S37 Brownfields Funding: Building Blocks to Brownfields Redevelopment in Washington State

October 19, 2022







What is a brownfield?

Federal

A brownfield is a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

Washington State

A brownfield is previously developed and currently abandoned or underutilized real property and adjacent surface waters and sediment where environmental, economic, or community reuse objectives are hindered by the release or threatened release of hazardous substances.







What is a brownfield?

A brownfield is an abandoned or underused property that has known or suspected environmental contamination that is preventing it from being redeveloped.

"Properties stuck without redevelopment options"













Origins of the Brownfields Program

- In the **early 1990's**, the U.S. Conference of Mayors pointed to brownfields as one of the most critical problems facing cities. Blighted properties, or brownfields, pushed down property values and tax revenues.
- In **January 1995**, EPA provided small amounts of seed money to local governments that launched hundreds of two-year Brownfields "pilot" projects and developed guidance and tools to help in the cleanup and redevelopment of Brownfields sites.
- In January 2002, the success of this brownfields initiative led to the <u>Small Business Liability Relief and Brownfields Revitalization Act</u> (the "Brownfields Law") which codified many of EPA's practices, policies and guidance. The Brownfields Law expanded EPA's assistance by providing new tools for brownfield reuse and also expanded funding for brownfields assessment and cleanup competitive grants and clarified liability protections.
- In **March 2018**, Congress passed the Brownfields Utilization and Local Development (BUILD) Act which expanded the Brownfields law and most importantly allowed greater liability protections and increased cleanup grant funding amounts.







Successes of the EPA Brownfields Program

Since 1995,

- Assessed more than 35,577 properties.
- Leveraged more than \$37.6 billion in Brownfields funding from the private and public sectors.
- Generated more than 194,755 jobs.
- Made more than 148,611 acres ready for reuse.

Studies show increases in property values and tax revenues and reductions in crime in proximity to cleaned up brownfield sites!







Brownfields Revitalization

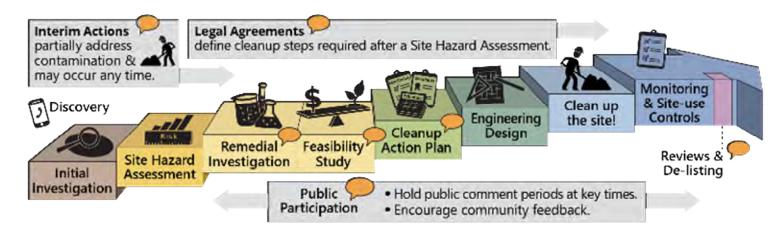








Cleanups in Washington



Model Toxics Control Act (MTCA)

- Ecology supervised "formal" cleanups
- Independent
 - Voluntary Cleanup Program (VCP)
 - Pollution Liability Insurance Agency (PLIA) Technical Assistance Program



Cleanups in Washington

Integrated Planning Grant (IPG)
Affordable Housing
128(a) State Response Program (SRP)
Flexible Brownfields Funding (BF)

Initial

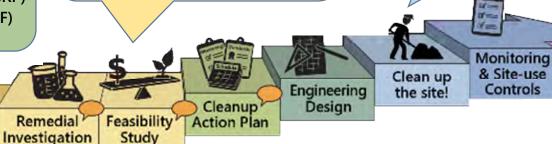
Investigation

Site Hazard

Assessment

IPG
Affordable Housing
128(a) SRP
Flexible BF
EPA Assessment, Multipurpose
Commerce Revolving Loan Fund (RLF)
limited*

Affordable Housing
Flexible BF
Commerce RLF and Grant
EPA Cleanup, Multipurpose Grant



Planning	Assessment			Cleanup		
Planning	II/Phase I&II ESA	RI/FS	CAP	EDR/Cleanup		



Brownfields Funding Overview

Funding Type	Who Is Eligible?	Planning	Assessment	Cleanup	Cost Share?	Offering
Ecology Integrated Planning Grant (IPG)	Local government	Yes	Yes		No	Continuous, based on available funding
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Commerce BRLF Program Grant	Local government, Non-profit, Tribes		Yes	Yes	No	Continuous, based on available funding

What contaminants can be addressed with Brownfields funding?





Who is eligible to receive EPA Brownfield funding?

