

# FUNDING NEW JERSEY BROWNFIELDS

**THE WEBINAR WILL BEGIN SHORTLY**

December 1, 2021  
10:00 – 11:30 am





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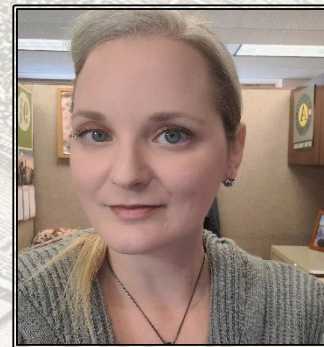
# Today's Presenters



**Sean Vroom**  
NJ Brownfields  
Assistance Center  
@NJIT



**Melissa Dulinski**  
New Jersey  
Economic  
Development  
Authority (NJEDA)



**Rachel Stopper**  
New Jersey Dept. of  
Environmental  
Protection (NJDEP)



**David Zimmer**  
New Jersey  
Infrastructure Bank  
(NJIB)



# Housekeeping

- ✓ All will be muted during the presentations
- ✓ Please submit questions via the “Q&A” pane, not the “Chat”
- ✓ A recording of this webinar as well as a copy of the presentation will be made available on the NJ Brownfields Assistance Center’s website



# The Funding Stack

- Brownfields projects are funded by multiple sources (grants, loans, tax incentives, etc.)
- Key to success is being able to bundle those sources (commonly referred to as the “funding stack”)
  - EPA MARC Grants
  - HUD
  - USDA
  - NJDEDA
  - NJDEP
  - NJ Infrastructure Bank
  - Green Acres
  - County Open Space funds
  - Prior property owners
  - Responsible parties



# EPA Brownfields Grants

Available to State, County, Local, and Tribal Governments as well as Non-profits

| Grant Type                     | Funding                               | Performance Period | Cost Share | Eligible Activities   |
|--------------------------------|---------------------------------------|--------------------|------------|---|
| Multipurpose                   | Up to \$800,000                       | 5 years            | \$40,000   | site assessment; site cleanup; and various planning activities  |
| Assessment                     |                                       |                    |            | Site inventory; Prioritizing sites; Phase I & II assessments; Community Outreach & Involvement; Cleanup planning; Brownfields planning; Site reuse planning |
| ➤ Community-wide               | Up to \$500,000                       | 3 years            | NA         |   |
| ➤ Site-specific                | Up to \$200,000-\$350,000 with waiver | 3 years            | NA         |   |
| ➤ State & Tribe Community-wide | Up to \$2,000,000                     | 5 years            | NA         |   |
| Revolving Loan Fund (RLF)      | Up to \$1,000,000                     | 5 years            | 20%        | Provides funding to make low-interest loans and/or subgrants for <b>cleanup activities</b> at brownfields sites.  |
| Cleanup                        | Up to \$500,000                       | 3 years            | 20%        | Supports cleanup activities at a specific site or multiple sites <b>owned</b> by the applicant.   |

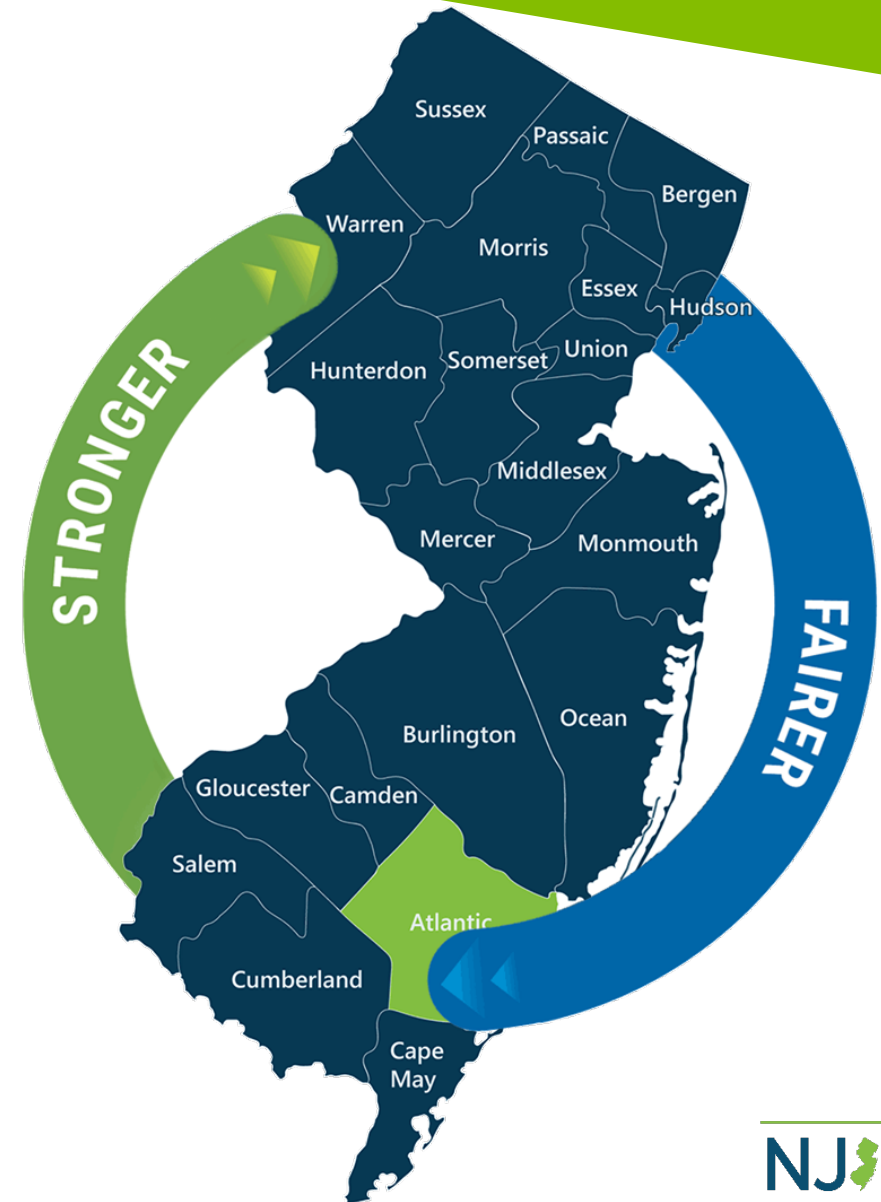
<https://www.epa.gov/brownfields/types-epa-brownfield-grant-funding>

