

**Hazardous Discharge Site
Remediation Fund**

**Emerging Issues in
Brownfields**

October 18, 2016





What is the HDSRF?

- A brownfield may be generally defined as a **current or former commercial or industrial site where there is real or perceived contamination that prevents operations from taking place.**
- The HDSRF is a grant & loan program that supports brownfield redevelopment by funding assessment, investigation, and remediation of brownfield sites.

What is the HDSRF?

- Brownfield sites are difficult to redevelop because they are unattractive
 - Dangerous
 - Negative image
- The HDSRF helps to get these properties assessed and investigated so that they can be successfully redeveloped, which is the ultimate goal of the program

What is the HDSRF?

- Established in 1993
- The HDSRF is administered by the NJDEP's Office of Brownfield Reuse (OBR) and the NJ Economic Development Authority.
 - OBR performs the initial technical review
 - NJEDA performs the final financial review

What is the HDSRF?

- is defined in the *Brownfield and Contaminated Site Remediation Act: N.J.S.A 58:10B-4*
- is defined in the *New Jersey Administrative Code: N.J.A.C. 19:31—8.1*

Who is Eligible for Funding?

- Public Entities
 - largest variety of grants
- Private Entities
- Non-profit Organizations (501(c)3)

*These entities are eligible for HDSRF funding if they perform a remediation pursuant to the Site Remediation Program's requirements

How does one Apply?

- **HDSRF Application is submitted to:**

Bureau of Case Assignment & Initial Notice
Site Remediation Program
NJ Department of Environmental Protection
401-05H
PO Box 420
Trenton, NJ 08625-0420

- **Application:**

http://www.state.nj.us/dep/srp/finance/hdsrf/hdsrf_application.pdf

- **Reviewed by an HDSRF Coordinator in OBR**

OBR Review

(technical review)

- Includes a detailed review of a Scope of Work and corresponding itemized Cost Estimate
 - OBR approves the Scope of Work as it relates to the proposed Costs

OBR Review

- Includes a review of a municipal resolution (for public entities)
 - Should state that you are submitting an application to the HDSRF
 - Should state that there is a realistic opportunity that the property will be redeveloped within a 3–year period after completion of remediation
 - Redevelopment plan

OBR Review

- Site Control (ownership type)
 - Tax sale certificate
 - Deed
 - Acquisition through foreclosure
 - Resolution to acquire via voluntary conveyance for the purpose of redevelopment
 - good option if there is a developer present at the table who is interested in assessment of a brownfield site

NJEDA Review

(administrative review)

- OBR mails EDA the recommendation for the amount of approved funding
- \$500 review fee
- EDA financial/administrative review
- Board Approval
- Close on the grant

Disbursements

- Formal request should be submitted to BCAIN by the applicant or signed off on by the applicant
 - technical work product
 - Summary of past work/justification for release
 - Invoices (paid or unpaid)
 - Canceled checks

Grants & Loans Available: PUBLIC

- **Assessments/Investigations = 100%***
 - funds are disbursed up front, prior to the start of the work
 - OBR requires a work product after the assessment/investigation has been completed so it can be seen how public funds were spent

* (\$3 million cap per applicant per year)

Grants & Loans Available: PUBLIC

- **Remedial Actions = 25-75%**
 - funds are disbursed after the work has completed, based on review of invoices
 - OBR requires a work product after the remedial action has been completed so it can be seen how public funds were spent

Grants & Loans Available: PUBLIC

- **Remedial Action Grants**

- BDA (designation) =75%
- Renewable Energy* =75%
- Recreation/Conservation* =75%
- Affordable Housing* =50%
- Innovative Technology =25%
- Unrestricted Use (RAO, soils) =25%

Grants & Loans Available: PRIVATE

- **Private Grants**

- like the public remedial action grants, all private grant funds are disbursed after the work has been performed, based on a review of invoices. Available grants include:

- Innocent Party Grant
 - Innovative Technology Grant
 - Unrestricted Use Matching Grant (RAO, soils only)
 - Loan

Grants & Loans Available: PRIVATE

- **Innocent Party Grant (IPG)**

- funds 50% of all applicable remediation costs (\$1 million cap per project)
- must meet criteria to be approved for the IPG:
 - must have acquired site prior to Dec. 31, 1983
 - cannot have used or discharged the hazardous substance found at the site
 - applicant must be an innocent party as defined by N.J.S.A. 58:10B-6(a)(4)

Grants & Loans Available: PRIVATE

- **Innovative Technology Grant**
 - funds 25% of remedial action costs where an innovative technology has been used
- **Limited Restricted/Unrestricted Use Grant**
 - funds 25% of soil remedial action costs where a limited restricted/unrestricted end-use has been achieved and there is an RAO

*both grants have a \$250,000 cap per project

*applicant must have a net worth of <\$2million

Grants & Loans Available: PRIVATE

- **Loans**

- funds 100% of all applicable phases of work
(\$1 million cap per project)
- Interest rate is equal to the Federal Discount
Rate

Grants & Loans Available: NON-PROFIT

- funds 100% of all applicable assessment/investigation costs
- must meet criteria of a 501(c)(3)
- ownership of the property is not required
- is modeled after the municipal assessment/investigation grant

HDSRF Priority Ranking

- As per N.J.S.A. 58:10B-7, applications are reviewed in a specific order, as defined in the referenced statute.
 - First priority are sites where there is an imminent/significant threat to drinking water, human health, or sensitive ecological area
 - All other sites are reviewed by order of receipt
 - Supplemental requests use the original application date

Updates/Changes HDSRF & SRRA

- SRRA (2009) changed how cases were reviewed at DEP
 - Affirmative obligation to for RPs to remediate
 - Establishment of LSRPs and timeframes
- OBR was affected by these changes
 - Applications are received by BCAIN for initial processing, and then given to OBR staff
 - OBR staff review a scope of work as it relates to a corresponding cost estimate
 - OBR staff no longer act as case managers for HDSRF applicants; work proposals and work products are not “approved”
 - Annual Fees are not fundable
 - Spill Act Defense status

Conclusion

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

HDSRF Coordinators

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