



CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

NEWS RELEASE

Department of Toxic Substances Control

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STATE DELIVERS \$700,000 LOAN TO CLEAN UP "BROWNFIELD" FOR HOMES

Murrieta, Riverside County-The head of the State's toxics department today delivered loan money to clean up a 20-acre site that will soon become home to 50 families. Ed Lowry, Director of the Department of Toxic Substances Control (DTSC) delivered money that is loaned under the new CLEAN program. The Cleanup Loan and Environmental Assistance to Neighborhoods (CLEAN) program, part of Governor Gray Davis' Urban Cleanup Initiative, was launched in 2000 following passage of Senate Bill 667 (Sher). To date, six loans have been made statewide. DTSC is part of the California Environmental Protection Agency (Cal/EPA).

"This CLEAN Loan program provides a real incentive to property owners and developers like Steve Rosetta, president of Crossroads Investors III, LLC, as well as to cities such as Murrieta, to clean up contaminated sites and return them to productive use," said Lowry. "Redeveloping brownfield sites creates jobs, enhances a city's economic opportunities and improves the environment by cleaning contaminated sites," he added.

CLEAN loans can be made to private developers, nonprofit groups or local governments. In Riverside County, a \$700,000 loan goes to Crossroads Investors III, LLC, the developer of the parcel at 24250 Adams Avenue in Murrieta. Between 1955 and 1960 the site was used as a lead battery recycling facility. Once cleaned, it will become the site of approximately 50 single-family homes as well as open space areas. Approximately 200 jobs will be created in the area during the cleanup, development and construction phases. When the loan for the site was approved in October of last year, the interest rate was set at 5.7%.

In a message today, Cal/EPA Secretary Winston H. Hickox said, "The initial success of the CLEAN Loan Program in providing financial assistance and fostering brownfield revitalization clearly demonstrates that economic redevelopment can go hand-in-hand with protecting public health and our environment."

Throughout California there are currently six loans for projects in Los Angeles, Riverside, Alameda, Contra Costa and Solano counties. Proposed end uses of these

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projects include job-creating commercial and industrial developments, retail uses, market-rate and low-income housing, and public access to waterfront areas.

The CLEAN program was signed into law in September of 2000 and provides loans of up to \$2.5 million for "brownfields" and underutilized properties. Interest rates for loans under the program are equal to the current California Surplus Money Investment Fund rate. A Loan Committee made up of representatives from the DTSC, the California Environmental Protection Agency, the Technology Trade and Commerce Agency, the Business Transportation and Housing Agency, the Office of Planning and Research and three other individuals from outside of state government is consulted during the loan approval process. DTSC oversees site investigations and cleanups under requirements and provisions of the state Superfund program, maintains a listing of properties that have been awarded loans on its Internet web site, and administers the loan program.

The CLEAN Program consists of two types of loans:

* Investigating Site Contamination Program: Loans to a maximum of \$100,000 per property for environmental assessments, which include soil sampling, determining of the type and extent of contamination, and evaluating the risks that may impact the public or the environment. Under this program, DTSC may waive up to 75% of the amount of the loan if it becomes evident that redeveloping the property is not economically feasible after the determination is made.

* Cleanup Loans and Environmental Assistance to Neighborhoods: Loans up to \$2.5 million per property are available to clean up or remove hazardous materials. This includes more detailed site characterization, feasibility studies, actual construction work and removal of hazardous materials from the site.

Estimates on the number of brownfield sites in California vary. The DTSC maintains a list of 4,000 contaminated sites; the State Water Resources Control Board reported an additional 26,000 sites in 1999, while the State Treasurer recently estimated 67,000 to 119,000 such properties. Most sites are less than two acres in size and have potential for local redevelopment, but some sites are hundreds of acres and have the potential for regional revitalization.

The focus of the CLEAN program is to help revitalize urban areas. Properties must be located in one of the three-dozen urbanized areas in California as defined by the U.S. Census. For a complete listing of urbanized areas, please check the DTSC website at www.dtsc.ca.gov.

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The Department of Toxic Substances Control's mission is to restore, protect, and enhance the environment and ensure public health, environmental quality and economic vitality by regulating hazardous waste, conducting and overseeing cleanups, and developing and promoting pollution prevention.

"The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our Web-site at www.dtsc.ca.gov."