# Funding Applicability

| Funding                         | Public Sector | Private Sector | Planning | Assessment | Remediation | Redevelopment |
|---------------------------------|---------------|----------------|----------|------------|-------------|---------------|
| EPA Multipurpose                | X             |                | X        | X          |             |               |
| EPA Assessment                  | X             |                | X        | X          |             |               |
| EPA RLF                         | X             |                |          |            | X           |               |
| EPA Cleanup                     | X             |                |          |            | X           |               |
| NJEDA – Brownfields Impact Fund |               |                |          |            |             |               |
| NJDEP - HDSRF                   |               |                |          |            |             |               |
| NJ Infrastructure Bank          |               |                |          |            |             |               |

# Brownfields Impact Fund

Melissa Dulinski | Sr. Officer | 12/1/2021







# NJEDA's Brownfields and Sustainable Systems

<https://www.njeda.com/community-revitalization/>

## ► Internal & External Integration & Partnerships

- Environmental Justice
- Climate Resilience
- Community Collaborative Initiatives
- Opportunity Zone Alignment
- Brownfield Assistance Center @ NJIT  
[www.njit.edu/njbrownfields](http://www.njit.edu/njbrownfields)

## ► Brownfields Loan Program (Currently Closed)

► **Brownfield Impact Fund supported by USEPA RLF**  
**(Upcoming – Early 2022)**

## ► USEPA Assessment Grant (Upcoming – Early 2022)

## ► Brownfield Redevelopment Incentive (Tax Credit) (Currently Under Development)

# Presentation Overview

- 1 | PROGRAM OVERVIEW
- 2 | APPLICANT ELIGIBILITY
- 3 | SITE CONTROL REQUIREMENTS
- 4 | ELIGIBLE ACTIVITIES
- 5 | LOAN OVERVIEW
- 6 | SUBGRANT OVERVIEW
- 7 | EXCLUSIONARY CRITERIA / INELIGIBLE ACTIVITIES
- 8 | ITEMS OF NOTE

# Brownfields Impact Fund

The Brownfields Impact Fund is a pilot program, funded by a USEPA Revolving Loan Fund (RLF) grant, that will provide \$800,000 in funding for loans to private developers, and loans and/or subgrants (note: subgrants do not require repayment) to public sector and non-profit entities to carry out cleanup activities at brownfield sites, assisting with the return of these vacant and underutilized properties to public benefit.

## KEY PROGRAM FEATURES



Offers loans and subgrants to CCI cities in the first 90 days, then extended to other projects on a first come, first serve basis



Addresses funding gaps to make the remediation phase of the project financially viable for remedial actions and other eligible activities



Minimum loan: \$50,000  
Maximum loan: \$350,000  
  
Minimum subgrant: \$25,000  
Maximum subgrant: \$350,000



Fee: \$1,000\*  
  
Loan Modification Fee: \$1,000  
Loan Closing Fee: 0.875%  
Loan Commitment Fee: 0.875%



Visit [www.njeda.com/brownfieldsimpactfund/](http://www.njeda.com/brownfieldsimpactfund/) for more information

**\*The NJEDA will waive a subgrant application fee upon demonstration by the applicant that the imposition of the fee would impose an undue financial hardship.**



# Applicant Eligibility

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The USEPA RLF has separate eligibility requirements for loans and subgrants.

## LOAN ELIGIBLE APPLICANTS

- ▶ **Nonprofit organizations** exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and other nonprofit organization as defined at 2 CFR § 200.70 (including Institutes of Higher Education, but excluding 501 (c)4);
- ▶ **Units of local government** (including County, Regional, and quasi-governmental entities);
- ▶ **For profit organizations.**

## SUBGRANT ELIGIBLE APPLICANTS

- ▶ **Nonprofit organizations** exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and other nonprofit organization as defined at 2 CFR § 200.70 (including Institutes of Higher Education, but excluding 501 (c)4);
- ▶ **Units of local government** (including County, Regional, and quasi-governmental entities).

# Site Control Requirements

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Potential brownfield site purchasers and current brownfield site owners are eligible as follows:

## LOAN SITE CONTROL

- ▶ Must be able to demonstrate site control or a path to site control of a brownfield property.
- ▶ Borrowers do not need to own the brownfield property.

## SUBGRANT SITE CONTROL

- ▶ Must own the brownfield property at the time of the application and award of subgrant.
- ▶ The subgrantee must retain ownership of the site throughout the period of performance of the subgrant and must consult with NJEDA and EPA Project Officer prior to transferring title or otherwise conveying the real property compromising the site.
- ▶ For the purposes of this agreement, the term “owns” means fee simple title unless NJEDA and EPA Project Officer approves a different ownership arrangement.



# Loan Overview

The Brownfields Impact Fund provides loans for remediation activities necessary to cleanup the release or mitigate the threatened release of hazardous materials to promote redevelopment of brownfields sites.

