



# EPA BROWNFIELD CLEANUP REVOLVING LOAN FUND MACOMB COUNTY, MICHIGAN

## PROGRAM INFORMATION GUIDE

**Program Overview.** The County of Macomb, Michigan (County) administers a brownfields revolving loan fund (RLF) program using grant funds from EPA. The RLF program provides loans and subgrants to cleanup brownfield sites. EPA has awarded the County a total of \$1,000,000 in RLF grant funds (RLF Grant).

**Available Funds.** Current RLF Grant funds expire October 2018. Of the initial award, approximately \$1,000,000<sup>1</sup> in unobligated loan funds currently remain available. The County intends to replenish the RLF capital through: (1) the repayment of issued loans; (2) the submittal of applications to EPA for Supplemental RLF fund awards and (3) submittal of applications for new RLF grants during annual EPA brownfield grant competitions.

**Loan Assistance:** The County may loan RLF funds to eligible borrowers for the cleanup of eligible sites. Loans are provided for a minimum amount of \$100,000 up to a maximum of available loan funds. The interest rate is 3% minimum for a term of up to 5 years. Interest rates down to 0% and loan amounts up to the balance of funds available for loans may be approved by the County if it determines that this level of assistance and risk to the RLF program is outweighed by the likely benefits of the cleanup and redevelopment to the community, environment, and County at large.

**Subgrant Assistance:** The County may also make subgrants of up to \$200,000 to eligible recipients for the cleanup of eligible sites. The County may subgrant up to 50% of its grant award and the County has currently not issued any subgrants. Subgrant applicants are strongly encouraged to match subgrant assistance with RLF loans on at least a 1:1 ratio in order to provide subgrant assistance to as many projects as possible. The County may also request that EPA waive the subgrant limit in order to award larger subgrants if the County believes such larger amount to be in the public interest. EPA will grant or deny subgrant limit waivers according to its determination of how effectively the waiver will help the grant recipient achieve its program objectives.

**Local Cost Share:** A minimum twenty percent (20%) local cost share of eligible cleanup costs is required for both loan and subgrant assistance. The County is required to identify the local cost share by the EPA federal cooperative grant agreement. The County has chosen to pass this cost share requirement down to RLF borrowers and subgrant recipients. Borrowers and subgrant recipients may apply for a waiver of the cost share and such waiver may be granted by the County upon demonstration of hardship to the borrower and overriding public benefits that would result from the cleanup and redevelopment.

**Applicant Eligibility (For Loans):** Any public or private entity (including non-profits, community development corporations, private companies, development agencies, etc.) who owns contaminated property and is not responsible for the site contamination may **borrow** RLF funds for cleanup. In most cases, an RLF applicant must demonstrate that a Phase I environmental site assessment was performed not more than 180 days prior to becoming an owner of the property, in accordance with the EPA Rule on All Appropriate Inquiries (Title 40, Code of Federal Regulations, Part 312).

**Applicant Eligibility (For Subgrants):** Recipients of RLF subgrants must be either a *governmental, quasi-governmental (public authorities, commissions, agencies, etc.), or a non-profit organization (i.e., 501(c)(3))*, own the contaminated property, and not be responsible for the site contamination. Subgrant recipients also must demonstrate compliance with the EPA Rule on All Appropriate Inquiries (Title 40, Code of Federal Regulations, Part 312).

<sup>1</sup> Balance as of 5/9/2014.

**Other restrictions apply:** The site cannot be federally-owned, cannot be the subject of a state or federal environmental investigation or enforcement action, and cannot pose an imminent danger to health or the environment. An analysis of cleanup alternatives, and a 30 day minimum public notice and comment period are also required.

**Process:** Application forms are available from the Macomb County Department of Planning and Economic Development (MCPED) located at 1 S. Main Street, 7<sup>th</sup> Floor Mount Clemens, Michigan 48043. [Forms can also be obtained electronically on line here.](#) There are four (4) application forms that must be submitted in the following order: 1. Macomb County Brownfield Redevelopment Site Registration Form; 2. Loan Eligibility Determination Form; 3. Loan Application Form Part A; 4. Loan Application Form Part B. MCPED reviews project applications, solicits public input, and makes recommendations to the Office of the County Executive (OCE) on project assistance using an established set of criteria. MCPED will make a determination on whether to award RLF funding. MCPED is the County agency responsible for RLF program administration. Subgrants are administered directly by the County through MCPED.

For RLF loan assistance, upon MCPED approval, the Macomb County Finance Department (the RLF Fund Manager) evaluates the financial soundness of the applicant and project, processes the RLF application, and develops (in cooperation with Macomb County Corporation Council) the required loan documents and instruments with the borrower. RLF funds for both loans and subgrants are usually disbursed on a reimbursement basis upon approval of receipts for work properly documented and performed on approved cleanup plans.

**Evaluation Criteria:** Parties seeking assistance for their projects are generally asked to demonstrate the following criteria to the public and MCPED:

- 1) the cleanup will be protective of human health and the environment;*
- 2) the applicant has financial need of assistance;*
- 3) the applicant welcomes community involvement;*
- 4) the proposed cleanup and redevelopment project is technically and financially feasible;*
- 5) the applicant, and its partners, have the capacity, expertise, and financial means to perform the project, or at least a reasonable strategy for assembling these requisites, and;*
- 6) the cleanup and/or redevelopment project will result in significant economic, environmental and social benefits to the community.*

**Petroleum Sites:** Additional requirements apply for petroleum sites (i.e., current or former filling stations, garages, etc.) In summary, State officials must confirm that the site does not pose a “high” risk, and that there is not a financially viable party that is responsible for the contamination.

**Application Deadline:** The County accepts RLF requests year round on a “first-come, first-served” basis for as long as funds remain available.

**Timing:** Depending upon the complexity of the site and project, the process to review and approve a loan or subgrant application takes about 60 - 90 days.

**Probability of Funding:** This is a discretionary program. However, provided that a request meets the eligibility requirements, the evaluation criteria are reasonably addressed, MCPED favorably recommends assistance, the Macomb County Finance Department (in the case of loans) confirms that the borrower and project are not financially unsound, public input is not unfavorable, and there remains a sufficient balance of available RLF grant funds, the probability of funding is relatively strong.