

# California Brownfields Revolving Loan Fund Program

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## PURPOSE

The purpose of the Revolving Loan Fund (RLF) Program is to facilitate the reuse/redevelopment of contaminated sites by making low-cost financing available for the cleanup of eligible public or privately held properties.

## FUNDING

In 2006, the Department of Toxic Substances Control (DTSC) received the first of several grants from the United States Environmental Protection Agency (U.S. EPA). These grants are administered through a Cooperative Agreement with U.S. EPA and are used to institute the RLF program for Brownfields site cleanups.

## OVERVIEW

Loans may be provided to eligible governmental entities and other persons, such as site owners or developers, provided that they are not responsible parties under CERCLA section 107. Subgrants may be given to eligible governmental entities or other nonprofit organizations. Loans and subgrants may be used for cleanup of two types of Brownfields sites, which are hazardous substances release sites and petroleum sites.

Loans and subgrants are not for pre-cleanup site assessments. Applicants must complete assessment/investigation of the site and submit a completed remediation workplan or equivalent document. **Parties responsible for the contamination are not eligible for cleanup funding.**

Eligible borrowers can be any public or private entity with control over or access to a Brownfields site. Eligible subgrantees are limited to states, political subdivisions, U.S. territories, Indian tribes, and non-profit organizations that own the site they intend to cleanup. Available loans range from \$200,000 to \$900,000 per site and subgrants are up to \$200,000 per site. Subgrant funds are limited. Loan interest rates will be based on the length of the loan, usually between 2% and 4.5%. Borrowers will be responsible for a 10% owner equity participation match.

## GENERAL APPLICATION REQUIREMENTS

- Property(ies) must meet the CERCLA definition of a Brownfields site: "...real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant."
- Site assessment/investigation has been completed.

- The applicant is an eligible entity--this includes any public or private entity with control over or access to the site; borrower may not be potentially liable under CERCLA section 107 for cleanup costs at the site--exception may be if the borrower qualifies for a CERCLA Bona Fide Prospective Purchaser, Contiguous Property Owner, or Innocent Landowner limitation on liability--these latter applicants must carry out (or have already carried out) "all appropriate inquiries" as found in CERCLA section 101(35)(B) on or before acquiring the site and must meet certain continuing obligations.
- A remediation plan and/or equivalent has been completed and/or approved.
- The site is not currently listed or proposed for listing on the National Priorities List.
- A Federal or State agency is not planning or conducting a response or enforcement action at the site.
- Property is not currently owned by a party responsible for the environmental contamination of the site.
- A release of a hazardous substance or pollutant has occurred at the site. (Note: If the only pollutant is petroleum, the Cal/EPA Lead Agency Determination process will be used to confirm DTSC as the site lead agency prior to proceeding with the application.)

For more information regarding the Revolving Loan Fund Application Process:

[http://www.dtsc.ca.gov/SiteCleanup/Brownfields/Loans\\_Grants.cfm](http://www.dtsc.ca.gov/SiteCleanup/Brownfields/Loans_Grants.cfm)

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