



## CITY OF SANTA ROSA BROWNFIELDS CLEANUP REVOLVING LOAN FUND PROGRAM DESCRIPTION

### 1. PURPOSE AND SCOPE

The U.S. Environmental Protection Agency (EPA) provided the City of Santa Rosa with a Brownfields Cleanup Revolving Loan Fund grant to capitalize a revolving loan fund for site cleanup. The City created its Revolving Loan Fund (RLF) program to provide funding in Santa Rosa to clean up sites with toxic contamination problems and to facilitate their reuse. The assistance will be in the form interest-free and below-market interest loans.

The goals of the RLF are:

- ✓ Support remediation activities on contaminated properties within the city limits of Santa Rosa;
- ✓ Address environmental justice concerns by supporting the remediation and redevelopment of properties in redevelopment project areas in Santa Rosa;
- ✓ Seek additional funding sources to leverage RLF for cleanup activities, including state and private sources;
- ✓ Investigate and implement methods to reduce the cost and simplify the process of conducting public participation activities for each property; and
- ✓ Facilitate the planning and regulatory process.

### 2. ELIGIBILITY/LOAN TERMS

#### A. Eligible Borrowers

Potential borrowers must meet the following qualifications to be eligible. The borrower:

- i. May be a private party or public entity, including the City of Santa Rosa and the Santa Rosa Redevelopment Agency;
- ii. Must be authorized to enter into a loan agreement;
- iii. Must own the property or have long-term site control (a minimum of 20 years after date of loan application);
- iv. Must meet the definition of "innocent landowner" by carrying out all appropriate inquiries before acquiring the property (owner, if different than borrower must also meet this definition);



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- v. May not use the loan proceeds to pay for response costs for which the borrower may be potentially liable under Section 107 of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA);
- vi. May not be suspended or debarred from federal programs;
- vii. May not own a business which has defaulted or is owned in whole or in part by any individual or entity who has defaulted on any loan made with federal funding or under any program administered by the State;
- viii. Must be the user of the assets financed;
- ix. Must not be a generator or transporter of contamination at the subject site.

### **B. Eligible Uses of Loans**

The funds used in this program have been designated by the EPA for cleanup activities at eligible Brownfields sites. Acceptable RLF activities include (but are not limited to) the following.

- i. Documentation of the Analysis of Brownfields Cleanup Alternatives (ABCA);
- ii. Development and implementation of RLF marketing strategy;
- iii. Oversight of cleanup activities;
- iv. Installation of fences, warning signs, or other security or site control precautions;
- v. Installation of drainage and dust controls;
- vi. Stabilization of berms, dikes, or impoundments; or drainage or closing of lagoons;
- vii. Capping of contaminated soils;
- viii. Using chemicals and other materials to retard the spread of the release or mitigate its effects;
- ix. Excavation, consolidation, or removal of contaminated soils;
- x. Removal of drums, barrels, tanks, or other bulk containers that contain or may contain hazardous substances, pollutants, or contaminants, including petroleum.
- xi. Removal of source materials, including free product recovery;
- xii. Containment, treatment, or disposal of hazardous materials and petroleum contamination;
- xiii. Site monitoring activities for up to one year, including sampling and analysis, that are reasonable and necessary during the cleanup process to determine the effectiveness of the cleanup ;
- xiv. Site assessment activities that are reasonable, necessary, and incidental to the cleanup process, such as confirmation sampling;
- xv. Costs associated with meeting public participation, worker health and safety, and programmatic management requirements;
- xvi. Cleanup actions associated with removing, mitigating or preventing the release or threat of release of a hazardous substance, pollutant or contaminant; and
- xvii. Purchase of environmental insurance.



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### **C. Ineligible Uses of Loans**

RLF funds may not be used for:

- i. Pre-cleanup environmental assessment activities, such as site assessment, identification, and characterization with the exception of site monitoring activities as described above;
- ii. Cleanup of naturally occurring substances;
- iii. Public or private drinking water supplies that have deteriorated through ordinary use;
- iv. A cleanup cost at a Brownfields site for which the recipient of the grant or loan is potentially liable under CERCLA §107;
- v. Monitoring and data collection necessary to apply for, or comply with, environmental permits under other federal and state laws, unless such a permit is required as a component of the cleanup action;
- vi. Construction, demolition, and development activities that are not cleanup actions (e.g., marketing of property or construction of a new non-cleanup facility);
- vii. Cost sharing or matching requirement for another federal grant (absent statutory authorization);
- viii. Support of job training;
- ix. Support of lobbying efforts of the borrower; or
- x. Payment of an administrative cost.