## Key Program Features:



### Loan Amounts

Minimum \$50,000

Maximum \$350,000

- ▶ 20-year term with no payments for the four years (no pre-payment penalty)
- ▶ Base rate of 2% with rate reductions available if project meets specific criteria (floor of 1%)
- ▶ Submit a letter of support from the municipality in which the brownfield site is located
- ▶ Division of Taxation Tax Clearance Certificate required and may be requested through the State of New Jersey's Premier Business Services (PBS) portal online
- ▶ Funds are disbursed based on a reimbursement structure for actual eligible costs incurred and provided on an invoice





# Loan Overview- Rate Reductions

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Option to reduce interest rate from 2% to 1% to incentivize achievement of NJEDA state policy goals.

**Project site locations must meet at least TWO of the following criteria for interest rate reduction:**

- ▶ within a CCI city or government restricted municipality (GRM)
- ▶ in a municipality ranked as one of the 50 most distressed municipalities per the NJDCA 2017 Municipal Revitalization Index (MRI)
- ▶ in an Opportunity Zone eligible census tract
- ▶ within an existing Planning Area 1 (Metropolitan) and within a one-half mile radius, with existing bicycle and pedestrian connectivity, to the mid-point of an existing New Jersey Transit Corporation, Port Authority Transit Corporation, or Port Authority Trans-Hudson Corporation rail, bus, or ferry station, including all light rail stations, or a high frequency bus stop as certified by the New Jersey Transit Corporation



# Subgrant Overview

The Brownfields Impact Fund provides subgrants to eligible entities for remediation activities necessary to cleanup the release or mitigate the threatened release of hazardous materials to promote redevelopment of brownfields sites.

## Key Program Features:



### Loan Amounts

Minimum \$25,000

Maximum \$350,000

- ▶ Aggregate of subgrants will be limited to less than half of the total award amount (\$800K)
- ▶ Fair and public bidding process required
- ▶ Submit a letter of support from the municipality in which the brownfield site is located
- ▶ Division of Taxation Tax Clearance Certificate required and may be requested through the State of New Jersey's Premier Business Services (PBS) portal online
- ▶ Funds are disbursed based on a reimbursement structure for actual eligible costs incurred and provided on an invoice



# Subgrant Overview - Fee Waiver Applicability

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## FEE WAIVER APPLICABILITY

- ▶ Municipal applicants if ranked in top 10% of Municipal Revitalization Index (MRI) in 2020
- ▶ Non-profit applicants if the fee is greater than 0.1% of annual operating budget



# Eligible Activities

This funding is for **environmental cleanup** (not assessment or investigation).

## Specific examples of activities provided by USEPA:

- ▶ Preparation of **Remedial Action Workplans**;
- ▶ Remediation of **hazardous substances that are part of a structure** (such as lead based paint and asbestos);
- ▶ A site's **engineered remediation cap** which could include foundations/roadways;
- ▶ **Demolition** of structures to the extent that the demolition is integral to enabling access to contamination needing remediation (must be pre-approved by USEPA);
- ▶ Purchase of **environmental insurance**;
- ▶ **Site monitoring**, including sampling and analysis, required during the cleanup process;
- ▶ Actions necessary to **cleanup the release** or mitigate the threatened release of hazardous materials such as;
  - Provide fences, warning signs or other site control precautions
  - Drainage controls
  - Capping of contaminated soils
  - Excavation, consolidation, or removal of highly contaminated soils
  - Removal of containers that may contain hazardous substances
  - Use of chemicals to retard the spread of hazardous substances
  - Containment, treatment, disposal, or incineration of hazardous materials
- ▶ **Monitoring and data collection** which are required as a component of the cleanup action (including payment of the annual NJDEP remediation permit fees, if approved by USEPA);
- ▶ **Installation of engineering and/or institutional controls** to fulfill cleanup requirements.

Other uses may be considered upon request from borrower/subgrantee, and approval by USEPA.

# Exclusionary Criteria

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- ▶ Loans or subgrants cannot be provided to entities who caused or contributed to the contamination of the property. Specifically, this program excludes: individuals or entities responsible for, or individuals or entities who have common ownership or control with entities responsible for, any existing environmental contamination at the site or any individuals or entities that have indemnified a responsible party or a party who has common ownership or control with a responsible party.
- ▶ Must meet the USEPA site control and eligibility requirements.

# Ineligible Activities

- ▶ Pre-cleanup assessment, identification and characterization;
- ▶ Development activities that are not removal actions;
- ▶ Cleanup of a naturally occurring substance;
- ▶ Payment of a penalty or fine;
- ▶ Construction, demolition, and development activities that are not integral to cleanup actions;
- ▶ Public or private drinking water supplies that have deteriorated through ordinary use;
- ▶ Monitoring and data collection necessary to apply for, or comply with environmental permits under other federal and state laws, unless such a permit is required as a component of the cleanup action;
- ▶ Other activities unrelated to the cleanup;
- ▶ Properties already listed as Superfund sites; and
- ▶ Any use not approved by NJEDA or USEPA.



# Items To Note



**Funding will be available on a rolling basis, first come, first served, based on the readiness of the application and the availability of funds.**

- ▶ NJEDA will vet eligibility of the project site and eligibility of the applicant based on a brief pre-qualification screening form.
- ▶ For the initial 90 days after program launch, only applications for projects located in the Community Collaborative Initiative (CCI) communities will be considered. This will prioritize investment in these communities which have high instances of brownfields, poverty, health disparities and need for revitalization. After 90 days, the program will be open throughout the state.
- ▶ Prior to closing, NJEDA will submit loans and subgrants to USEPA for applicant, activity and site eligibility.

# Items To Note

- ▶ Applicants are required to comply with the Davis-Bacon Act and New Jersey Prevailing Wage for the work for which they are being funded.
- ▶ Funds are subject to the Authority's **affirmative action and prevailing wage requirements**. These requirements shall also apply to all construction contractors (all tiers) associated with this project.
- ▶ ANY and ALL construction contracts awarded in New Jersey that require payment of prevailing wage must provide **proof of valid Construction Contractor Registration Certification (CRC)** and **proof of participation if Registered Apprenticeship Program, if employing craftworkers**.
  - Information regarding this act can be found here:  
[https://www.nj.gov/labor/wagehour/regperm/pw\\_cont\\_reg.html](https://www.nj.gov/labor/wagehour/regperm/pw_cont_reg.html)

# Additional Information

**Today**, you have heard about NJEDA's NEW Brownfield Impact Fund program.

In early 2022, NJEDA will begin accepting applications for both loans and subgrants.