Multipurpose	Revolving Loan Fund (RLF)*	Assessment	Cleanup	Targeted Brownfields Assessment (a service not a grant)	Job Training	State & Tribal Response Program (STRP)		
 Local Governments Land Clearance Authorities/Quasi-Governmental Entities Under Local Governmental Control State Legislated Government Entities Regional Councils of Government or Group of Local Governments Redevelopment Agency (State Chartered/Sanctioned) States Tribes (except in Alaska) Alaska Native Regional Corporations, Alaska Native Village Corporations, and Metlakatla Indian Community Intertribal Consortia Nonprofits - 501 (c)(3) nonprofits and others consistent with the definition of nonprofit organization at 2 CFR § 200.1 Qualified Community Development Entity (section 45D(c)(1) of the Internal Revenue Code of 1986) 								
	*Private Developers as RLF Loan Recipients				Workforce Investment BoardsOrganized Labor Unions			



Due Diligence

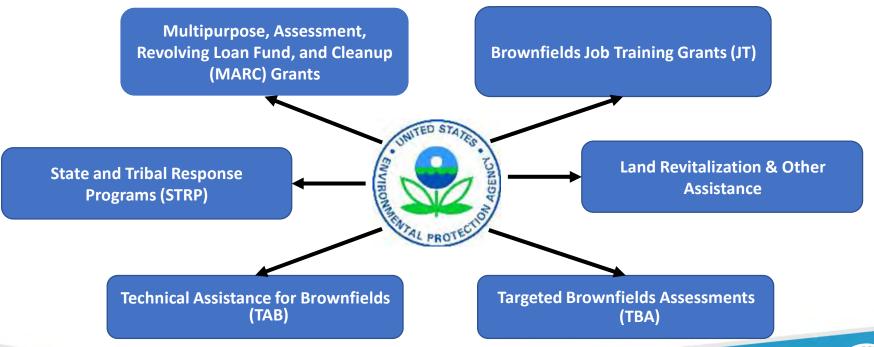
- Landowner liability defense is complex
- Perform "all appropriate inquiries" (AAI) prior to purchase of property –
 Phase I ESA

Also...

- Demonstrate "no affiliation" with a liable party
- Comply with land use restrictions and not impede the effectiveness of institutional controls
- Take "reasonable steps" to prevent release of hazardous substances
- Provide cooperation, assistance and access
- Comply with information requests and administrative subpoenas
- Provide legally required notices



EPA Brownfields Funding Opportunities





Assessment Grants

provide funding for brownfields inventories, planning, environmental assessments, and community outreach

- Funding Amount & Project Period:
 - Community-wide (up to \$500,000, up to 4 yrs)
 - Assessment Coalitions (up to \$1,000,000, up to 4 yrs)
 - State & Tribal (up to \$2,000,000, up to 5 yrs)
- Competition Frequency:
 - Community-wide annually
 - Assessment Coalition, State & Tribal varies

Planning activities are also eligible under Assessment grants and include:

- Site Reuse Assessment
- Market Evaluation
- Market Analysis

- Infrastructure Evaluation
- Land Use Assessment
- Site Design / Reuse Vision

- Redevelopment Planning
- Development of a Target Area-Wide Plan





Cleanup Grants

provide funding to carry out cleanup activities at brownfields sites owned by the applicant





- Funding: An applicant may request
 - √ up to \$500,000, or
 - ✓ up to \$1 million, or
 - ✓ up to \$2 million
- Project Period: up to 4 years
- Competition Frequency: Annually
- Must own site at time of application
- Phase II and Analysis of Cleanup Alternatives must be completed

Multipurpose Grants

provide funding to conduct a range of eligible assessment and cleanup activities at one or more brownfield sites in a target area

- Funding Amount: up to \$800k
- Project Period: up to 5 years
- Competition Frequency: Varies



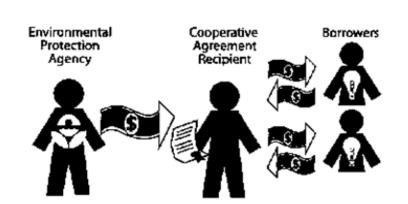
- Must complete at least one Phase II environmental site assessment, one cleanup, and an overall plan for revitalization
- Can carry out a range of eligible assessment and cleanup activities, including planning and additional community engagement activities.
- Applicants must affirm ownership of at least one site within their target area that meets the definition of a brownfield site by the time of the proposal submittal date



Revolving Loan Fund Grant

provide funding for a grant recipient to capitalize a revolving loan fund and to provide low interest loans and subgrants to eligible entities to carry out cleanup activities at brownfield sites.

