

# **Brownfields Cleanup Revolving Loan Fund Pilot** *Washington, DC*

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

**EPA's** Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

## BACKGROUND

The District of Columbia was the only jurisdiction in the metropolitan region to lose population in the 1990s, despite dramatic growth throughout the region. The average poverty rate (15 percent) has remained significantly higher than the regional average (4.3 percent). While the District does not have a history of heavy industry, it has a long history of small manufacturing enterprises. The consequence of the loss of jobs and population is seen in the vacant and abandoned buildings throughout the District. Notably, 20 percent of the structures east of the Anacostia River are vacant. Many of these properties were once small manufacturing facilities, including machine shops, dry cleaners, printers, and automotive facilities. Although land and water contamination in the area is not severe in most cases, cleanup must occur before sites can be redeveloped. The BCRLF targets the City's Strategic Area Development Zones, which encompass the eastern two-thirds of the City. These areas are home to most of the low and moderate income residents of the District and include all of the City's Federally-designated Enterprise Communities.

## PILOT SNAPSHOT



*Washington, DC*

**Date of Announcement:**  
May 25, 1999

**Amount:** \$500,000

**BCRLF Target Area:**  
Strategic Area Development  
Zones which encompass the  
eastern two-thirds of the City.

### Contacts:

District of Columbia Department of Health (202) 645-5636	Region 3 Brownfields Coordinator (215) 814-3129
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Visit the EPA Region 3 Brownfields web site at:  
[www.epa.gov/reg3hwmd/brownfld/hmpage1.htm](http://www.epa.gov/reg3hwmd/brownfld/hmpage1.htm)

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:  
<http://www.epa.gov/brownfields/>

## BCRLF OBJECTIVES

The objectives of Washington, D.C.'s Clean Land Program Revolving Loan Fund (the City's BCRLF) include:

- Providing a source of financing for cleanup costs which are difficult to cover with conventional financing;
- Creating institutional capacity within the City to assist potential borrowers with incorporating a cleanup project into other development projects;
- Providing gap financing and environmental assurances that will leverage private investment in District projects and helping to create a hospitable environment for smart development; and
- Creating a model for integrating environmental goals into community development planning and lending in the District.

Properties expected to benefit from BCRLF lending are found within the Strategic Area Development Zones — 6 geographic regions targeted for redevelopment assistance with Federal entitlement funds. Targeted borrowers include community development corporations and non-profit developers.

## FUND STRUCTURE AND OPERATIONS

The Environmental Health Administration (EHA) of the District's Department of Health will serve as the lead agency. EHA will use the US Army Corps of Engineers as site manager and through a competitive process will select a community development lender to serve as fund manager. The selected community development lender will help the city market the CLPRLF, identify potential borrowers, structure deals, and promote overall policies that integrate environmental cleanup with economic development. It is estimated that an average 5 percent interest rate will be charged on loans and eight loans of approximately \$50,000 each will be made in the first three years.

## LEVERAGING

The District of Columbia will be using a portion of its Economic Development Agency loan funds in collaboration with the BCRLF program. The Environmental Health Administration also will explore partnering options available from other Federal agencies.

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*Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.*

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