### **D. Eligible Sites**

A site must qualify as a “Brownfields site,” that is, “real property, the expansion, redevelopment or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant or contaminant.” The sites must be located within the boundaries of the City of Santa Rosa and must have an actual release or substantial threat of a release of a hazardous substance to the environment. The RLF funds may also be used to address releases or substantial threat of release or a pollutant or contaminant that may present an imminent or substantial danger to public health or welfare.

The City will lend RLF funds for contamination remediation at either publicly- or privately-owned sites when the borrower has the clear ability to repay the RLF loan.

Three types of sites qualify for funding:

- i. Contaminated by controlled substances (e.g., methamphetamine or arsenic); or
- ii. Contaminated by petroleum or petroleum products (see additional criteria below); or
- iii. Mine-scarred lands (e.g., coal mines).

Additional criteria for site contaminated by petroleum or petroleum products:



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- i. EPA or State of California determines site is of “relatively low risk” compared with other “petroleum-only” sites in the State.
- ii. EPA, State and City are unable to identify a viable party responsible for the clean-up.
- iii. A person not potentially liable for clean up of the site will assess, investigate or clean up the site.
- iv. The site must not be subject to a corrective action order under the Resource Conservation and Recovery Act (RCRA) 9003(h).
- v. Site has not received specific cleanup assistance under Subtitle I of RCRA from the Leaking Underground Storage Tank (LUST) trust fund, unless EPA has made a property-specific funding determination.

Property-Specific Determination Criteria: EPA may approve the award of funding to an eligible entity for assessment and cleanup activities to an excluded site if EPA finds that the funds will protect human health and the environment **and either** 1) promote economic development, or 2) enable the creation of, preservation of, or addition to property used for nonprofit purposes such as parks or greenways.

Six (6) types of sites are eligible for funding with a *Property-Specific Determination*:

- i. Properties subject to planned or ongoing removal action under the CERCLA Act of 1980;
- ii. Properties that include facilities to which a permit has been issued by the U.S. or authorized state under the RCRA, the Federal Water Pollution Control Act (FWPCA), the Toxic Substances Control Act (TSCA) or the Safe Drinking Water Act (SDWA).
- iii. Properties that include facilities subject to RCRA orders requiring corrective action (section 3004(u) or section 3008(h)).
- iv. Properties that are land disposal sites that have submitted a RCRA closure notification or that are subject to closure requirements specified in a closure plan or permit.
- v. Properties where there has been a release of PCBs and all or a part of the property is subject to TSCA remediation.
- vi. Properties receiving monies for clean up from the Leaking Underground Storage Tank (LUST) trust fund.

*Three types of sites are ineligible for assistance under the RLF:*

- i. Property that is listed or proposed for listing on the National Priorities List;
- ii. Property that is subject to a unilateral administrative order, a court order, an administrative order on consent or judicial consent decree issued or entered into by parties under CERCLA; and
- iii. Property subject to the jurisdiction, custody or control of the U.S. government, except for land held in trust by the U.S. government for an Indian tribe.

## E. Loan Terms



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The City shall employ the following criteria when establishing the terms of each RLF loan.

- i. Loan terms are flexible and dependent upon project and borrower needs.
- ii. There is no minimum loan amount, and the maximum loan amount is subject to fund availability. Loan approval will be by the Director of Economic Development and Housing or designee.
- iii. The RLF loan will accrue interest at a rate the City shall determine appropriate for the borrower and the site. Generally, the interest rate will be 2% - 3% simple interest annually. At its discretion, the City may waive accrual of interest for no more than the first two years following the recordation of the loan ("grace period"). At the expiration of the grace period, interest will accrue on the full amount of the loan or such amount outstanding at the time.
- iv. Generally a RLF loan will become due and payable not more than seven (7) years following the date that the loan was recorded at the County Recorder.
- v. The repayment schedule will be designed to the needs of the borrower.
- vi. The borrower may be required to carry a reserve fund for cost overruns that are not covered by the loan or any insurance coverage.
- vii. There are no prepayment penalties on loans.
- viii. Real estate is the preferred form of collateral; however, collateral requirements are flexible and will be determined on a case by case basis.
- ix. Closing costs will be paid by City as a local match expense and are detailed in Section 5B – Closing Costs.

### **F. Regulatory Agency Oversight Costs**

The regulatory agency (ies) will provide the potential borrower with an estimate of the oversight costs for the cleanup project. The borrower is responsible for payment of oversight costs and may finance them from the RLF loan.

