



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUN 24 2010

OFFICE OF
SOLID WASTE AND
EMERGENCY RESPONSE

MEMORANDUM

SUBJECT: Brownfields Revolving Loan Fund Policy Revisions

FROM: David R. Lloyd, Director
Office of Brownfields & Land Revitalization

TO: Regional Brownfields Coordinators
Regional RLF Leads

This memo provides for two changes to established policies regarding the Brownfields revolving loan fund cooperative agreements. Additional policy changes will be forthcoming in the next few months.

Change Number 1: Waiver of 40% Subgranting Cap

This change provides for a case-by-case waiver to the established policy limiting the subgranting ability of the Brownfields revolving loan fund cooperative agreement recipients to 40% of their funding.

History

The ability to utilize the RLF funds to subgrant as well as to loan was established during the FY04 competition. The option to subgrant part of the funds has been restricted to 40% of the overall funding awarded in a RLF cooperative agreement. For the majority of grant recipients receiving an award of \$1 million, this resulted in a loan pool of \$600,000 and a subgrant pool of \$400,000. Any supplemental funds added to the original grant were also restricted to a 60/40 split of the funding.

Policy Change

This policy change establishes a process that allows the grantee to request a case-by-case waiver on the 60/40 split to be approved by the OBLR Office Director. This new policy would allow the grantees to provide a justification and an explanation regarding the need for additional capacity to provide subgrants to their interested stakeholders over the 40% already allowed in their grant terms and conditions.

This ability to receive a waiver will allow the RLF grantees to respond to a need for cleanup funds on a real-time basis assuming they have available funds. This will provide flexibility in subgranting when multiple projects arise at the same time and will support those grantees who have been successful at subgranting to small municipalities and non-profits. For those communities where there has been an economic disruption and the development community is stalled, this change in policy allows the grantee to support more projects, clean up properties and help provide an impetus to development.

Grantees requesting a 40% cap waiver shall prepare a letter to their Regional Project Officer which provides the following information: the amount of funds remaining on their grant; the nature of the project for which they will be providing a subgrant including amount of the subgrant; and the subgrant recipient. The letter should also include how the granting of this waiver request will contribute toward meeting and/or achieving the goals of their RLF. The region should review the request and forward it to the OBLR Grants Team Leader, Debi Morey, along with their recommendation for or against approval. The region will be informed of the decision as soon as possible.

Change Number 2: Waiver of \$200,000 Subgranting Cap

This change provides for a case-by-case waiver to the established policy limiting the amount of funding that can be awarded in each subgrant to \$200,000.

History

The ability to utilize the RLF funds to subgrant as well as to loan was established during the FY04 competition. At that time, a \$200,000 cap on each subgrant was established. This was noted in the guidelines and in the terms and conditions.

Policy Change

This policy change establishes a process that allows the grantee to request a case-by-case waiver on the \$200,000 cap that is currently imposed on all subgrants. This new policy would allow the grantees to provide a justification and an explanation to the OBLR Office Director as to why they need to increase the subgrant funding to be awarded for a particular parcel. This change can provide the flexibility in determining how much funding is needed to finish a cleanup or provide significant funding in a larger cleanup. It will provide additional cleanup funding support to non-profits who are frequently tackling projects that involve remediation costs over \$200,000.

Grantees requesting a waiver on the \$200,000 subgranting cap shall prepare a letter to their Regional Project Officer which provides the following information: the amount of the subgrant they are interested in awarding; the nature of the project for which they will be providing a subgrant including the anticipated benefits that will occur as a result of this subgrant; and the subgrant recipient. The letter should also include how the granting of this waiver request will contribute toward meeting and/or achieving the goals of their

RLF. The region should review the request and forward it to the OBLR Grants Team Leader along with their recommendation on why it should be approved or not. The region will be informed of the decision as soon as possible.