- Funding Amount: Up to \$1M
- Competition Frequency: Varies
- Coalitions may apply
- (Minimum) 50% loans
- (Maximum) 50% subgrants
- Designed to operate for many years
- Project Period: Up to 5 years (may be extended)





FY2023 MARC Grant Offerings

	Maximum	Maximum		Total Per Grant Type		
Grant Type	Project Period	Amount Per Grant	Estimated # of Awards	Bipartisan Infrastructure Law Funds	Regular Appropriated Funds	
Multipurpose	5 yrs	\$800,000	17		\$14.0 M	
Assessment (State/Tribal)	5 yrs	\$2,000,000	17	\$35.0 M		
Assessment Coalitions	4 yrs	\$1,000,000	20		\$20.0 M	
Assessment (CW) - New	4 yrs	\$500,000	36		\$18.0 M	
Assessment (CW) - Existing	4 yrs	\$500,000	25		\$12.5 M	
RLF (New)	5 yrs	\$1,000,000	10	\$10.0 M		
Cleanup	4 yrs	\$500,000	40	\$20.0 M		
Cleanup	4 yrs	\$1,000,000	25	\$25.0 M		
Cleanup	4 yrs	\$2,000,000	8	\$15.0 M		
			198	\$105 M	\$64.5 M	

NO COST SHARE

Amounts are subject to change

Job Training Grant Program

provide funding to recruit, train, and place unemployed and under-employed residents from communities impacted by brownfields

- Must target unemployed and under-employed individuals that are residents living in or near an area adversely impacted by the presence of brownfield sites.
- Further environmental justice (EJ) by ensuring that residents living in these communities benefit from the revitalization and environmental cleanup of brownfields.
- Help graduates develop wider skill sets that improve their ability to secure full-time, sustainable employment in various aspects of hazardous and solid waste management and within the larger environmental field, including water quality improvement and chemical safety.
- Project Period: Up to 5 years
- Up to \$500,000 for each award
- FY2023 Request for Proposals were due August 2, 2022





CERCLA Section 128(a) Brownfields State and Tribal Response Program Funding

- EPA provides funding to States and Federally Recognized Tribes to develop a brownfields/cleanup program.
- Program is broad and allows states and tribes flexibility in implementation.
- Establishment and Enhancement of Four Elements & Public Record.



Targeted Brownfields Assessment Program (TBA)

EPA performs work on behalf of an eligible requestor using contractor resources

- Phase I ESA
- Phase II ESA
- Cleanup options and cost estimates
- Requester must secure site access
- Redevelopment certainty





Technical Assistance

<u>Technical Assistance to Brownfields (TAB)</u>

- Understanding the regulatory process
- Grant writing/reviewing assistance
- Brownfields financing
- Environmental planning and management



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Other Technical Assistance









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Ecology Planning Grants

- Can support efforts to conduct first steps in cleanup and redevelopment
- Help pay for plan to address assessment, cleanup, administrative process, and investments needed
- Competitive biennial solicitation



Integrated planning grants

Local governments that own or are considering acquiring a brownfield

- Up to \$200,000 for a single site; Up to \$300,000 for multiple sites
- No funding match required
- Numerous covered activities*



Affordable Housing planning grants

Any person that owns or is considering acquiring a brownfield to redevelop into affordable housing

- Up to \$400,000
- No funding match required
- Numerous covered activities*





Numerous covered activities





Ecology's State Response Program Grant

EPA provides funding to Ecology for:

- Site Assessment
- Technical assistance for brownfields sites
- Environmental Justice and community outreach activities
- Developing a Brownfields inventory
- Small Community Technical Assistance Grants

No solicitation



Ecology flexible brownfields funding

- State funding
- Supports time-sensitive site investigation or limited cleanup
- Focus on small or rural communities
- Focus on disproportionately impacted communities

No solicitation



Ecology Cleanup Funding

- Oversight Remedial Action Grants
 - Local governments completing Ecology-supervised cleanups
 - Biennial solicitation for funding next biennium
- Affordable Housing Cleanup Grants
 - "Any person" completing cleanup for an affordable housing reuse
- Independent Remedial Action Grants
 - Local governments completing cleanups under Ecology's Voluntary Cleanup Program (VCP)
 - Annual ongoing solicitation



Ecology Brownfields Contacts

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Brownfields Revolving Loan Fund Program

Since 2000, The Department of Commerce has successfully managed the Brownfields Revolving Loan Fund Program.