**We would like hear from you on potential brownfield sites that might be able to utilize this funding source.**

**Please send inquires to [bfimpactfund@njeda.com](mailto:bfimpactfund@njeda.com) or visit our website at [www.njeda.com/brownfieldsimpactfund/](http://www.njeda.com/brownfieldsimpactfund/) for additional information or to complete an expression of interest form.**





Visit [njeda.com](http://njeda.com) or email  
[mdulinski@njeda.com](mailto:mdulinski@njeda.com) for more information



@NewJerseyEDA | [njeda.com](http://njeda.com) | 609.858.6767

**NJEDA**

# Funding Applicability

| Funding                         | Public Sector              | Private Sector | Planning | Assessment | Remediation | Redevelopment |
|---------------------------------|----------------------------|----------------|----------|------------|-------------|---------------|
| EPA Multipurpose                | X                          |                | X        | X          |             |               |
| EPA Assessment                  | X                          |                | X        | X          |             |               |
| EPA RLF                         | X                          |                |          |            | X           |               |
| EPA Cleanup                     | X                          |                |          |            | X           |               |
| NJEDA – Brownfields Impact Fund | X (loans and/or subgrants) | X (loans only) |          |            | X           |               |
| NJDEP - HDSRF                   |                            |                |          |            |             |               |
| NJ Infrastructure Bank          |                            |                |          |            |             |               |

# Hazardous Discharge Site Remediation Fund

Funding for NJ Brownfield Sites

December 1, 2021

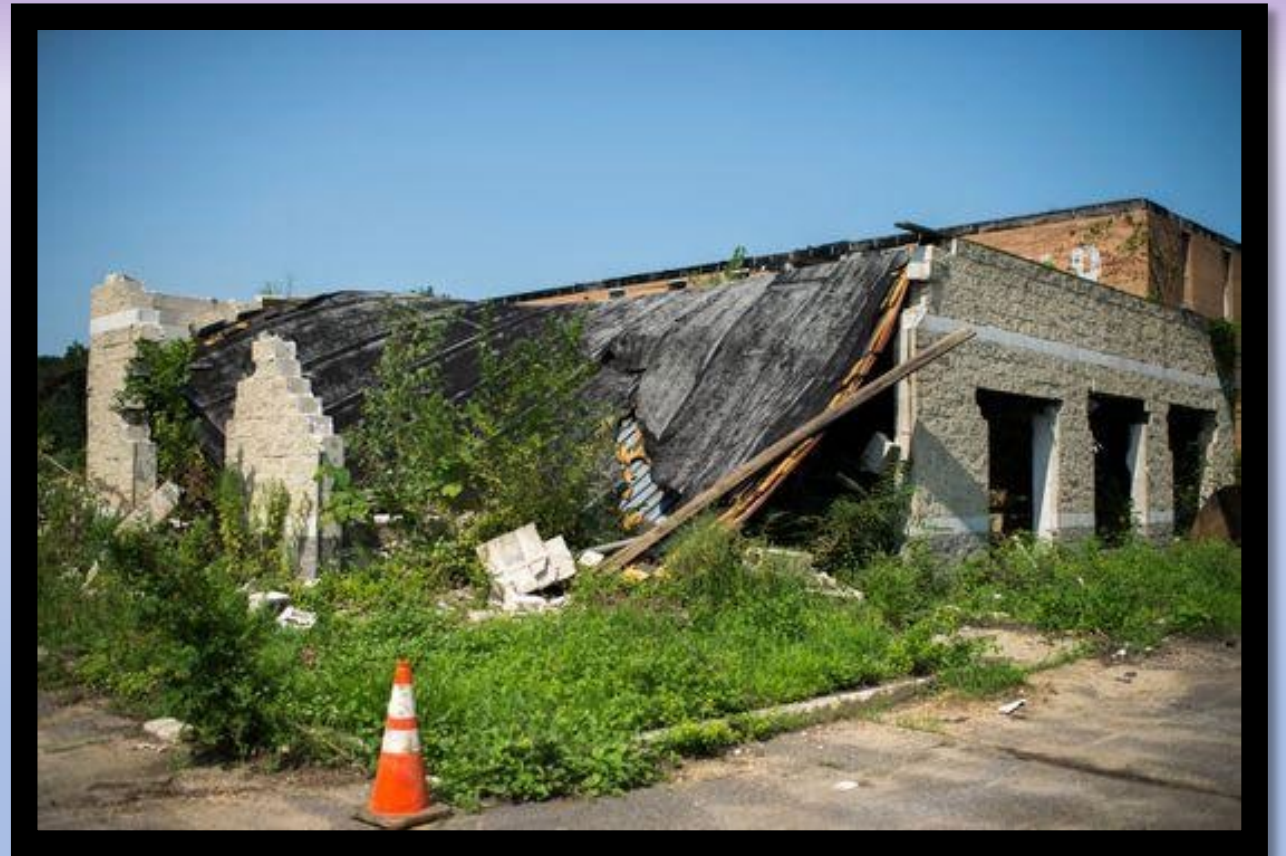


# What is a Brownfield?

- A brownfield may be generally defined as **a current or former commercial or industrial site where operations can not take place due to real or perceived contamination.**
- The **HDSRF** is a grant & loan program that supports brownfield redevelopment by funding assessment, investigation, and remediation of brownfield sites.

