

Department of Environmental Protection

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Brownfields Site Assessment & Cleanup Funding

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In Massachusetts state and federal agencies work closely together to ensure that parties undertaking brownfields projects receive the maximum benefit of available funding and technical assistance. For contacts for each program below, please visit the contacts section of the <u>Brownfields</u> home page.

State Programs

MassDevelopment

<u>MassDevelopment</u> offers a variety of financial tools and technical assistance that can help brownfields redevelopment and other development projects move forward.

Brownfields Redevelopment Fund- The Massachusetts Brownfields Act established the <u>Brownfields Redevelopment Fund (BRF)</u> to provide low interest loans for site assessment and cleanup to public and private sector parties. Available funding includes:

Site assessment funding up to \$100,000; Remediation funding up to \$500,000; and Remediation and site assessment funding up to \$2 million for projects designated as "Priority Projects".

To qualify for this program, the project has to be located in an <u>EDA</u>, and the applicant must be an **eligible person**

MassBusiness

Remediation Loan Program: In addition to administering the state-subsidized environmental insurance program, MassBusiness also offers a Remediation Loan Program to assist in the cleanup of brownfields properties. These loans of \$500,000 to \$2 million can be used to finance cleanup costs, regulatory compliance costs, site preparation and entitlement, demolition, construction, mortgage financing and various soft costs.

This information is available in alternate format. Contact Michelle Waters-Ekanem, Director of Diversity/Civil Rights at 617-292-5751. TTY# MassRelay Service 1-800-439-2370 MassDEP Website: www.mass.gov/dep

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MassDEP

Limited funding is available through MassDEP for brownfields related activities:

Clean Water State Revolving Fund (SRF)- The <u>SRF Program</u> provides subsidized interest (2%) 20-year term loans for projects that protect or improve water quality. Any Massachusetts municipality may apply and compete for this financing, during the annual solicitation period, which normally runs from June through mid-August. Brownfield remediation projects are eligible for CWSRF financing, provided that the municipal proponent can demonstrate an anticipated water quality benefit to the work.

Assessment/Cleanup Grant of Service- MassDEP has limited funding through EPA to perform site assessments and cleanups at brownfields sites on behalf of municipal and non-profit entities. MassDEP uses state contractors to do this work rather than granting this funding directly to the community or non-profit.

Massachusetts Division of Housing and Community Development (DHCD)

The <u>Massachusetts DHCD</u> is the administering agency for the U.S. Department of Housing and Urban Development (HUD) State Community Development Block Grant (CDBG) Program, and serves cities and towns with populations under 50,000. It funds activities that will benefit low and moderate income persons, prevent slum and blight or respond to urgent/critical community needs. There are three components that can be used for brownfields projects.

Community Development Fund: Provides grants to municipalities for planning, predevelopment studies, property acquisition, site assessment, cleanup, demolition, and other activities.

Mini-Entitlement Program: Provides grants to municipalities designated as "Mini-Entitlements" for activities including planning, pre-development studies, property acquisition, site assessment, cleanup and demolition.

Economic Development Fund: Provides grants to municipalities to support job creation. Eligible activities include: planning, pre-development studies, property acquisition, site assessment, cleanup, demolition and other activities. Businesses can be eligible for loans or grants through municipalities for real estate acquisition, and other related activities.

DHCD also administers other programs that can be used for brownfields projects:

Community Development Action Grant: CDAG provides funding for publicly owned or managed projects that will have a significant impact on the economic condition of a city or town, including activities that will leverage significant private investment and generate or retain long term employment, as well as projects that will significantly improve the conditions of low and moderate income persons through the support of workforce housing production and/or the preservation of public housing. CDAG can be used in a variety of ways, including installation, improvement, construction, repair, rehabilitation or reconstruction of publicly owned or managed buildings or other structures, facades, streets, roadways, thoroughfares, sidewalks, rail spurs, utility distribution systems, water and sewer lines, for site preparation and improvements, demolition of existing structures, and relocation assistance.

Priority Development Fund - Planning Assistance Grants: Provides grants up to \$50,000 to assist municipalities with planning, zoning, education and outreach leading to housing production. Many communities use these funds to hire consultants to prepare exciting plans in an effort to spark the development of housing. Priority is given to strategies that encourage housing

production on city or town center, brownfields, underutilized commercial or industrial land, or part of a transit-oriented development.

