

CALReUSE
CALIFORNIA RECYCLE UNDERUTILIZED SITES PROGRAM

Remediation Program
Frequently Asked Questions

NOTE: Currently the Remediation Program is oversubscribed; new Applications are not being accepted for review or consideration.

1. What is the CALReUSE Remediation Program?

The CALReUSE Remediation Program (“Program”) is funded by Proposition 1C, the Housing and Energy Shelter Trust Fund Act of 2006 (structured by [Sections 8090, 8102-8102.5 of the Regulations](#)). The Program finances brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans. Grants and loans are available up to \$5 million for eligible projects. For further information, please refer to the [Remediation Program Summary](#).

2. What types of projects are eligible for financing?

In November 2006 voters approved Proposition 1C, the Housing and Emergency Shelter Trust Act Fund Act, which set aside \$2.85 billion for housing in California. In 2007, the Legislature allocated \$60 million of these funds to CALReUSE for the purpose of *brownfield cleanup that promotes infill residential and mix-used developments, consistent with regional and local land use plans*. (SB 86, 2007). \$55 million of these monies was awarded to finance specific projects. The best way to find out what funding your project may qualify for is to review the [Section 8102.4 of the Regulations](#).

3. How do I obtain an Application¹ and apply for funding?

Currently the Remediation Program is oversubscribed; new Applications are not being accepted for review or consideration. When funding is available, Program staff may provide Applications upon request. The Authority does not require the use of a specific Application form, however the information required for an Application to be complete is identified in the [Section 8092 of the Regulations](#). For additional information please contact CALReUSE staff at (916) 654-5610, or by email at calreuse@treasurer.ca.gov.

4. How is an Application reviewed and granted?

California Pollution Control Financing Authority (“CPCFA” or “Authority”) will review and score completed Applications ([Section 8102.14 of the Regulations](#)), and will make recommendations to the Authority’s Board for financing. Completed Applications must be submitted 30 days prior to a [regularly scheduled monthly Board meeting](#) for consideration.

¹ Any capitalized terms used but not defined in these FAQs will have the meaning set forth in the Program Regulations.

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5. Did the Authority set aside a specific amount of funding to be awarded as loans? As grants?

Of the funds available for projects, the Authority did *not* set aside a specific amount of funds to be distributed specifically as grants or loans.

6. Is the 15% affordability threshold for Infill Grants ([Section 8102.4\(b\) of the Regulations](#)) subject to rounding? For example, if the number of affordable units falls between 14.51% and 14.99% of the total units do you round up to 15%?

No. As of August 20, 2010, in order to receive an Infill Grant the Infill Development Project must include a **minimum** of 15% affordable units. If the affordability mix is less than 15% the Project is not eligible for an Infill Grant but may be eligible for an Infill Loan.

7. What is a Priority Development Area?

This term is used to enable the necessary flexibility to accommodate the various local governments and regional councils of governments. As described in the Application instructions, the term is clarified to mean “an area that has been targeted by a local government entity or regional government council for a specific growth and development plan within an existing or emerging city center or community that emphasizes the creation of residential space that accesses public transportation.” ([Section 8102.14\(c\) of the Regulations](#))

8. How current does a letter of support need to be?

Outdated letters will be accepted, however, the Authority would prefer letters that are current. Staff will confirm the support of the signatory if the letter is particularly outdated. Scoring Criteria ([Section 8102.14 of the Regulations](#)).

9. Can a Responsible Party be eligible to receive a Infill Grant?

A Responsible Party as defined by [42 U.S.C. Section 9607\(a\)\(2\)](#) can be eligible to receive a loan but *not* a grant under the CALReUSE Remediation Program.

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10. How will CPCFA calculate the tie breaker provision within the scoring criteria?

Based on the existing Scoring Regulations [Section 8102.14\(h\) of the Regulations](#), The tie breaker calculation will be based on the total costs of the Cleanup Plan for the Brownfield Infill Project divided by the number of housing units created or promoted by the Infill Development Project. Priority will be given to the projects with the lowest cost per unit.

11. Would the acceptance of Remediation Program funds affect a project simultaneously funded by the California Tax Allocation Committee (CTCAC)?

There is no simple way to respond to this question. The Authority recommends that Applicants who anticipate applying for both a CALReUSE Remediation Program grant or loan and CTCAC financing refer to their legal counsel on this issue. Anecdotally, if awarded funds are used on the property that should not affect CTCAC financing. If awarded funds are used to mitigate environmental issues with the building or other improvements, such as a vapor, operation and maintenance system, or podium foundation then it will affect the tax credit basis. Awards are allowed in a grant/loan combination. Again, this question is best answered by the Applicant's legal counsel.

12. Does utilization of these Remediation Program funds trigger prevailing wages for an Applicant's project?

Receipt of CALReUSE funds may trigger *California's* prevailing wage *requirement* for the awarded project. The Authority recommends Applicants and Awardees consult with their legal counsel to determine the applicability of prevailing wage law specific to their project (Labor Code Section 1720, et seq.).

13. Can Remediation Program funds be used to reimburse costs incurred prior to applying for the funding?

No. The Program cannot reimburse costs accrued prior to applying for funds. However, if the Board had decided to fund a project, CALReUSE funds could be used to reimburse Eligible Brownfield Infill Project Costs from the date the Infill Application was deemed "complete."

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14. Can Remediation Program funding be used to pay back a CALReUSE Assessment Program loan?

No. The two Programs are financed through separate funding sources.

15. Does the Remediation Program award financing for the cleanup of lead and asbestos?

Yes. Lead and asbestos cleanups qualify as eligible costs which may be funded under the Program. Applications or projects must meet all other threshold criteria of the Program: obtain a Cleanup Plan for the hazardous material; have an identified Oversight Agency for the Cleanup Plan; and the Oversight Agency must agree and be willing to 1) approve the Cleanup Plan and 2) submit a letter informing CPCFA that the remedial work was conducted appropriately. All Oversight Agencies will be confirmed by CPCFA staff. In the case of Applications without a “typical” Oversight Agency for “hazardous material” (e.g. DTSC, Regional Water Board, CUPA), the Oversight Agency will be contacted by the Authority and asked to confirm it is willing to be the Oversight Agency and perform the duties as described in the [Regulations](#). If the Oversight Agency identified in the Application is not willing to carry out the duties required by the [Regulations](#), the Application will not be complete and the project will not be eligible for funding consideration. The goal is to ensure Applicants will be able to comply with the Regulations and avoid unnecessary defaults under the Program.

16. Does the Remediation Program fund the remediation/cleanup of mold?

No. The remediation and abatement of mold is not an eligible cost under the Program.

17. If my project was awarded, how do I obtain the funding?

First, Applicants must continue to meet Program criteria thresholds, and Infill Grant/Loan agreements and Regulatory Agreements must be executed ([Section 8102.7 of the Regulations](#)). These legal Agreements are developed by the Authority.

Disbursements of the funds awarded are made in arrears; the Grantee/Borrower accrues the costs and bundles receipts into a disbursement request (“DR”). DRs cannot be made more frequently than once a month. The Grantee/Borrower shall sign and submit an invoice documenting the service(s) or procedure(s) performed from entities proving the service(s) covered by the Grant/Loan Agreement. DRs should be submitted 90 days prior to the date the Grantee/Borrower anticipates needing the funds.

