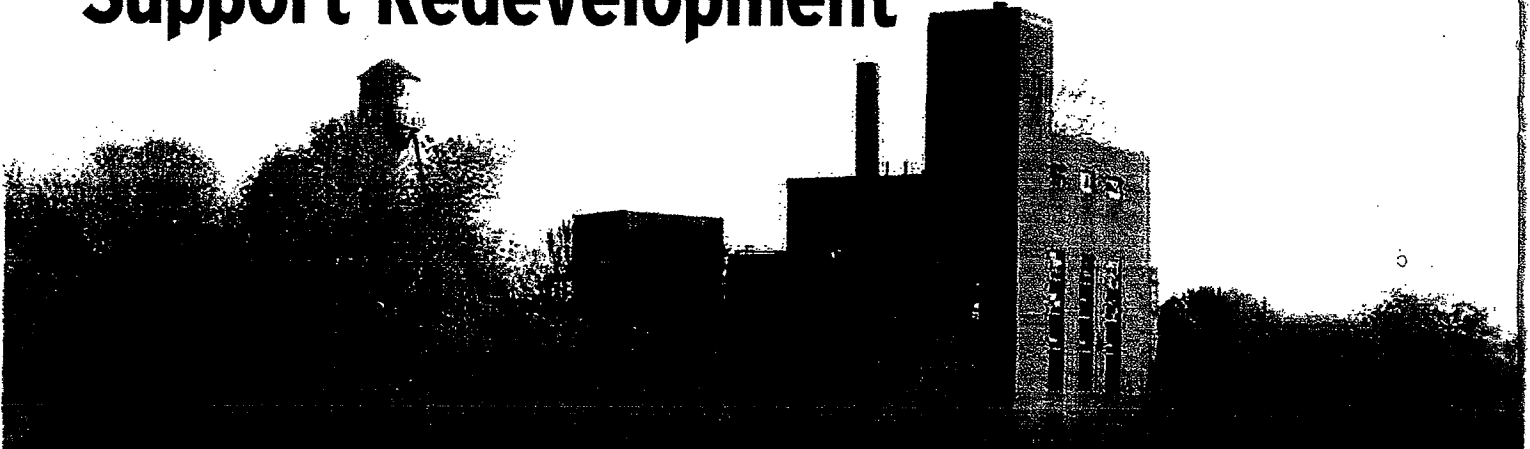


# New Brownfield Cleanup Grants Support Redevelopment



Senate Bill 277 supports brownfield development by expanding eligible parties, creating grant money for cleanups, and allowing funds for open space and affordable housing.

BY NJDEP'S COLLEEN KOKAS AND EAI'S HEATHER MARTIN

**T**HE HAZARDOUS DISCHARGE SITE REMEDIATION Fund (HDSRF) has been New Jersey's long-standing source for loans and grants to investigate and clean up brownfield sites. On Sept. 15, 2005 the fund was increased through new legislation, Senate 277 (S-277), which has expanded eligible parties, created grant money for cleanup, and allowed funds for open space and affordable housing. All of these changes are significant for brownfield redevelopments.

First and foremost, S-277 has expanded applicant eligibility to include counties and redevelopment agencies, whereas before only municipalities were allowed to obtain grants for site investigation. Now counties and redevelopment entities can also apply for those same investigative grants. In addition, prior to S-277, loans and grants to municipalities were capped at \$2 million per year. But now, grant funding available to municipalities, counties and redevelopment agencies has been increased to \$3 million for investigative work. More entities are now eligible for funding, and more funding is available.

So for the first time in HDSRF history, municipalities, counties and redevelopment agencies are eligible to

receive grants for the actual cleanup of a site. Previously, municipalities could receive grants to investigate a site, but then would have to obtain loans for the cleanup phase. Now grants are available for cleanup, contingent upon redevelopment of the site into affordable housing or preservation of the site through an easement for open space or recreational purposes. Grant monies would cover 75 percent of the cleanup for recreation/conservation uses, and 50 percent of the cleanup for affordable housing redevelopments.

Grants are also available for businesses that want to implement an innovative technology as part of the remediation or to implement a cleanup that does not involve the capping of a site. These are matching grants, whereby the grant will "match" 25 percent of the project costs of remediation, and the monetary cap on this grant has been increased from \$100,000 to \$250,000. In order to qualify for these grants up to a grand total of \$250,000, a business must have a net worth of less than \$2 million.

Additionally, a new category of grants is available to those sites that were formally designated by the New Jersey Department of Environmental Protection (DEP)

as Brownfield Development Area (BDA) Sites. The DEP's BDA program works with selected communities that have been impacted by multiple contaminated sites, in order to coordinate and implement remediation and reuse plans.

This legislation made all eligible parties, whether municipalities, counties or redevelopment agencies, eligible to receive grants of up to \$5 million per year. Grants can be used for investigation or cleanup and do not require any ownership interest in the site. In addition, BDA grants for cleanup are not contingent upon a specific end use.

In consultation with the New Jersey Economic Development Authority (NJEDA), the NJDEP is required under the new law to develop a pilot program to award grants to nonprofit organizations for investigation of property that has been contaminated or is suspected of being contaminated by the discharge of a hazardous substance. The total amount available for the pilot program is \$5 million per year.

S-277 also enabled grants awarded to municipalities, townships or redevelopment agencies to be applied to performance of a remedial action, even if the entity does not own the property. Under that condition, a lien will be attached to the property. State funding for brownfield projects cannot exceed 75 percent of the total remedial costs at any one site.

The DEP estimates that there may be as many as 10,000 brownfield sites in New Jersey. These abandoned, contaminated properties can have a devastating impact on their surrounding communities by contributing to urban decay, impairing tax bases and preventing new development. This impact is particularly severe when there are several brownfield sites in one neighborhood creating a cumulative impact that chills revitalization. The expansion of eligible applicants for funding, the increase in grant funding caps, the creation of cleanup grants to public entities, and the relaxation of ownership requirements for funding, are all steps in the right direction to spur redevelopment and kick start areas of the state that are in dire need of revitalization. ■

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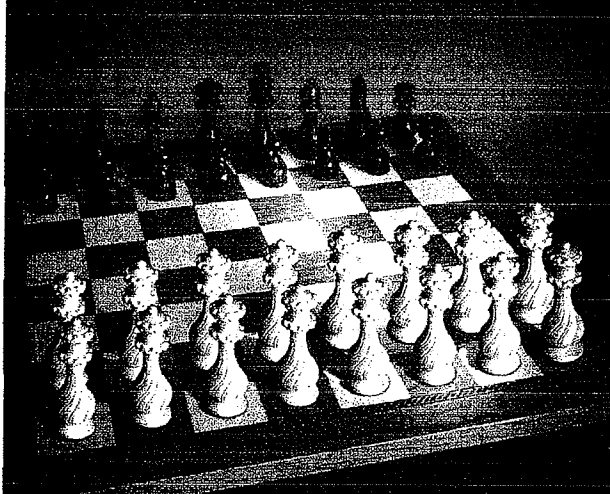
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