

Brownfield Impact Fund (USEPA Brownfield Revolving Loan Fund) Program Specifications		
Funding Source	USEPA: \$800,000 NJEDA Cost Share: \$160,000 Total Program Budget (including operational costs): <u>\$960,000</u> RLF Amount: Up to \$800,000 for loans and/or subgrants (Aggregate of subgrants are limited to 45% of the total RLF amount) NJEDA Cost Share: \$160,000 of the Authority’s General Operating Budget and/or in-kind contributions will support programmatic expenses, including staff time, contractors, marketing, outreach, training, travel, and other costs associated with operating the program. Borrower/Subgrantee eligible remediation costs that exceed the amount provided by this program may also be captured as cost share contributions by NJEDA.	
	Aggregate <u>Loan</u> Amount	Aggregate <u>Subgrant</u> Amount
	Up to the total RLF amount less the amount of subgrants and less the amount of programmatic expenses	Up to 45% of the total RLF amount
Program Purpose	This pilot program will provide loans to private developers and loans and/or subgrants 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.	
Eligible Applicants	Location: While funding can be used throughout the State, NJEDA’s Brownfields Impact Fund program will target Community Collaborative Initiative (CCI) cities which have high instances of brownfields, poverty, health disparities and need for revitalization. For the first three months of the program, eligibility will be limited to CCI cities.	
	Loan Eligibility	Subgrant Eligibility
	Entities include: <ul style="list-style-type: none"> • for-profit organizations, • nonprofit organizations exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and other nonprofit organizations as defined at 2 CFR § 200.70 (including Institutes of Higher Education, but excluding 501(c)4) and 	Entities include: <ul style="list-style-type: none"> • nonprofit organizations exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and other nonprofit organizations as defined at 2 CFR § 200.70 (including Institutes of Higher Education, but excluding 501(c)4)

<ul style="list-style-type: none"> units of local government (including County, Regional, and quasi-governmental entities) 	<ul style="list-style-type: none"> units of local government (including County, Regional, and quasi-governmental entities) 		
<p>Site Control:</p> <p>Potential brownfield site purchasers and current brownfield site owners (including local government redevelopers) are eligible as follows:</p> <table border="1" data-bbox="456 548 1435 1108"> <tr> <td data-bbox="456 548 992 1108"> <p>Loan applicants: must be able to demonstrate site control or a path to site control of a brownfield property.</p> </td> <td data-bbox="992 548 1435 1108"> <p>Subgrantees: must own the brownfield property at the time of the application and award of subgrant.</p> <p>The subgrantee must retain ownership of the site throughout the period of performance of the subgrant and must consult with the NJEDA and USEPA Project Officer prior to transferring title or otherwise conveying the real property comprising the site. For the purposes of this agreement, the term “owns” means fee simple title unless NJEDA and USEPA approves a different ownership arrangement.</p> </td> </tr> </table>		<p>Loan applicants: must be able to demonstrate site control or a path to site control of a brownfield property.</p>	<p>Subgrantees: must own the brownfield property at the time of the application and award of subgrant.</p> <p>The subgrantee must retain ownership of the site throughout the period of performance of the subgrant and must consult with the NJEDA and USEPA Project Officer prior to transferring title or otherwise conveying the real property comprising the site. For the purposes of this agreement, the term “owns” means fee simple title unless NJEDA and USEPA approves a different ownership arrangement.</p>
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<p>Other:</p> <p>The applicant will be required to complete a pre-application screening form, identifying site, borrower and /or subgrantee information to determine project eligibility.</p> <p>All applications 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, or that no local redevelopment plan exists. Note: When required by laws that govern borrowing by municipalities, municipalities receiving a Brownfields loan may need Local Finance Board approval.</p> <p>Applicant must have a plan for the redevelopment of the property.</p> <p>Entities applying to the Brownfield Impact Fund will complete a legal questionnaire.</p> <p>All applicants will be required to provide with their application a valid Tax Clearance Certificate from the NJ Department of the Treasury, Division of Taxation.</p> <p>Entity must be in good standing with the Department of Labor, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor.</p>			