Department of Revenue

Underground Storage Tank (UST) Program: The <u>MassDOR Underground Storage Tank (UST)</u> <u>Program</u> offers limited funding to cities and towns for activities related to leaking USTs, closure of fuel storage tanks, and other activities.

Executive Office of Economic Development (EOED)

MORE Program: EOED's program offers competitive grants to municipalities that partner with private developers to improve infrastructure for projects that create jobs. Although site assessment cannot be funded through MORE, site remediation and preparation work that is tied to infrastructure improvements is eligible for funding.

Executive Office of Energy and Environmental Affairs (EOEEA)

EOEEA administers incentive programs that may be used directly or indirectly for brownfields redevelopment projects that support smart growth. These include:

Commonwealth Capital. Municipalities complete self-assessment scorecards, which assess the smart growth consistency of local regulations and planning. The resulting Commonwealth Capital score is worth 30% of evaluation points for over 20 state grant programs.

Self Help/Urban Self Help. Self Help grants provide financial assistance to city and town conservation commissions to acquire critical open space. The open space must be used for conservation or passive recreation purposes. Urban Self Help grants win to cities and towns in acquiring, developing and renovating park and outdoor recreation facilities.

Executive Office of Transportation (EOT)

EOT offers funding programs that can be used for brownfields projects involving infrastructure improvements and transit oriented development.

Public Works and Economic Development (PWED): The PWED Program promotes economic development through improvements to streets, sidewalks and other specified infrastructure. Eligible activities include design, construction and/or reconstruction or existing and/or newly relocated streets, sidewalks and related infrastructure.

Transit Oriented Development (TOD) Program: The TOD Program offers capital grants to design and build four types of projects within one-quarter mile of a transit station: housing, parking, pedestrian improvements and bicycle facilities. Twenty-five percent (25%) of the units in any housing project must be affordable. The Program also makes awards for preliminary design (25%) of bicycle and/or pedestrian facilities. Applicants must be public entities but may involve public-private partnerships.

Federal Programs

U.S. Environmental Protection Agency (EPA)

<u>EPA</u> offers significant funding to entities for assessing and cleaning up brownfields sites. Assistance is available through the following programs:

Brownfields Assessment Grant Program: Provides up to \$200,000 for site assessment.

Brownfields Cleanup Grant Program: Provides up to \$200,000 for cleanup.

Brownfields Cleanup Revolving Loan Fund Program: Provides up to \$1,000,000 for cleanup.

Brownfields Job Training Program: Provides up to \$200,000 for job training activities related to brownfields.

EPA Grants

State Acknowledgement Letters: Massachusetts entities applying for EPA Assessment, Cleanup, and/or Cleanup Revolving Loan Funds must obtain a Letter of Acknowledgement from MassDEP to include in their grant application. Information on how to request this letter from MassDEP can be found at this <u>web page</u>. Please contact MassaDEP at **BWSC.Information@state.ma.us** with questions about requesting a Letter of Acknowledgement.

Petroleum-only Properties: If an entity is applying for site-specific petroleum-only funding they must obtain a Petroleum Eligibility Determination letter from MassDEP in addition to the State Acknowledgement Letter. The EPA guidance document "<u>Proposal Guidelines for Brownfields</u> <u>Assessment, Revolving Loan Fund, and Cleanup Grants</u>" describes information needed by the MassDEP to make this eligibility determination, or you can view information excerpted from Appendix 3, Section 3.3.2, pages 67-70 of this guidance. Please include all MassDEP Release Tracking Numbers (RTNs) associated with this site with the information provided to MassDEP. Please contact MassDEP at **BWSC.Information@state.ma.us** with questions about requesting a site-specific Petroleum Eligibility Determination Letter.

U.S. Department of Housing and Urban Development (HUD)

<u>HUD</u> provides federal funding for community development activities (including brownfields assessment and cleanup) through the following programs:

Community Development Block Grant Program (CDBG): Provides an annual grant to municipalities with populations over 50,000 or identified central cities of metropolitan areas ("entitlement communities"). These funds are awarded on a formula basis and may be used for brownfields-related activities such as site assessment, remediation, demolition, rehabilitation and construction. Non-entitlement communities may access these funds through their states (see DHCD).

Section 108 Loan Program: Provides entitlement communities receiving CDBG funds through HUD with up to 5 times their annual CDBG allocation in guaranteed loans for brownfields redevelopment activities. Non-entitlement communities submit joint applications with their states (see DHCD)

Brownfields Economic Development Initiative (BEDI): Provides competitive grant funding to communities for activities related to the redevelopment of brownfields sites.