



# Washtenaw County Brownfield Redevelopment Authority

## Local Brownfield Revolving Fund (LBRF) Policy

**Purpose:** The Washtenaw County Brownfield Redevelopment Authority (WCBRA) established a Local Brownfield Revolving Fund (LBRF) to assist with brownfield projects in WCBRA member communities. This policy is hereby adopted to guide review of applications for LBRF loan or grant funds in support of brownfield activities.

The WCBRA intends to utilize LBRF funds to most effectively advance the goals of the program, stated herein. The Local Brownfield Revolving Fund is capitalized from dedicated tax increment revenue (TIR) captured from projects within member communities of the Washtenaw County Brownfield Authority. Therefore, revenues accruing to the LBRF may not necessarily be awarded geographically in the same proportion as the LBRF TIR was captured.

The WCBRA may seek reimbursement of some or all grant funds using Tax Increment Financing as part of the approved Brownfield Plan for the project, and will utilize Tax Increment revenues for repayment of loans.

### Application Eligibility

Below is a table that indicates program eligibility for different organizations. Please note that of all the eligible entities below, private developers are not eligible for grants.

LBRF Eligibility Table

	Local Unit of Government	Non-Profit Organization	Economic Development Organization	Land Bank	Private Developer
Grant	Yes	Yes	Yes	Yes	No
Loan	Yes	Yes	Yes	Yes	Yes

### Eligible Activities

The LBRF will be used to further the purpose of the Program, which is to facilitate the redevelopment of previously developed sites classified as a “facility”, historic resource, functionally obsolete or blighted, or as otherwise eligible, as defined in PA 381 of 1996, as amended (Act 381).

The LBRF may be used only to pay the costs of eligible activities on eligible property that is included in an approved Brownfield Plan, as defined in Act 381. The WCBRA may



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prioritize applications for available funds, is under no obligation to fund all or any projects, and shall review each application on a case-by-case basis.

### **LBRF Program Requirements**

- LBRF *grant* and *revolving loan* funds may only be used to support redevelopment of brownfields in Washtenaw County communities that have joined the WCBRA.
- LBRF funds may be used by the WCBRA to conduct eligible activities when such use is deemed necessary to encourage redevelopment of a brownfield site.
- The awarding of loans or grants, and the amount of the award, shall be solely at the discretion of the WCBRA.
- Grants may be awarded to an eligible entity only to finance Act 381 eligible activities on sites that will be tax-exempt after redevelopment.
- Grant and loan recipients must not be a liable party, as defined in Part 201 of the Michigan Natural Resources and Environmental Protection Act (PA 451 of 1994, as amended).
- All awards of LBRF funds are contingent on successful adoption of a Brownfield Plan, which establishes site eligibility and includes all eligible activities and costs that will be funded by the LBRF grant or loan.
- LBRF Grants and Loans will not exceed the current maximum amount as established from time to time by the WCBRA and will be prioritized to fund mitigation of conditions that pose an imminent public health threat, environmental response activities, due care activities, due care assessments, and environmental due diligence, in that order.
- In addition to general requirements, the following apply to LBRF loans:
  - LBRF loans are intended to support development projects that are demonstrated to be economically viable to the satisfaction of the WCBRA, and will create additional tax base for the host community and County. The WCBRA may request project financial information suitable for project and developer viability evaluations.
  - Only one loan will be awarded to each project.



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- No loan for any project will be issued in an amount exceeding \$1,000,000 or the amount available in the LBRF, whichever is less.
- The repayment period for each loan will be negotiated, but generally will not exceed 15 years. The loan interest rate, amortized over the loan period from the date of first payment, shall be 50 percent of the Wall Street Journal Prime Rate on the date of loan closing. To accommodate project economics, the date of first payment may be deferred up to the date of first TIR reimbursement of eligible costs under the approved Brownfield plan, but deferral shall not exceed three years after the loan closing date without prior approval of the WCBRA.
- Any Loan approval is contingent upon execution of a Loan Agreement and Security Agreement between the applicant and the WCBRA that details all aspects of the loan.

### **LBRF Funding Review Criteria**

- The extent to which the project reduces the extent, migration, and/or exposure to environmental contamination.
- The project will remove significant blight from a property.
- The extent to which the project effectively addresses or intervenes in an immediate real or potential public health threat.
- The extent to which the funds support stated affordable housing goals in the [2015 Housing Affordability and Economic Equity Analysis](#), as applicable.
- The degree to which the project meets [Smart Growth Principles](http://smartgrowth.org/smart-growth-principles).  
smartgrowth.org/smart-growth-principles
- Funding or funding commitments sufficient to complete the project are available.
- The following additional criteria will be used for LBRF loans:
  - Additional financial security may also be requested by the WCBRA for loans.
  - Location of the site within traditional downtowns and existing commercial and industrial areas.
  - The number of local temporary and permanent jobs created as a result of the redevelopment.



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### LBRF Application:

- An [LBRF application](#), which must provide a project description and how funding is critical to the project and consistent with [WCBRA policies and procedures](#) (link: <http://bit.ly/1P4hnEA>), is required for any LBRF request.
- For LBRF loans, a non-refundable application fee of \$1,000 is required.

Adopted August 7, 2014 by the Washtenaw County Brownfield Redevelopment Authority

Revised and Re-Adopted December 3, 2015

Revised and Re-Adopted March 3, 2016

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