## **3. U.S. ENVIRONMENTAL PROTECTION AGENCY REQUIREMENTS**

The Brownfields Law requires that environmental cleanups meet all applicable federal and state laws (see CERCLA §104(k)(9)(B)(i)(I)). The borrower must ensure that cleanups conducted with these funds attain or exceed the requirements of state and federal law.

### **A. Public Participation**

Where applicable, the borrower must adhere to the applicable federal requirements listed below. After a review of loan application, staff will determine which provisions apply.

- i. Assist City staff in meeting the applicable Public Participation Plan (PPP) requirements;



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- ii. Designation of a project manager or spokesperson who is authorized to address technical issues with the public;
- iii. Submittal of environmental reports and assessments into an information repository established by the City;
- iv. Attendance at one or more public meetings to discuss the cleanup project;
- v. Other participation based on the scope and nature of the cleanup project as determined by City staff.

### **B. Nondiscrimination and Equal Opportunity**

Each borrower must comply with the statutes prohibiting discrimination on the grounds of race, color, national origin, sex or handicap. In addition, borrowers are encouraged to give opportunities for qualified Small Business Enterprises (SBE), Minority Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE) to submit proposals, bids and provide services on contracts and subcontracts for services and supplies. EPA has established the following “fair share goals” for MBE and WBE participation in the Brownfields Cleanup RLF Program:

<u>Procurement Category</u>	<u>MBE</u>	<u>WBE</u>
Construction	20%	10%
Supplies	24%	44%
Services	20%	31%
Equipment	19%	16%

Borrowers and prime contractors are required to include these goals in their bid documents and to document that they have taken affirmative steps to achieve a fair share goal when awarding contracts for RLF-funded remediation projects, including the steps described at 40 CFR 30.44(b).

As EPA and the State of California may require, the borrower will complete and submit to the City all reports of compliance with these requirements on forms that the City shall provide or specify.

### **C. Debarment and Suspension**

The borrower must certify that he or she:

- i. Is not presently or proposed to be debarred or suspended, declared ineligible or voluntarily excluded from federal, state or local (hereinafter “public”) transactions;
- ii. Within a ten-year period preceding the date on which the borrower submitted an application for an RLF loan, has not been convicted of or had a civil judgment rendered against borrower for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public transaction or contract under a public transaction; violation of federal or state antitrust or



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- commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
- iii. Is not presently indicted for or otherwise criminally or civilly charged by a public entity with commission of any of the offenses enumerated under paragraph (ii) directly above; and
  - iv. Has not within the preceding three years had a public transaction terminated for cause or default.

### **D. Federal and State of California Prevailing Wages**

Loan documents with borrowers whose contractors employ mechanics and/or laborers shall contain a provision stating the minimum wages to be paid various classes of laborers and mechanics shall be the higher of the wages determined by the United States Secretary of Labor and the State of California Department of Industrial Relations to be prevailing for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the San Francisco Bay Area. All loan documents will also contain a stipulation that the borrower, borrower's contractor and subcontractors shall pay all mechanics and laborers employed directly upon the site of the work, unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account, the full amounts accrued at time of payment, computed at wage rates not less than those stated in the advertised specifications, regardless of any contractual relationship which may be alleged to exist between the contractor or subcontractor and such laborers and mechanics, and that the scale of wages to be paid shall be posted by the contractor in a prominent and easily accessible place at the site of the work.

The borrower may withhold from the contractor so much of accrued payments as may be considered necessary by City staff or borrower to pay to laborers and mechanics employed by the contractor or any subcontractor on the work the difference between the rates of wages required by the contract to be paid laborers and mechanics on the work and the rates of wages received by such laborers and mechanics and not refunded to the contractor, subcontractors or their agents.

As EPA and the State of California may require, the borrower will complete and submit to the City all reports of compliance with these requirements on forms that the City shall provide or specify.

### **E. Other EPA Provisions**



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Borrowers must carry out remediation activity in accordance with Federal cross-cutting requirements of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) 104 (k) including, but not limited to:

- Uniform Requirements for Grants & Cooperative Agreements to States and Local Governments (40 CFR Part 31)
- Cooperative Agreements for Superfund Response Actions (40 CFR Part 35, Subpart O)
- The National Contingency Plan (40 CFR Part 300)
- MBE/WBE requirements (40 CFR 31.36(e) or CRF 30.44(b))
- OSHA Worker Safety Standard (29 CFR 1910.120)
- The Uniform Relocation Act
- Historic Preservation Act
- Endangered Species Act
- Permits required by Section 404 of Clean Water Act
- Executive Order 11246, Equal Employment Opportunity
- Executive Order 13202, Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects, as amended by Executive Order 13208, Amendment to Executive Order 13202, Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects
- Implementing regulations at 41 CFR 60-4
- Contract Work Hours & Safety Standards Act (40 USC 327-333)
- Anti-Kickback Act (40 USC 276c)
- Section 504 of the Rehabilitation Act of 1973 as implemented by Executive orders 11914 and 11250
- Executive Order 13202, Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects, as amended by Executive Order 13208
- EPA RLF Administrative Manual (available at <http://www.epa.gov/brownfields/rlflst.htm#admin>)