# Brownfields (cont.)

- Brownfield sites are difficult to redevelop
  - unattractive
  - dangerous
  - negative image
- The **HDSRF** helps assess/investigate properties like this so they can be redeveloped



Former Camden Labs Site

# What is the HDSRF?

- Established in 1993
- Funded through a constitutionally-dedicated portion of the NJ Corporate Business Tax (annual allocation every summer)
- Administered by NJDEP's Office of Brownfield & Community Revitalization (OBCR) and the NJ Economic Development Authority (NJEDA)
  - OBR performs the initial technical review
  - NJEDA performs the final administrative/financial review

# What is the HDSRF?

- is defined in the *Brownfield and Contaminated Site Remediation Act: N.J.S.A 58:10B-4*
  - August 2021 = most recent statutory change
- is defined in the *New Jersey Administrative Code: N.J.A.C. 19:31—8.1*
  - November 2021 = most recent regulation change
- The regulation follows the statute



# Who is Eligible for Funding?

- Public Entities (Towns, Counties, Redevelopment Agencies)
  - very popular
  - largest variety of grants
  - 30% of the **HDSRF** is allocated for assessment/investigation
- Private Entities (Persons, Developers, RPs, etc.)
- Non-Profits (501(c)3)

# How to Apply for HDSRF

- The **HDSRF** application can be found in the SRP Forms Library

The screenshot shows the NJDEP Site Remediation Program website. The left sidebar contains a 'Forms Library' link, which is circled in red. The main content area is titled 'Site Remediation Program' and includes sections for 'About SRP', 'Key provisions of SRRA and related amendments', and 'Info Sources'. The 'About SRP' section explains the Site Remediation Reform Act (SRRA) and the role of Licensed Site Remediation Professionals (LSRPs). The 'Key provisions' section lists several requirements, including the establishment of the Site Remediation Professional Licensing Board and the affirmative obligation of LSRPs. The 'Info Sources' section provides links to various resources, including NJDEP Online, NJ GeoWeb, GIS Data, Public Records (OPRA), and Environmental Standards.

**Site Remediation Program**

**About SRP**

The Site Remediation Reform Act set forth sweeping changes to the way in which sites are remediated in New Jersey. SRRA established the affirmative obligation for responsible parties to remediate contaminated sites in a timely manner and created a category of remediation professionals known as Licensed Site Remediation Professionals (LSRP). For more information, please see the [Overview of the LSRP Program](#).

May 7, 2012 is the day on which the phase-in period for implementing the [Site Remediation Reform Act, N.J.S.A. 58:10C-1 et seq.](#) (SRRA), and related amendments to the [Brownfield and Contaminated Sites Act](#) (Brownfield Act), the [Spill Compensation and Control Act](#), and the [Industrial Site Recovery Act](#) ended.

As of May 7, 2012, with limited exceptions, all remediations in the state of New Jersey, without regard to when remediation was initiated, are to proceed under the supervision of a Licensed Site Remediation Professional (LSRP), without New Jersey Department of Environmental Protection (Department) approval following the nine requirements set forth at [N.J.S.A. 58:10B-1.3b\(1\) through \(9\)](#). On August 6, 2018 the [Heating Oil Tank System Remediation Rules N.J.A.C. 7:26F](#) (HOTS) was adopted.

The goal is to increase the pace of remediation, thus helping to decrease the threat of contamination to public health and safety and of the environment, and to quickly return underutilized properties to productive use.

**Key provisions of SRRA and related amendments:**

- Establishes the [Site Remediation Professional Licensing Board](#) (Board) and the LSRP program. The Board issues licenses to qualified individuals (LSRPs), who conduct the remediation of sites in New Jersey. Every LSRP is bound by a strict [code of ethics](#), violation of which could result in the assessment of penalties and the suspension or revocation of the LSRP's license.
- Sets forth the [affirmative obligation](#) of every person responsible for conducting remediation to remediate any discharge for which they would be liable pursuant to the Spill Compensation and Control Act. Note that the voluntary cleanup program under Memoranda of Agreement (MOAs) [no longer exists](#).
- Requires the Department to establish mandatory remediation timeframes for the completion of key phases of site remediation. These mandatory timeframes are

**Info Sources**

- NJDEP Online
- NJ GeoWeb
- GIS Data
- Public Records (OPRA)
- Environmental Standards

# How to Apply for HDSRF

- **HDSRF** application and attachments should be mailed to:

Bureau of Case Assignment & Initial Notice (BCAIN)

Site Remediation Program

NJ Department of Environmental Protection

401-05H

PO Box 420

Trenton, NJ 08625-0420

- Application will be entered into DEP's system, and then physically delivered to the appropriate HDSRF Coordinator in OBCR
- An applicant may also e-mail the HDSRF Coordinator the application (**in addition** to sending to BCAIN)

# OBCR Review

- When the **HDSRF** application is received by the HDSRF Coordinator, it gets placed on a list, and will be reviewed in the order it was received.
  - the statute dictates a review prioritization:
    - 1<sup>st</sup> priority: imminent threat
    - 2<sup>nd</sup> priority: BDA
    - 3<sup>rd</sup> priority: planning area 1 & 2
    - 4<sup>th</sup> priority: date received



# OBCR Review

- Administrative review of the application
- Technical review of a Scope of Work & corresponding itemized Cost Estimate (proposed)
  - OBCR approves the scope of work as it relates to the costs
  - Priority is that public funds would be spent responsibly

# OBCR Review

- **Cost Estimate:**

- Itemize it! (break down into time and materials)
- Don't inflate your costs (we will know)
  - May cause application to be denied outright if costs are outrageous
- OBCR can provide examples/templates/guidance for cost estimates

# OBCR Review – Public Entities

- Municipal Resolution is required (very specific language required)
  - authorizes application\* to the **HDSRF**
  - dictates that there is a commitment that the property will be redeveloped within a 3-year period after completion of the remediation\*
  - other details (site control, site designation, intended end-use, etc.)
  - should not be more than 5 years old
- Redevelopment Plan
  - not required, but we may ask about it as the site gets closer to RI or RA phase