	<p>Entity must be in good standing with DEP with all decisions of good standing at the discretion of the Commissioner of the Department of Environmental Protection.</p> <p>Entity and site must be eligible to receive funding under the cooperative agreement for this program between NJEDA and USEPA. Applicants can refer to the USEPA Brownfields Revolving Loan Fund webpage. Prior to closing, NJEDA will submit loans and subgrants to USEPA for applicant and site eligibility.</p> <p>Projects that have been approved for grants through other NJEDA programs, including, but not limited to the Hazardous Discharge Site Remediation Fund (HDSRF) program may eligible for the Brownfield Impact Fund, however the applicant must demonstrate to the Authority that the uses of the funds for the Brownfield Impact Fund are not duplicative of the uses from other NJEDA grants. Applicants may leverage funding from other federal, state, and/or local grant programs to the extent allowable under USEPA Brownfield RLF grant program rules.</p> <p><u>Exclusionary Criteria:</u></p> <p>Loans or subgrants 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. Entity must not be considered liable or potentially liable for the environmental contamination under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) § 107.</p> <p>Applicant does not meet inclusionary criteria.</p>
<p>Eligible Uses</p>	<p>The Brownfield Impact Fund provides low-interest loans and/or subgrants for eligible brownfield cleanups.</p> <p><u>Eligible Activities may include:</u></p> <ul style="list-style-type: none"> • 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 USEPA); • Actions necessary to clean up the release or mitigate the threatened release of hazardous materials such as: <ul style="list-style-type: none"> ○ 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;

	<ul style="list-style-type: none"> • 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 USEPA); • Installation of engineering and/or institutional controls to fulfill cleanup requirements. • Others uses will be considered upon request from borrower / subgrantee, and approval by USEPA. <p><u>Ineligible Activities include, but are not limited to:</u></p> <ul style="list-style-type: none"> • 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 subgrant approval; • Any use not approved by NJEDA or USEPA. 	
<p>Application Process</p>	<ul style="list-style-type: none"> • 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-application screening form. • Eligible applicants will be invited to complete a full application. • Applications will have a 45-business day remedy period (to remedy any open application items and/or supply missing documentation and/or correct any deficiencies). • For the initial 90 days after program launch, only applications for projects located in the target 12 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. • Applications meeting at least minimum program standards will be forwarded to underwriting. • Prior to closing, NJEDA will submit loans and subgrants to USEPA for applicant and site eligibility. 	
<p>Loan and Subgrant Amounts</p>	<p style="text-align: center;">Loan amount:</p> <ul style="list-style-type: none"> • \$50K to \$350k • Funds to be disbursed upon receipt and review of approved invoices. 	<p style="text-align: center;">Subgrant amount:</p> <ul style="list-style-type: none"> • \$25K to \$350k • Funds to be disbursed upon receipt and review of invoices. <p>(Aggregate of subgrants are limited</p>

		to 45% of the total RLF amount)
Rates	<p style="text-align: center;">Loans:</p> <ul style="list-style-type: none"> • Up to a 20-year term based on the remediation and project redevelopment timeframe. No prepayment penalty. • Principal and interest will be deferred through the end of Year 4, interest to accrue and capitalize during this period, then the outstanding balance plus capitalized interest to fully amortize for the remaining term (no balloon). Loan interest will be set at 2%, with option for interest rate reductions to a floor of 1%. • Bonus Option: Option to reduce interest rate to 1% to incentivize achievement of NJEDA state policy goals, as described below. Project site locations must meet at least two of the following criteria for interest rate reduction to 1%: <ul style="list-style-type: none"> ○ CCI communities or government restricted municipality ○ Project site located in a municipality ranked as one of the 50 most distressed municipalities per the NJDCA 2017 Municipal Revitalization Index ○ Project site located 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 ○ Project site located in an Opportunity Zone eligible census tract 	<p style="text-align: center;">Subgrants:</p> <p>Not Applicable</p>
Terms	<p style="text-align: center;">Loans:</p> <ul style="list-style-type: none"> • Loans will subject to project milestones including project initiation and completion, which will be no later than the term of NJEDA’s 	<p style="text-align: center;">Subgrants:</p> <ul style="list-style-type: none"> • Subgrants will subject to project milestones including project initiation and completion, which will be no later than the term of