*Copies of many of these requirements are attached to this program description, however, understanding, knowledge of and compliance with all applicable federal requirements is the borrower's responsibility.*

City staff will determine which provisions apply after the evaluation of a Cleanup Eligibility Request Form.

#### **4. APPLICATION PROCESS**

The loan application process is as follows.



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- i. Potential borrower submits EPA Hazardous Substance Site Preliminary Determination or Petroleum Site Eligibility Determination Checklist for EPA review and approval.
- ii. Potential borrower submits eligibility documents.
- iii. City staff determines whether potential borrower is eligible, conditionally eligible or ineligible.
- iv. Eligible borrowers and conditionally eligible borrowers that remedy deficiencies submit loan application.
- v. City staff determines whether the potential borrower financially qualifies for a loan based on documentation submitted, negotiated rate and terms.

### **A. EPA Eligibility Verification**

- i. As the first step in the application for RLF funds, each potential borrower submits either the EPA Hazardous Substance Site Preliminary Determination or Petroleum Site Eligibility Determination Checklist to the City for EPA review and approval.

*EPA is not involved in the City's prioritization of loan or cleanup recipients or day-to-day management of the RLF program. However, EPA will be involved in making property-specific determinations to decide if a site is eligible for Brownfields funding. If EPA does not approve a site, the application process does not proceed further and City will notify prospective borrower in writing.*

### **B. Eligibility Verification**

As the second step in the application for RLF funds, each potential borrower submits the following forms and information to permit the City to make a preliminary determination of the eligibility of the potential borrower and the proposed cleanup site to qualify for an RLF loan commitment:

- i. Cleanup Loan Eligibility Request Form (Form BF-1) and Cleanup Loan Applicant's Statement (Form BF-2);
- ii. Verification of property ownership or use rights (e.g., deed of trust, sale/purchase agreement, lease/rental agreement, prospective purchaser agreement);
- iii. Copy of all environmental studies that support the proposed cleanup action (at a minimum, Phase I and Phase II site assessments);
- iv. Description of the potential borrower's proposed remediation plan, including new and rehabilitated square feet or acres, number of new and retained jobs, estimated development costs and schedule of implementation; and
- v. Description of proposed collateral to secure loan and make payments.

City staff reviews these documents for completeness.

### **C. Conditional and Ineligible Applications and Remedies**



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After review of the eligibility documents City staff will determine whether the cleanup project qualifies or conditionally qualifies for an RLF loan commitment.

Reasons for determination of ineligibility include:

- i. *Inconsistency with Eligibility/Loan Terms.* There is no remedy for inconsistency with EPA guidelines.
- ii. *Refusal or inability to comply with EPA requirements.* There is no remedy for refusal or inability to comply with EPA requirements.
- iii. *Financial Insufficiency.* City staff will not make this determination until potential borrower submits full loan application package.

In the event that City determines a potential borrower is not qualified for a loan, the City will send a letter to borrower detailing the reasons for its determination.

In the event that city determines the potential borrower is conditionally qualified for a loan, the City will send a letter to the borrower itemizing the additional information required to make a final determination of eligibility. Applications that are conditionally eligible may receive funding after the deficiencies are remedied. Reasons for conditional eligibility include:

- i. *Inadequate site assessment information.* City staff may find that additional work is necessary to improve or verify the quality of data, to collect more samples, to conduct more analysis, or to prepare remediation plans, sampling analysis plans or quality assurance plans or remediation budget estimates.
- ii. *Completion of additional public involvement activities.* City staff may recommend additional public involvement activities due to the scope or nature of the proposed cleanup activities.

### **D. Setting Proposed Rate & Terms, Public Participation Requirements**

After a determination of eligibility, City staff will provide the potential borrower with the proposed rate and terms of the proposed loan based on the financial information submitted and an outline of additional public participation activities, if any.

### **E. Loan Application & Processing**

If the potential borrower intends to pursue a loan commitment from RLF, a loan package containing some or all of the following must be submitted to City staff. Required documents will depend on the amount of loan requested and loan security offered. The City may waive any of the requirements below.

