

California Brownfields Revolving Loan Fund Program

PURPOSE

The purpose of the Brownfields Revolving Loan Fund (RLF) Program is to facilitate the reuse/redevelopment of contaminated sites by making low-cost financing available for the cleanup of eligible public or privately-held properties.

FUNDING

In 2006, the Department of Toxic Substances Control (DTSC) received its first RLF grant from the United States Environmental Protection Agency (U.S. EPA). RLF grants are administered through a Cooperative Agreement with U.S. EPA and are used to institute the RLF program for brownfields site cleanups.

OVERVIEW

Loans may be provided to eligible governmental entities and other persons, such as site owners or developer, if they are not responsible parties under CERCLA section 107. Subgrants may be given to eligible governmental entities or nonprofit organizations. **Parties responsible for the contamination are not eligible for cleanup funding.**

Qualified borrowers who own, have control of, or access to, an eligible brownfield site may apply for simple interest, below market rate loans. Governmental or tribal entities and nonprofit organizations that own the site they intend to cleanup may also apply for grants up to \$200,000 per site. DTSC funds eligible sites on a first-come, first-served basis.

Loans and subgrants may be used for cleanup of two types of brownfields sites – hazardous substances release sites and petroleum sites. Loans and subgrants cannot be used for pre-cleanup site assessments; they are solely for remediation costs. Applicants must complete assessment/investigation of the site and submit a completed workplan and a cost estimate.

GENERAL APPLICATION REQUIREMENTS

- Property(ies) must meet the CERCLA definition of a Brownfield site: "...real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant."
- Site assessment/investigation has been completed.
- The applicant is an eligible entity—this includes any public or private entity with control over or access to the site; borrower may not be potentially liable under CERCLA section 107 for cleanup costs at the site—exception may be if the borrower qualifies for a CERCLA Bona Fide Prospective Purchaser, Contiguous Property Owner, or Innocent Landowner limitation on liability—these latter applicants must carry out (or have already carried out) "all appropriate inquiries" as found in CERCLA section 101(35)(B) on or before acquiring the site and must meet certain continuing obligations.

- A remediation plan and/or equivalent has been completed and/or approved.
- The site is not currently listed or proposed for listing on the National Priorities List.
- A Federal or State agency is not planning or conducting a response or enforcement action at the site.
- Property is not currently owned by a party responsible for the environmental contamination of the site.
- A release of a hazardous substance or pollutant has occurred at the site. (Note: If the only pollutant is petroleum, the CalEPA Lead Agency Determination process will be used to confirm DTSC as the site lead agency prior to proceeding with the application.)

For more information regarding the Revolving Loan Fund Application Process:

<https://dtsc.ca.gov/brownfields/loans-and-grants/>

CONTACT INFORMATION

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