\* = required

# OBCR Review – Public Entities

- Site Control (ownership type)
  - tax sale certificate
  - deed
  - foreclosure
  - voluntary conveyance for purpose of redevelopment



# NJEDA Review

- OBCR e-mails EDA their recommendation for funding
- EDA will reach out to applicant for \$500 review fee
- EDA will reach out to the applicant for a tax clearance form
- EDA reviews the recommendation
- If over \$100K, goes to board approval (2<sup>nd</sup> Tuesday/month)
- Close on grant
- Funds may be disbursed to the applicant during/after closing

# Grants Available – Public Entities Assessment/Investigation Grant

- Preliminary Assessment = 100%
- Site Investigation = 100%
- Remedial Investigation = 100%
  - Funds are disbursed up-front to the applicant
  - OBCR requires a work product & invoices after the work is completed

NOTE: there is a \$3MM cap per applicant per year (2021 statutory change)

# Grants Available – Public Entities

## Remedial Action Grants

- Remedial Action Grants are all Matching Grants
  - 25% - 75% based on end-use
  - To close on the grant, EDA needs to know how match will be paid (bond, EPA grant, developer contribution, etc.)
  - funds are disbursed after the work has been completed based on a review of invoices (as the work proceeds or at end of the project)
  - OBCR requires a work product after the remedial action is complete

# Grants Available – Public Entities

## Remedial Action Grants

- Remedial Action Grant Types (end-use specific):

|                            |      |
|----------------------------|------|
| -BDA (designation)         | =75% |
| -Renewable Energy*         | =75% |
| -Recreation/Conservation*  | =75% |
| -Affordable Housing*       | =50% |
| -Unrestricted Use (soils)^ | =25% |

\*=share a common pot of \$10MM annually (2021 statutory change)

=capped at \$250,000 per project, available to private entities



# HDSRF Loan

- Funds 100% of all phases of work (proposed only)
- Interest Rate is equal to 2 points below Federal Discount Rate for public entities and equal to the Federal Discount rate for all other applicants (never exceeds 5% for any applicant)
- It is rare that we see Public loan applications, but it is available
- Capped at \$2MM per year
  - Would factor in to annual public entity cap of \$3MM
- Private Entities are eligible for \$500K per year

# Non-Profit Grant

- Pilot program with total \$5MM cap
- Funds 100% of assessment/investigation (same criteria as municipal public entity grant)
- Must meet criteria of 501(c)3
- Ownership is not required
- Resolution that demonstrates commitment to redevelopment (approved by Non-Profit board)

# Updates/Changes to the HDSRF

- SRRA (2009) changed how cases were reviewed at DEP
  - Affirmative obligation for RPs to remediate
  - Establishment of LSRPs and mandatory timeframes
  - Establishment of Annual Remediation Fees
  - OBCR staff are no longer case managers
  - Spill Act Defense = majority of HDSRF applicants have this designation (form)

# Spill Act Defense Status

- For Public Entities Only
- If a property has been acquired via bankruptcy, tax delinquency, abandonment, etc., OR if a property has been voluntarily acquired for the purpose of redevelopment, a public entity can gain this status
- Submit a form to the DEP to apply for the status
- Not all sites are eligible for this status, for example, a site where the public entity is an RP (ex-DPW, Landfill, etc.)
- With this status, you are not regarded as the RP
- You are not subject to mandatory timeframes
- You only pay the ARF during years that you are remediating



# Updates/Changes to the HDSRF

- Assembly Bill A1954 signed into law by former Governor Chris Christie in January 2018
- A1954 made significant cuts to the HDSRF
  - Elimination of Innocent Party Grant
  - Elimination of Limited Restricted Matching Grant
  - Elimination of the Innovative Technology Grant
  - Reduced public entity and BDA caps

# Updates/Changes to the HDSRF

- Assembly Bill A5841 signed into law by Governor Phil Murphy in August 2021
- A5841 made significant changes to the public entity grant and BDA grant caps
  - **\$3MM** annually for public entities (up from \$2MM)
  - **\$5MM** annually for BDAs (up from \$3MM)
  - **\$10MM** annual pot for RA based on end-use (up from \$2.5MM)
    - End uses include recreation/conservation, affordable housing, renewable energy

## 2<sup>nd</sup> Street Park

- More HDSRF money = more funds from other sources can be leveraged
- Borinqueneer Park in Perth Amboy (right)
- 6 acre former scrap yard
- PCB contamination soils & concrete
- Future community park
- Leveraged public funds
  - HDSRF (\$2.5MM)
  - NRD (\$4.6MM)
  - EPA (\$200K)



# Carteret Waterfront Marina

- More HDSRF money = bigger projects can be afforded
- Carteret Waterfront Marina (right)
- Former industrial facility that pressure treated lumber, “Cove” area had gross arsenic contamination in sediments
- “Cove” area now a public marina
- \$14.9MM HDSRF BDA funds (funded in just 3 years)





# Conclusion

- The HDSRF is very well-funded, and we would love to have your application.