	<p>Cooperative Agreement with USEPA (term ending 9/30/2025). Should USEPA provide an extension to NJEDA's Cooperative Agreement, then staff may extend the term of the loan. Timeframes based on the remediation timeline will be established on a project by project basis, including, but not limited to the project start date, number of days for the borrower to submit the first invoice, and additional invoices.</p> <ul style="list-style-type: none"> • Loans are disbursed based on a reimbursement structure for actual eligible costs incurred and provided on an invoice. • New Jersey Prevailing Wage/Davis Bacon Act applies to the work which is being funded by this program, including all contracts and subcontracts awarded from funds provided by this program. <ul style="list-style-type: none"> ○ Each worker employed to perform the remediation funded by this program shall be paid not less than the prevailing wage rate for their craft or trade. • All work funded by this loan must comply with federal cross-cutting requirements. These requirements include, but are not limited to, Disadvantaged Enterprise (DBE) Program which requires six good-faith efforts to procure Minority Business Enterprises/Women Business Enterprises, OSHA Worker Health & Safety Standard, Uniform Relocation Act for the fair and equitable treatment of persons displaced as a result of this program, National Historic Preservation Act, Endangered Species Act, permits required by the Clean Water Act, Equal Employment Opportunity, 	<p>NJEDA's Cooperative Agreement with USEPA (term ending 9/30/2025). Should USEPA provide an extension to NJEDA's Cooperative Agreement, then staff may extend the term of the subgrant. Timeframes based on the remediation timeline will be established on a project by project basis, including, but not limited to the project start date, number of days for the subgrantee to submit the first invoice, and additional invoices.</p> <ul style="list-style-type: none"> • Subgrants are disbursed based on a reimbursement structure for actual eligible costs incurred and provided on an invoice. • New Jersey Prevailing Wage/Davis Bacon Act applies to the work which is being funded by this program, including all contracts and subcontracts awarded from funds provided by this program. <ul style="list-style-type: none"> ○ Each worker employed to perform the remediation funded by this program shall be paid not less than the prevailing wage rate for their craft or trade. • All work funded by this loan must comply with federal cross-cutting requirements. These requirements include, but are not limited to, Disadvantaged Enterprise (DBE) Program which requires six good-faith efforts to procure Minority Business Enterprises/Women Business Enterprises, OSHA Worker Health & Safety Standard, Uniform Relocation
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	<p>Contract Work Hours and Safety Standards Act, Anti-Kickback Act, Section 504 of the Rehabilitation Act of 1973 which provides protections for people with disabilities.</p>	<p>Act for the fair and equitable treatment of persons displaced as a result of this program, National Historic Preservation Act, Endangered Species Act, permits required by the Clean Water Act, Equal Employment Opportunity, Contract Work Hours and Safety Standards Act, Anti-Kickback Act, Section 504 of the Rehabilitation Act of 1973 which provides protections for people with disabilities.</p>
<p>Underwriting/Review Criteria</p>	<p style="text-align: center;">Loans:</p> <ul style="list-style-type: none"> • There is a higher threshold for risk, as the funding source is a grant from USEPA. Per the Cooperative Agreement, USEPA does not prescribe strict underwriting criteria, but rather expects that NJEDA shall undertake “reasonable efforts to enforce the terms of the loan agreement.” The main goal of USEPA for this grant is to remediate brownfield sites. • NJEDA will follow the guidelines of the Cooperative Agreement with USEPA, pertaining to prudent lending and subgranting practices (Section VI.A.). • All loans will be given a default risk rating of Substandard. If the underwriting analysis determines a better risk rating is applicable, the default risk rating will be overridden. The final risk rating will not impact the interest rate, only the EDA’s reserve for future losses. • Underwriting Procedures are included as an Attachment (NJEDA Confidential). 	<p style="text-align: center;">Subgrants:</p> <ul style="list-style-type: none"> • Financial underwriting is not required for subgrants. • Subgrants utilize a formal process to determine applicant and site eligibility. • Subgrantees must provide a letter from the Mayor (or governing body) and meet at least one of the following criteria: <ul style="list-style-type: none"> ○ The subgrant will facilitate the creation of, preservation of, or addition to a park, greenway, undeveloped property, recreational property, or other property used for nonprofit purposes; ○ The subgrant will meet the needs of a community that has the inability to draw on other sources of funding for environmental remediation and subsequent redevelopment of the area in which a brownfield site is located because of the small population or low income of the community; or ○ The subgrant will facilitate the use or reuse of existing infrastructure.

<p>Lien/Collateral/Security</p>	<p style="text-align: center;">Loans:</p> <p>Lien on property, subordinated to purchase mortgage, removed upon repayment.</p> <p>Upon the Borrower's request, NJEDA will subordinate its lien(s) securing the Loan to all senior lenders, which subordination will be in lien position only.</p>	<p style="text-align: center;">Subgrants:</p> <p>Not applicable</p>
<p>Fees</p>	<p>Application Fee</p>	
	<p style="text-align: center;">Loans: (for-profit, non-profits, and public sector)</p> <p>\$1,000</p>	<p style="text-align: center;">Subgrants: (non-profits and public sector)</p> <p>\$1,000*</p> <p>*The NJEDA will waive a subgrant application fee upon demonstration by the applicant that the imposition of the fee would impose an undue financial hardship.</p>
	<p>Other Fees:</p>	
	<p style="text-align: center;">Loans: (for-profit, non-profits, and public sector)</p> <p>Loan Modification Fee: \$1,000 Loan Closing Fee: 0.875% of the loan Loan Commitment Fee: 0.875% of the loan</p>	<p style="text-align: center;">Subgrants: (non-profits and public sector)</p> <p>Not Applicable</p>