



EPA Brownfield Revolving Loan Fund (RLF) Guide

To encourage the remediation of brownfield sites, SEDA-COG manages an EPA Brownfield Revolving Loan Fund that offers a low interest rate to assist with the cleanup costs at brownfield sites within the region. Each loan is customized to provide the greatest flexibility to the borrower. The loan fund is capitalized with funding from the United States Environmental Protection Agency (EPA).

Brownfield Revitalization

The goal of the RLF is to help fund the cleanup of brownfield properties in order to promote reinvestment, retain or create jobs, and increase the tax base. Loans supplement other funding sources committed to the project and are structured to encourage borrowers to return properties to productive use.



Interested in learning more? Please contact,

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WHO IS AN ELIGIBLE BORROWER?

Eligible borrowers shall meet all the following criteria:

- ☑ Borrower is the site owner or has site control of a property with known contamination;
- ☑ Borrower acquired property after the time of contamination, has not caused, contributed to, permitted, or exacerbated the release of the contamination on or emanating from the property, and is not potentially liable under federal CERCLA regulations;
- ☑ Borrower performed “all appropriate inquiry” before acquiring the property (i.e., Phase I Environmental Site Assessment (ESA) within 180 days prior to property purchase) or is a qualifying public entity that acquired the property via eminent domain;
- ☑ Borrower has not been suspended, debarred, or declared ineligible for federal financial assistance programs;
- ☑ Borrower is authorized to incur debt and enter into legally binding agreements; and Borrower is financially sound; and
- ☑ Property site is within the 11-county SEDA-COG region.

WHAT CAN LOAN FUNDS PAY FOR?

Loan funds can only be used for eligible cleanup costs as designated by the EPA. Specific eligible costs include:

- ☑ Costs associated with removing, mitigating, or preventing the release or threat of release of a hazardous substance, pollutant, contaminant, or controlled substance into the environment including:
 - Fences, warning signs, or other security or site control precautions;
 - Drainage control;
 - Stabilization of berms, dikes, or impoundments; or drainage/closing lagoons;
 - Capping of contaminated soils;
 - Using chemicals and other materials to retard the spread of the contaminant release or mitigate its effects;
 - Excavation, consolidation, or removal of contaminated soils;
 - Removal of drums, barrels, tanks, or other bulk containers that contain or may contain hazardous substances, pollutants, or contaminants; and
 - Containment, treatment, disposal, or incineration of hazardous materials.
- ☑ Costs associated with removal activities, including asbestos abatement, lead-based paint removal, demolition and/or site preparation activities that are necessary for site cleanup.
- ☑ Site monitoring costs, including sampling and analysis that are reasonable and necessary during the cleanup process, including determination of the effectiveness of a cleanup.

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- ☑ Costs associated with requirements of the Pennsylvania Brownfields Voluntary Clean-up Program, including application fees, community involvement, worker health and safety, and ensuring the cleanup complies with applicable state and federal laws.
- ☑ Professional services required as part of the cleanup, including report preparation and Pennsylvania Department of Environmental Protection (DEP) submission/review fees.

COSTS NOT ALLOWED WITH LOAN FUNDS

Per EPA, loan funds can NOT be used for the following activities:

- ✘ Pre-cleanup environmental assessment activities (i.e., site assessment, identification, or characterization such as a Phase I or Phase II ESA);
- ✘ Monitoring or data collection necessary to apply for or comply with environmental permits under state and federal laws, unless the permit is required as a part of the cleanup action;
- ✘ Construction, demolition, and development activities that are not in support of cleanup actions;
- ✘ Job training activities unrelated to performing a specific cleanup at a site covered by the loan;
- ✘ Payment of a penalty or fine;
- ✘ Payment of a federal cost share requirement (i.e., a cost-share required by another federal grant) unless there is specific statutory authority;
- ✘ Payment of a response cost at a brownfield site for which the loan recipient is potentially liable under CERCLA §107;
- ✘ Payment of a cost of compliance with any federal law, excluding the cost of compliance with laws applicable to the cleanup;
- ✘ Unallowable costs (e.g., lobbying and purchases of alcoholic beverages) under 2 CFR Subpart E.

STATE AND FEDERAL REGULATIONS

All applicants must show they accept and are willing to follow all applicable state and federal regulations, and must submit compliance reports on the following:

- Compliance with the federal Davis Bacon Act (DBA), including payment of federal prevailing wage rates for all construction-related activities financed in whole or in part with federal funds, posting DBA information on the job site, and submission of certified weekly payrolls;
- Compliance with Build America, Buy American requirements for sourcing of project materials;
- Compliance with MBE/WBE goals established by EPA; and
- Compliance with the Terms and Conditions of the Cooperative Agreement between SEDA-COG and EPA. A copy of the agreement will be provided.

LOAN APPLICATION PROCESS

Pre-Qualification

Interested applicants must submit a completed Pre-Qualification Form to the SEDA-COG Business Finance Department. Upon approval of site eligibility from EPA, the applicant will be instructed to complete a loan application.

Loan Application

The applicant will submit an Application for Loan Funding and required attachments. If needed, the applicant may be referred to their local Small Business Development Center (SBDC) to help prepare a business plan and the necessary financial documentation for the review and underwriting process. This service is provided at no charge.

SEDA-COG's Qualified Environmental Professional (QEP), Montrose Environmental, will review the environmental assessment reports, discuss the project with DEP AND U.S. EPA as needed, and issue a project recommendation.

An analysis and evaluation of each loan application is made by the SEDA-COG Business Finance Local Loan Review Committee (LLRC) to determine the level of risk, based on the applicant's ability to repay the loan and the value of available security. To make that determination, the applicant will be required to provide information, including but not limited to financial statements, tax returns, and project-specific documentation.

Application Review, Approval, and Next Steps

Community involvement is an essential component of the Brownfields RLF Program. The public will have an opportunity to provide input on the proposed site cleanup and plans for redevelopment. The public cannot dictate changes, but public input will be considered.

Recommendations from the QEP and the SEDA-COG Business Finance LLRC are presented to the SEDA-COG Board of Directors for consideration at a public meeting. Final loan approval is at the discretion of the SEDA-COG Board.

If the funding request is denied by the SEDA-COG Board, the applicant will be notified in writing.

If the funding request is approved, a commitment letter will be sent to the applicant that includes the approved loan amount, rate, terms, and primary conditions for the loan. The SEDA-COG Business Finance staff will work with the applicant and SEDA-COG legal counsel to facilitate loan closing.

SEDA-COG'S EPA BROWNFIELD REVOLVING LOAN FUND (RLF) PROCESS