# HDSRF Coordinators

| UNASSIGNED   | UNASSIGNED  | Rachel Stopper  |
|--|---|---|
| <u>UNASSIGNED</u>  | <u>UNASSIGNED</u>   | <u><a href="mailto:Rachel.Stopper@dep.nj.gov">Rachel.Stopper@dep.nj.gov</a></u> |
| Atlantic<br>Camden<br>Mercer<br>Monmouth<br>Ocean<br>Salem<br>Somerset | Bergen<br>Cape May<br>Cumberland<br>Essex<br>Hudson<br>Hunterdon<br>Passaic | Burlington<br>Gloucester<br>Middlesex<br>Morris<br>Sussex<br>Union<br>Warren    |

# Funding Applicability

| Funding                         | Public Sector              | Private Sector | Planning | Assessment | Remediation | Redevelopment |
|---------------------------------|----------------------------|----------------|----------|------------|-------------|---------------|
| EPA Multipurpose                | X                          |                | X        | X          |             |               |
| EPA Assessment                  | X                          |                | X        | X          |             |               |
| EPA RLF                         | X                          |                |          |            | X           |               |
| EPA Cleanup                     | X                          |                |          |            | X           |               |
| NJEDA – Brownfields Impact Fund | X (loans and/or subgrants) | X (loans only) |          |            | X           |               |
| NJDEP - HDSRF                   | X                          | X              |          | X          | X           |               |
| NJ Infrastructure Bank          |                            |                |          |            |             |               |

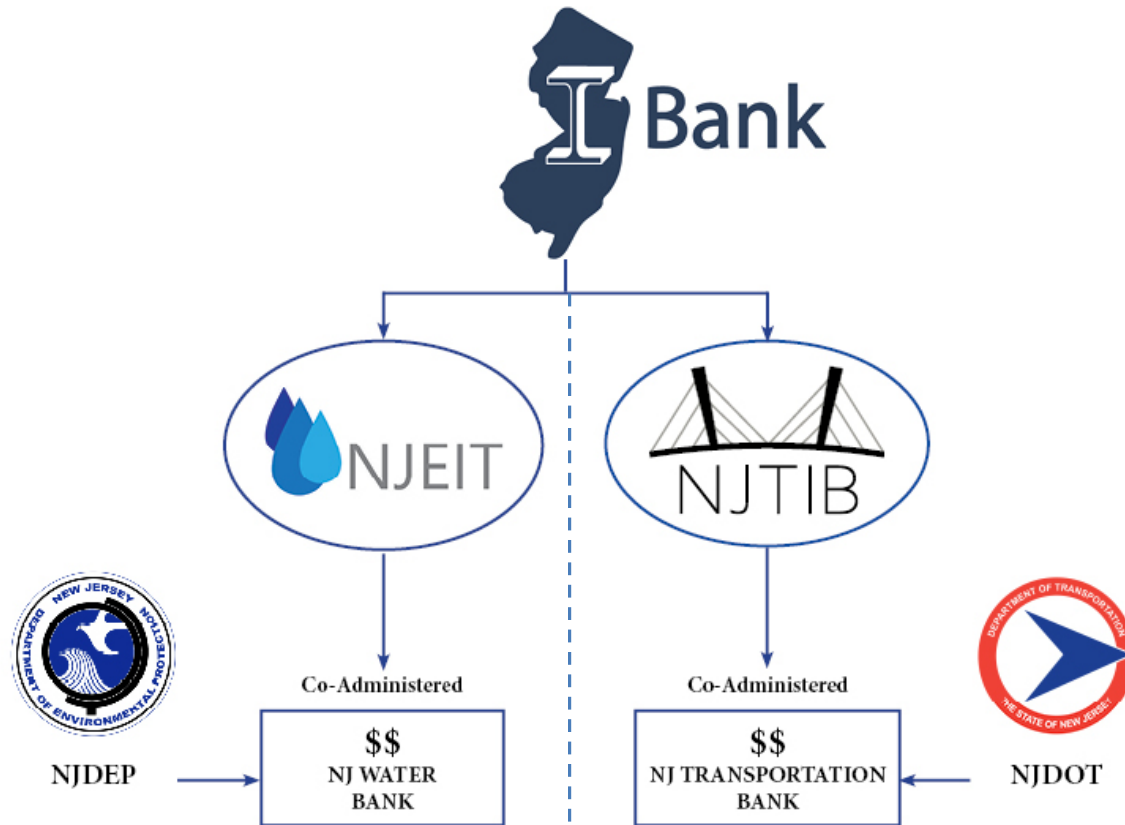
# New Jersey Water Bank



## New Jersey Infrastructure Bank & New Jersey Department of Environmental Protection

# NJ Infrastructure Bank

New Jersey Infrastructure Bank's Flow Chart



**Mission** - Provide and Administer low interest rate loans to qualified borrowers (counties, regional authorities, municipalities, and water purveyors) in New Jersey for the purpose of financing **Water** quality and local **Transportation** infrastructure projects.



# NJ Infrastructure Bank

- State Independent Authority (est. 1985)
- Administers Water and local Transportation Infrastructure Projects
- \$9.0B Funded projects (1987 – present)
- \$385+M Redevelop. Loans (past 6 yrs)
- \$2.8+B Borrower Interest Savings





# NJ Water Bank Financing Program

- **Low-Interest Loans for Water Infrastructure Projects:**
  - Redevelopment-based projects: *Loans through Local Taxing Authority*
- **I-BANK** – Provides 75% funds at AAA interest rate (tax-exempt bonds)
  - *Performs Financial, Credit, Legal and Admin functions*
- **DEP** – Provides 25% funds at 0% interest rates
  - *Performs Environmental and Engineering review functions*
- **Nov 2021** – Bond Sale – Effective 75/25 “all-in” rate = 2.13%



# NJ Water Bank Program Benefits

- **Dollar Savings**

- Average interest cost savings ~ **20%** over 30 yrs
  - Assumes borrower rating of A/A2
- Pooled cost of issuance (pay only pro-rata share of underwriting fees)

- **Cash Flow Savings**

- No reserve funds required for collateral/ no 5% upfront (LFB)
- Short-term constr'n loans for 3 yrs (P&D for up to 2 add'l)

