve basis upon receipt of a completed application.

These loans and grants will assist with cleanup and other pre-construction activities at brownfield sites throughout the state, particularly those within the States' Community Collaborative Initiative (CCI) cities. Eligible uses of the loan and/or grant funding include remediation activities necessary to clean up the release or mitigate the threatened release of hazardous materials and other activities approved by the EPA and outlined in the program specifications.

### **Funding Amounts**

The minimum loan amount will be \$50,000, with a maximum loan amount of up to \$350,000.

The minimum grant amount will be \$25,000, with a maximum grant amount of up to \$350,000.

Eligible entities may apply for both a loan and a grant under this program.

### **Funding Disbursement**

Disbursements will be based on a reimbursement structure for actual eligible costs incurred. Funds are to be disbursed upon receipt and review of approved invoices.

### **Eligible Applicants**

For the first three months (90 calendar days) of the program from the date the NJEDA begins accepting applications, eligibility will be limited to designated CCI communities.[1] After the 90-day period, the NJEDA will begin accepting applications from projects located in areas outside of the twelve defined CCI communities, subject to the availability of funding.

As part of eligibility for the Brownfields Impact Fund, entities applying for a loan must be able to demonstrate site control or a path to site control of a brownfield property at time of application. For non-profit organizations and units of local government applying for grant funding, the entity must own the brownfield property at the time of the application and retain ownership of the term of the grant.

Furthermore, all applicants for either the loan or grant must be accompanied by a letter of support from the mayor or, if the position of mayor does not exist, from the governing body of the municipality in which the brownfield site is located. The letter of support must indicate that

the project aligns with the master land use plan or the local redevelopment plan. If there is no master plan or local redevelopment plan that includes the project site, the support letter must indicate that neither of these documents exist.

All applicants must have a redevelopment plan for the contaminated property.

Applicants must be in good standing with the New Jersey Department of Labor and Workforce Development and the New Jersey Department of Environmental Protection (as determined by each Department). If a compliance issue exists, the eligible entity may have an agreement with the respective department that includes a practical corrective action plan, as applicable.

Applicants will also be required to provide a valid tax clearance certificate from the New Jersey Division of Taxation within the New Jersey Department of Treasury.

Entities applying to the Brownfield Impact Fund will be required to complete a legal questionnaire.

### **Exclusionary Criteria**

Loans or grants cannot be provided to entities who are considered liable or potentially liable for the environmental contamination under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) § 107. 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, pursuant to CERCLA.

### **Eligible Uses**

The Brownfield Impact Fund provides low-interest loans and/or grants for eligible brownfield cleanups.

Eligible Activities may include, but are not limited to:

- Preparation of Remedial Action Workplans;
- Remediation of hazardous substances that are part of a structure (to include lead-based paint and asbestos);
- Construction of 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 U. S. EPA);
- Actions necessary to clean up 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.
- Purchase of environmental insurance;
- Site monitoring, including sampling and analysis, required during the cleanup process;
- 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 U. S. EPA);
- Installation of engineering and/or institutional controls to fulfill cleanup requirements.
- Others uses will be considered upon request from borrower / grantee, and approval by U. S. EPA.

Ineligible Activities include, but are not limited to:

- Pre-cleanup assessment, identification, and characterization;
- Cleanup of a naturally occurring substances;
- 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;
- Any cost incurred prior to loan or grant approval;
- Any use not approved by NJEDA or U.S. EPA.

### **Approval Process**

Potential applicants will be asked to complete a pre-application screening form prior to applying. The Brownfields & Sustainable Systems team will review applications for eligibility and appropriateness based on the U.S. EPA guidelines. The approval process will also include a technical review which will vet projects for readiness. The factors for the technical review include, but are not limited to, completion of the environmental assessment, existence of a draft remedial action workplan, engineer's cost estimate for remediation, and permits.

### **Interest Rate and Terms**

The NJEDA has structured these loans with an up to 20-year term and 2% interest rate (with an option for interest rate reductions to a floor of 1 percent based on the achievement of NJEDA's policy goals). Principal and interest will be deferred until the end of Year 4. During this period, interest will accrue and capitalize.

### **Labor Compliance**

The Davis-Bacon Act and New Jersey Prevailing Wage requirements, and associated U.S. Department of Labor (DOL) regulations, apply to all construction, alteration, and repair contracts and subcontracts awarded with funds provided under this program.

### **Fees**

For the Brownfield Impact Fund, there will be a nonrefundable application fee for loans and grants of \$1,000. For grant applications, the NJEDA will waive the application fee upon demonstration by the applicant that the imposition of the fee would impose an undue financial hardship. Undue financial hardship is determined based on NJEDA established objective criteria provided in the Program application and in accordance with program policies and procedures. The program policies and procedures include a provision that the New Jersey Department of Community Affairs (DCA) Municipal Revitalization Index (MRI), which demonstrates municipal distress, will be utilized to evaluate hardship for municipalities. The program policies and procedures also include a provision for non-profits that the hardship will be evaluated based on their annual operating budget.

For loans specifically, there will be a commitment fee of 0.875% of the loan amount, a closing fee of 0.875 percent of the loan amount. For any modifications needed on a loan, there will be a loan modification fee of \$1,000.

### **Additional Information**

Additional information on the Brownfields Impact Fund may be found on the NJEDA webpage: <https://www.njeda.com/brownfieldsimpactfund/>

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