

BROWNFIELD REDEVELOPMENT LOANS

Low-interest loans for the remediation of sites that have been contaminated by past industrial or commercial activity and pose a threat to local groundwater or surface water sources (“brownfield”).

Eligibility

- Owner of property that needs to be remediated in order to mitigate water quality impacts.

Eligible Uses

1. Specific assessment in conjunction with remediation activities on contaminated properties across the Commonwealth. These activities must be related to a water quality benefit, which can include the prevention of contamination. The purpose of this brownfield remediation financing initiative is to encourage the cleanup and reuse of contaminated properties while improving and protecting local water resources.
2. Drinking water, wastewater and storm water infrastructure facilities are also eligible

Ineligible Uses

1. Any construction activity not necessary for remediation or containment of hazardous substances, pollutants, or contaminants released at the site, with the exception of water-related infrastructure facilities.
2. Improvements at the site to enhance real estate value but not related to site remediation efforts, including, but not limited to, any new structures or site reuse appurtenances (unless and only to the extent they provide a “cap” as part of the remediation).
3. Demolition or repair of buildings on or adjacent to the site, unless such demolition activity can be shown to be necessary for remediation of hazardous substances, pollutants or contaminants released at the site that create or contribute to the creation of water quality degradation.
4. Permanent relocation of residents.
5. Testing not directly related to site remediation.
6. Payment of any administrative or civil fines and associated legal fees.
7. Refinancing of existing debt.

Funding

1. Loans up to \$11 million per project for one municipality
2. Up to \$20 million for projects that server 2 or 3 municipalities

3. Amounts more than \$20 million require a special vote of the PENNVEST Board of Directors, and for comprehensive projects that serve all or parts of four or more municipalities

Terms and Conditions

1. The term of loans under this initiative is twenty years. Loan amortization will be on a monthly basis and will begin upon approval by DEP of the final report documenting attainment of cleanup standard(s) at the site pursuant to Act 2 or, if remediation is not required, upon receipt of a letter from DEP stating that no further action is required at the site.
2. Loan amortization maybe deferred for up to five years from the date that the loan would otherwise begin amortization, although nominal principal payments will be required during the deferral period. Such deferment will be allowed as an exception to normal loan terms and must be requested by the borrower and approved by PENNVEST. Deferment will not extend the date of final loan amortization but rather will serve to reduce the amortization period.
3. Interest rates on loans will be at the allowable county maximum rates, as defined in section 10(f) of the Act. Interest accrues from the date that funds are disbursed to the borrower. However, interest can be capitalized at the option of the borrower and included in loan principal at the time of amortization.

How to Apply

Each applicant must participate in a planning consultation with their regional PENNVEST Project Specialist and DEP. Application materials will be provided at the time of the meeting.

In addition to the paper application for Brownfield Redevelopment funding, you must complete the **Project Description** section and **Economic Development Impact** section on the **PENNVEST Online Funding website**. You are only required to complete the sections identified above as part of the Brownfield Redevelopment application process and are not required to complete any other sections. For questions regarding completion of this part of your application, contact your PENNVEST regional project specialist.

PENNVEST currently takes action on applications four times each year at Board meetings held in January, April, July and October. Applications are due 60 days prior to the date of the Board meeting. Upon approval of an application submitted pursuant to this policy **and prior to initiation of on-site redevelopment and/or remediation activities**, PENNVEST and the applicant will execute the master loan agreement and any additional documents required specific to the project (e.g., a note and documents related to collateral). Projects can proceed prior to approval of a PENNVEST application and execution of the loan documents provided that the applicant has obtained PENNVEST's prior consent. Borrowers may submit subsequent applications to PENNVEST for additional projects to be performed under the terms of the master loan agreement. Upon approval of these projects, appropriate amendments to the loan documents will be made to include the terms of the additional financing and information relating to the additional projects.

Check out other Brownfield documents and information on the PENNVEST website at www.pennvest.state.pa.us