- 15 Projects14 Cleanup
 - 1 Assessment
- Total of \$10,900,000
 68% Loans / 32% Grants
- 12 projects have demonstrated positive impacts to disadvantaged communities across Washington State

Brownfields Revolving Loan Fund Program

The program provides **low interest loans** and/or grants to local governments, non-profits, tribes, ports, and private businesses undertaking cleanup of contaminated properties.

EPA RLF Bipartisan Infrastructure Funding New Award: \$3,900,000

Eligible Costs





- Excavation, consolidation, or removal of contaminated soils from drainage or other areas
- Containment, treatment, and disposal of hazardous materials (including asbestos & lead-based paint).
- Removal of drums, barrels, tanks, or other bulk containers that contain or once contained hazardous substances.
- Site monitoring, including sampling and analysis necessary during the cleanup process.
- Phase I & II Environmental Site Assessments and cleanup planning activities.
 (Only available if Ecology or EPA funding is not available & dependent upon project readiness.)

Eligible Properties



Must meet **ALL** the following criteria:

- Applicants must own property or be a prospective purchaser with site access
- Must not be a responsible party as defined under CERCLA, Section 107(a)
- Must conduct All Appropriate Inquiries (AAI) in accordance with EPA AAI Final Rule or ASTM E1527-13 (or the most current version). AAI must be completed NO MORE THAN 6 months prior to property acquisition (due diligence), if claiming protection from liability
- Properties must be idled, underutilized, or abandoned as a result of real or perceived contamination
- Property must be entered into the Voluntary Cleanup Program and identified on, or be added to, Ecology's Confirmed and Suspected Contaminated Sites database
- The cleanup must be completed within 12 months from the date removal activities begin on site
- Redevelopment must have a public benefit and a community involvement component. A site reuse or redevelopment plan should be developed

Sites Not Eligible for Brownfields RLF

- Sites proposed or listed on the National Priorities List (Superfund)
- Facilities subject to orders under CERCLA
- Facilities that are subject to the jurisdiction,
 custody or control of the US government
 (except land held in trust for Indian Tribes)

Funding Information



- Applications are considered on an ongoing, first-come, first-serve basis
- Low interest loan and grant limits, pending funding availability:
 - ➤ No loan limitation
 - ➤ Discounted loan (forgivable loan) up to 50% of total loan, may not exceed \$500,000*
 - ➤ Maximum grant \$500,000*

*Private, for profit entities only eligible for loans; and applicant must own property at time of application to be eligible for discounted loans or grants.

Funding Information, continued

- The maximum term of the loan, prefer 5 years or less
- Interest rates will be negotiated based on the project need
- Other requirements
 - Federal Davis-Bacon Wages apply
 - National Historic Preservation Act (NHPA) Section 106 Archaeological and Cultural Resources review applies
 - Endangered Species Act applies
- 1% Origination fee of the funded amount, payable at contract execution
- Collateralization is required

Successful Brownfield Projects

- Strong partnerships
- Reuse in mind
- State (or Tribal) environmental program coordination = oversight
- Community is engaged
- Considerations for sustainability and climate change impacts in cleanup and redevelopment

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How do you get from this....

Rosalia former gas station



Rainier Court, Seattle



Spokane Kendal Yards - before



To this...

Visitors Center / Electric charging station



Rainier Court Phase III



Spokane Kendal Yards - after



Where do you find the brownfields?

- Ecology <u>Brownfields report</u>
- What's in My Neighborhood?*
- EPA's <u>Cleanups in My Community</u>
- Others
 - Local governments and tribes may have lists
 - EPA's <u>Envirofacts</u> database







Brownfields Resources

- Ecology Brownfields webpage: https://ecology.wa.gov/Spills-Cleanup/Contamination-cleanup/Brownfields
- EPA Brownfields webpage: https://www.epa.gov/brownfields
- Ecology affordable housing: https://ecology.wa.gov/Spills-Cleanup/Contamination-cleanup/Affordable-housing-related-cleanups
- WA Dept. of Commerce Brownfields: https://www.commerce.wa.gov/serving-communities/current-opportunities-2/brownfields-revolving-loan-fund/







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