# NJ Water Bank Conduit Loan Requirements

Water Bank's PRIVACY is w/ Borrower (Local Municipality / County) ONLY

- Local Political Will – **MUST** get municipality's buy-in upfront
  - Loan Guarantee – G.O. from municipality (*creditworthiness requirements – see Credit Policy*)
- Redevelopment Law exclusions (e.g. LPC Law exclusion for private contracting...but, w/ Program's cross cutters (Prevailing wage, AIS, SED))



# Site Remediation

## Eligible Projects (Water Quality Benefit)

- Removal of contaminated soil
- Capping systems
- Liners
- Leachate collection systems/Liners
- Tank removal
- Well sealing activities
- Ground water, drinking water





# CASE STUDY: Borough of Somerville Green Seam

## Environmental Project

- 47.4 Acre Somerville Landfill
- Municipal Landfill - Opened 1954 / Closed 1982
- Contaminants: VOCs, SVOCs, heavy metals, and PCBs
- Designated Brownfield Development Area in 2009
- 10 acres remediated
- ½ mile natural stream corridor restored using impervious stream lining system (“The Green Seam”)



# CASE STUDY: continued

## Project Costs and Breakdown

- **\$16.4M** Total Project Cost
- **\$4.2M** Remediation loan from NJ Water Bank
  - **0.92%** “all-in” effective borrowing rate (Direct loan to Borough)
  - **\$358K (10%)** interest savings versus 100% funding at AAA rating
- **\$12.5M** add’l financing from other DEP/EDA grants (e.g. HDSRF)

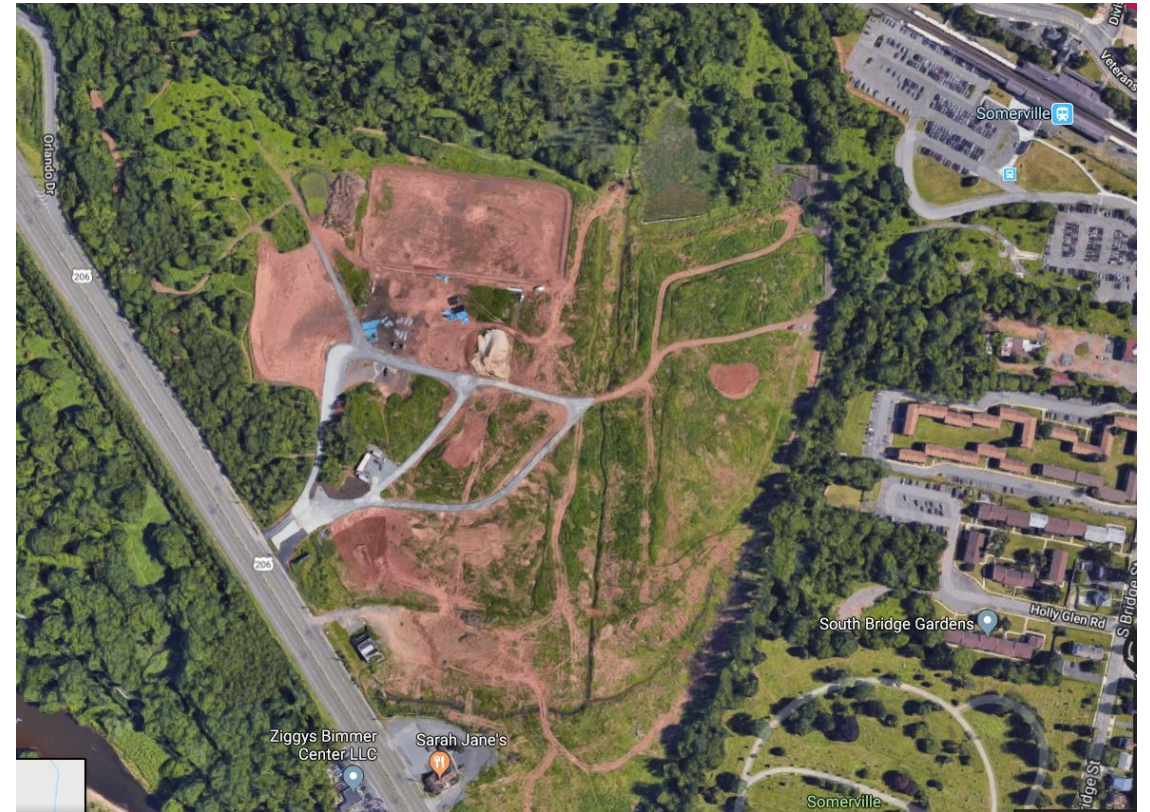


# CASE STUDY: continued

## Related Transit Oriented Development (TOD) Project –

### Homedale / Somerset Development

- \$300M - 20 acre resid'l development (w/ limited retail)
  - 174 Townhouses / 340+ Condos
- Green Seam is part of storm water management plan
- Bike / Walking trails from Train Station thru Development and Green Seam



# CASE STUDY: continued

Flood Control Storage

## Environmental and Social Benefits

- Prevents polluted runoff and leachate from entering the stream
- Prevents contaminated runoff into the Raritan River
- Restores adjacent wetlands
- Provides open space recreational area with public access paths, within a 5 minute walk of the Somerville Railway Station and Main Street



# Funding Applicability

| Funding                         | Public Sector              | Private Sector | Planning | Assessment | Remediation | Redevelopment |
|---------------------------------|----------------------------|----------------|----------|------------|-------------|---------------|
| EPA Multipurpose                | X                          |                | X        | X          |             |               |
| EPA Assessment                  | X                          |                | X        | X          |             |               |
| EPA RLF                         | X                          |                |          |            | X           |               |
| EPA Cleanup                     | X                          |                |          |            | X           |               |
| NJEDA – Brownfields Impact Fund | X (loans and/or subgrants) | X (loans only) |          |            | X           |               |
| NJDEP - HDSRF                   | X                          | X              |          | X          | X           |               |
| NJ Infrastructure Bank          | X                          | X              | X        | X          | X           |               |



# Questions?

Q&A

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