

# Cleaner Commonwealth Fund

## Frequently Asked Questions

### What is the Cleaner Commonwealth Fund?

In 2012, the Kentucky Brownfield Redevelopment Program was granted \$850,000 from the U.S. Environmental Protection Agency (EPA) to establish a revolving loan fund for brownfield cleanups in Kentucky. The program has established the Cleaner Commonwealth Fund (CCF) to help public and private entities address pollutants at brownfield properties.

### Who's eligible?

There are two pools of money in the Cleaner Commonwealth Fund. A portion of the funds is designated as grant funding, and the other portion is for no-interest or low-interest loans.

- Grants- Public entities, including local governments, quasi-government agencies and nonprofits (501c3), are eligible for grant funding in the Cleaner Commonwealth Fund.
- Loans- Currently, only nonprofits and public sector entities, such as local governments, are eligible for loan funds.

For both the loans and grants, the applicant must meet [Bona Fide Prospective Purchaser](#) guidelines. There are exemptions for Innocent Land Owners, Contiguous Land Owners and those that have acquired the property through involuntary acquisition.

### What properties are eligible for funding?

Site eligibility closely follows federal eligibility for EPA grants. Properties that were purchased by an entity that adhered to the All Appropriate Inquiries (AAI) assessment rules and had an AAI performed no longer than six months prior to purchase of the property are potentially eligible for funding. The owner can't be a responsible party.

### What properties are not eligible for funding?

The following conditions may make a site ineligible. If the property for which you are applying meets one of these conditions, contact the brownfield redevelopment staff and a property-specific determination can be made.

- The site is a facility subject to planned or ongoing CERCLA removal actions.
- The site is a facility subject to unilateral administrative orders, court orders, administrative orders on consent or judicial consent decree or to which a permit has been issued by the United States or an authorized state under the Solid

Waste Disposal Act (as amended by the Resource Conservation and Recovery Act (RCRA)), Federal Water Pollution Control Act (FWPCA), Toxic Substances Control Act (TSCA) or Safe Drinking Water Act (SDWA).

- The site is a facility subject to corrective action orders under RCRA (sections 3004(u) or 3008(h)) and to which a corrective action permit or order has been issued or modified to require the implementation of corrective measures.
- The site is a facility that is a disposal unit that has filed a closure notification under subtitle C of RCRA and to which closure requirements have been specified in a closure plan or permit.
- The site is a facility where there has been a release of polychlorinated biphenyls (PCBs) and is subject to remediation under TSCA.
- The site is a facility listed (or proposed for listing) on the National Priorities List (NPL).
- The site is a facility subject to unilateral administrative orders, court orders or administrative orders on consent or judicial consent decree issued to or entered into by parties under CERCLA
- The site is a facility subject to the jurisdiction, custody or control of the United States government. (This does not include land held in trust by the United States government for an Indian tribe.)
- The site has received funds from Kentucky's Petroleum Storage Tank Environmental Assurance Fund (PSTEAF) for remediation of a storage tank on a portion of the property.

### **Do I have to have a cleanup plan in place?**

All grant and loan recipients must have a cleanup plan approved by the cabinet. This does not have to be in place at the time of application. No cleanup cost will be approved for reimbursement unless there has been an approved plan. Grant recipients must also provide a 20-percent match to the funds they receive. The match can be in-kind.

### **What can the funds be used for?**

The Cleaner Commonwealth Fund is a cleanup program. Funds can be used for activities that are approved by the cabinet in order to remediate a property and prepare it for reuse. Some funds can be used for cleanup planning, such as an Analysis of Brownfield Cleanup Alternatives (ABCA). Phase I and II activities are not eligible expenses. Funds cannot be used for construction unless it is part of the remediation plan outlined in a cabinet approved cleanup plan.

### **How will funds be distributed?**

Funds are distributed on a reimbursement basis. The grantee or loan recipient will submit a reimbursement form along with receipts to be approved by the cabinet. Funds will be transferred upon approval.

### **When will funds be available?**

- The CCF launched the grant program in 2014. The program has awarded six grants. Currently there are no plans to initiate another round of grant funding.
- The loan program will launch in spring 2016.

### **How do I apply for funds?**

The Kentucky Brownfield Redevelopment Program will announce grant and loan eligibility periods. To be added to the distribution list for updates, e-mail the program at [envhelp@ky.gov](mailto:envhelp@ky.gov).

### **How much grant funding can I apply for?**

Currently, grant funds have been exhausted. If and when more funds come available, entities can apply for up to \$50,000 per site for cleanups.

### **Is there a match requirement for the grants?**

A 20-percent match is required for the grant. This match can be in-kind. It can be met with funding and resources from the applicant or a project partner.

### **How will they score the grant and loan applications?**

As with traditional loans, an analysis and evaluation may be made of each loan application to make certain that applicants have the resources or future capability to repay the loan. This evaluation will be based upon, but not limited to, the following criteria:

- Projected cost estimate of the cleanup.
- Description of community benefit, job creation or retention or economic revitalization that would result from the property being cleaned up.
- Certification that the applicant has no penalties resulting from environmental noncompliance at the site subject to the loan at the time of submitting the loan application.
- Ability to repay the loan.

Eligible loan applications will also be given a score by a committee of staff members from the Department for Environmental Protection based on the criteria below:

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| • Remediation plan                                 | 20 points |
| • Project description and feasibility of success   | 20 points |
| • Documented economic, health and/or environmental | 20 points |

needs in the community, especially in the neighborhood of the project

- Community Involvement Plan 20 points
- Project benefits 20 points

In cases where there are multiple applicants and not enough funding for projects, this score will serve as a mechanism to determine where the money will be directed.

**I have applied for an EPA Brownfield Cleanup Grant. If I receive that grant, am I ineligible for funding through the CCF?**

No, receiving funding from either the EPA or through the Cleaner Commonwealth Fund does not make you ineligible for the other funding. EPA brownfield grants can be combined with CCF funds to complete a project.

**I have received money from another EPA-funded brownfield revolving loan fund in the state, can I still get funding from the CCF?**

Yes. You can receive funding from any of the other revolving loan funds in the state (Louisville Metro and Northern KY Area Development District) and still apply for grants and loans through the CCF. Public entities can also still apply for EPA Cleanup Grants after receiving funding.

**When will loans be available?**

The Kentucky Brownfield Redevelopment Program plans to issue a Request for Proposals for loans in the first half of calendar year 2016.

**How much can I borrow?**

The program anticipates issuing one or two loans, with a total of \$590,000 available—\$390,000 for hazardous waste cleanups and \$200,000 for petroleum cleanups.

**What will the interest rate be on the loans?**

Interest rates will range from no interest to low interest based on the type of entity applying and the current interest rate. Local government, nonprofits and quasi-governmental agencies can qualify for no-interest loans if their projects address pressing environmental justice, poverty or imminent health concerns.

**If I am a local government or nonprofit, is a portion of the loan forgivable?**

For nonprofits and local governments, a portion of the loan may be forgivable if the project progresses adequately according to the approved cleanup plan.

**What are the terms of the loan?**

Exact terms, eligibility requirements and other information can be found in the Cleaner Commonwealth Fund Loan Guide.

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