

**Fiscal Year 2013
Process and Considerations for Supplemental Funding
for Brownfields Revolving Loan Fund Grants**

Limited funds may be available to supplement existing Brownfields Revolving Loan Fund (RLF) grantees that have made loan(s) and/or subgrant(s) and substantially depleted their pool of loan funds. Eligible RLF grantees are limited to those awarded under CERCLA Section 104(k) and those originally awarded under CERCLA Section 104(d) that have transitioned to Section 104(k) as provided in Section 104(k)(3)(D). RLF grantees applying for supplemental funding must address the considerations identified in Part III, below. EPA reserves the right to reject all requests and make no awards.

I. Background

Section 104(k) of the Small Business Liability Relief and Brownfields Revitalization Act (Pub. L. No. 107-118) (Brownfields Law) includes a provision for the U.S. Environmental Protection Agency (EPA) to, among other things:

- award grants to eligible entities to be used to capitalize Revolving Loan Funds (RLFs) and provide subgrants for brownfields cleanup;
- make an additional grant to RLF grantees for any year after the year for which the initial grant is made (noncompetitive RLF supplemental funding).

II. Process

Notification of Supplemental Funding Availability

- Eligible grantees will be notified of the availability of RLF supplemental funding for Fiscal Year 2013 by Regional RLF Project Officers. A Federal Register notice informing RLF grantees of the general availability of RLF supplemental funding was published April 18, 2013. In addition, information regarding the availability of RLF supplemental funding is available on the EPA Brownfields website at <http://www.epa.gov/brownfields/rlflst.htm>.

Requesting Supplemental Funding

- Fiscal Year 2013 RLF supplemental funding decisions will be based upon specified considerations defined in Part III below. The requester of supplemental funding must be the cooperative agreement recipient of a previously awarded RLF grant. Submittals should note the dollar amount requested for each type of funding available (hazardous substances and/or petroleum). Grantees may request one or both types of funding. Due to high demand and limited resources, supplemental funding awards are generally between \$200,000 and \$500,000, in total.
- A request for supplemental funding must be in the form of a letter addressed to your Regional Brownfields Coordinator (see attached list) with a copy to Ted Lanzano, U.S. EPA Headquarters, at lanzano.ted@epa.gov.

- The letter should address the considerations identified in Part III.

Regional Input on Requests

- EPA Regions will review request letters from RLF grantees. Regions will submit an evaluation of the request as it relates to the considerations below and a recommendation on the award of supplemental funding.

Deadlines

- Request letters must be postmarked or emailed by May 20, 2013. If an RLF grantee is not able to submit their request letter by this deadline, they may have opportunities to apply for supplemental funding in the next year, subject to funding availability.

Selection/Award

- Upon selection by the Assistant Administrator of the Office of Solid Waste and Emergency Response (OSWER), award of supplemental funds will be made by the Regional Administrator, or other appropriate regional award official.
- Upon selection to receive an award of supplemental funds, RLF grantees will be required to work with EPA Regions to amend existing cooperative agreements and work plans.

III. Considerations

In order to be considered for supplemental funding, grantees must demonstrate that they have significantly depleted existing funds and have a clear plan for quickly expending requested additional funds. Demonstrated project readiness includes demonstration of existing additional resources to complete the cleanup in a timely manner and move to redevelopment. For FY2013, EPA defines “significant depletion of funds” as any grant where \$250,000 - \$300,000 or less remains uncommitted for single entities and \$300,000 - \$400,000 or less remains uncommitted for states/large coalitions. EPA considers funds to be committed if those dollars are currently tied up in either (1) a project that is underway or (2) a loan/subgrant that is imminent or nearing execution.

Grantees requesting supplemental funding should address the following considerations in their letter.

- 1. The RLF grantee must have made at least one loan or subgrant AND have significantly depleted existing available loan and/or subgrant funds. The Agency will not favorably consider supplemental funding applications from Grantees with high uncommitted balances.*** RLF grantees should discuss all previous loan(s) and/or subgrants and describe the budget status (including project timelines, repayment schedules, income projections and remaining funds available) of their existing RLF. If unliquidated balances remain, grantees should explain why.

2. ***The RLF grantee must have demonstrated a need for supplemental funding AND demonstrated the ability to make loans/subgrants for cleanups that can be started and completed expeditiously. This can be demonstrated by identifying specific, imminent projects that can benefit from supplemental funding.*** RLF grantees should specify the level of supplemental funding sought and discuss the specific project(s), community(ies), and site(s) that will benefit from such funding. Grantees must also specify project status for each project listed and include an estimated timeline for when the project will begin, including a description of the redevelopment plan. EPA strongly encourages RLF grantees to market their RLF program to local communities, especially potential environmental justice communities, communities with a health risk related to exposure to hazardous waste or other public health concerns, or economically disadvantaged or rural areas.
3. ***Demonstrated ability to administer and “revolve” the RLF grant, and administer subgrant(s) and/or loan(s).*** Acceptable ability can be demonstrated through the following: demonstrated progress in your business plan to build and revolve your RLF; timely submission of all quarterly reports, or other applicable deliverables to EPA (including ACRES database entry); success meeting the administrative requirements of your existing RLF grant; discussion of specific measures of success for work already funded by EPA including successful identification/use of a fund manager/environmental professional; timely completion of loan documentation; and receipt of regional approvals required by cooperative agreements.
4. ***Demonstrated ability to use the RLF grant to address funding gaps for cleanup. Those requestors that cannot demonstrate existing leveraged resources dedicated to proposed projects will not be evaluated favorably.*** Examples of accomplishments by the RLF grantee in addressing funding gaps may include identifying and addressing where such gaps exist in specific projects and efforts to coordinate with and leverage other financing programs for brownfields assessment, cleanup, and redevelopment. Grantees must also state what leveraged funds or other resources are secured to complete proposed project(s) in a timely manner.
5. ***Community benefit, including job retention/creation, from past and potential loan(s) and/or subgrant(s).*** RLF grantees must specify expected outcomes for the projects listed in #2 above, including the number of jobs associated with the project. Besides jobs created/retained estimates, community benefit from loans/subgrants may be demonstrated by, for example, descriptions of how existing loans have or will benefit community(ies) in under-served or environmental justice communities, how loans have fit into long-range and area-wide planning and development efforts of a community; how redevelopment is projected to benefit public health, the environment and the economic stability of the community, including the reduction of associated health risks and/or tax revenues generated.
6. ***Special Considerations may be provided to grantees that can demonstrate the following:*** (i) firm leveraging commitments exist to facilitate project completion evidenced by attached letters or other documentation from sources indicating additional

funds/resources are committed to the proposed project. Special Consideration will also be given to those demonstrating leveraged commitments that include the use of tax incentives such as new market tax credits, to advance the project to completion; (ii) actions are already undertaken to obtain necessary approvals before proposed project(s) can move forward; (iii) proposed project(s) are in communities affected by plant closures or other significant economic disruptions; (iv) proposed project(s) have a clear prospect of aiding the in-sourcing of manufacturing capacity and keeping and/or adding jobs, or otherwise creating jobs, in the affected area.

If you have questions, please contact Ted Lanzano at (303) 312-6596.