- i. Loan Application Form (Form BF-3) and documentation listed in Loan Application Checklist (Form BF-4);



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- ii. Complete written description of borrower's proposed project, the sources and uses of funds, estimated collateral values if appraisals are not yet available (evaluations/appraisals will be necessary prior to closing);
- iii. Last three years of borrower's corporate financial statements and tax returns. Included in the financial statements are the Income Statement, Balance Sheet and Cash Flow Statement;
- iv. Current personal financial statements (no more than 90 days old) for each property owner having 20% or more ownership interest in the property or the entity holding the property. Copies of the last filed federal income tax returns for those individuals;
- v. Articles of Incorporation (Sole Proprietorship, Partnership, Corporation, Nonprofit) and By-Laws or operating agreement and file-stamped copy of most recent Statement of Information filed with the California Secretary of State;
- vi. Evidence of Taxpayer Identification Number (Employer ID Number);
- vii. Copy of City Business Tax Certificate;
- viii. Cost Estimates/Bids for Remediation;
- ix. Description of Proposed and Itemized Use of Loan Proceeds;
- x. Insurance Certificate(s) as required in Program Description (Attachment A hereto)
- xi. Application for Additional Insurance, if required by City staff, with City of Santa Rosa as loss payee
- xii. Completed Notice of Exemption form (Attachment B hereto) for CEQA signed by authorized City representative and ready for recordation (City will record); and
- xiii. Non-refundable application fee of \$300 made payable to the City of Santa Rosa Brownfields Cleanup Revolving Loan Fund.

If the City receives equivalent, competing loan applications, the following site criteria will determine which borrower will receive funding.

1. A site on the RWQCB toxics site list
2. Site located in redevelopment project area
3. Site in priority development category (pending development site or General Plan commercial or industrial site)
4. Property, sales or occupancy tax revenue producing site
5. Project readiness (higher priority to project ready to proceed upon funding)
6. Payback schedule (higher priority for faster repayment schedule)

Based on the application documents, City staff determines if the potential borrower is financially capable of repaying the proposed loan amount. Financially deficient applications may be cured by providing sufficient financial resources to repay or secure the proposed loan. City staff may also adjust the loan rate and terms at this time.

### **F. Loan Approval**

- i. Decision of Loan Committee



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The loan committee consists of the Director of Economic Development and Housing, the Director of Finance, and the City Manager (“loan committee”), or their designees. After loan staff makes a recommendation to the loan committee, the loan committee will make a final decision. The committee’s decision will be provided in written format to the applicant within seven business days of approval even if the applicant was verbally informed of the decision previously. The letter will provide a statement of the action taken and the reasons for the action taken. If the letter is a conditional approval letter, it may indicate steps the applicant can take to provide additional information. If the applicant submits the information required by the letter, loan staff will review the new information and render a revised recommendation to the committee.

### ii. Loan to Redevelopment Agency

In the event loan staff receives a loan application from the Redevelopment Agency of the City of Santa Rosa, the foregoing procedures will still apply. Loan approval will be made by the City Manager and the Director of Economic Development & Housing or their designees.

Prior to loan closing, borrower must provide insurance and bonds as outlined in Attachment A attached hereto. City will issue a Loan Commitment Letter detailing all loan terms.

## 5. CLOSING LOANS

All applications that are approved will receive a funding commitment letter depending on the availability of funds. Conditionally eligible applications will receive commitment after City staff is satisfied that the borrower can and will satisfy all conditions.

### A. Preparation for Loan Closing

City staff will prepare closing documents. Draft documents will be available at least ten business days prior to closing. All conditions cited in the Commitment must be satisfied prior to closing. If additional environmental review pursuant to CEQA is required, closing will be delayed until the completed assessment can be delivered, reviewed and approved by the City. Prior to loan closing, borrower shall submit an Analysis of Brownfields Cleanup Alternatives (ABCA) and documentation of the selection process used, a copy of the site-specific remediation contract, documentation of compliance with the Public Participation Plan (PPP), including site-specific public participation information (to be prepared and completed with City assistance).

Before loan closing, a borrower must certify that it has complied and will comply with all requirements of federal law that are determined by the United States Environmental Protection Agency to apply to the operation of the fund. A borrower shall:

- Establish an official file, containing an adequate record of all significant actions relating to the project;
- Establish accounts that accurately and adequately show all amounts of money:



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- received as financial assistance from RLF,
- received and spent for eligible activities on the project, and
- used to satisfy matching requirements, if borne by borrower, under RLF;
- Establish a system of accounting which ensures that the final total costs of the project, including all direct and indirect costs, are recorded accurately;
- Establish and maintain records that document the efforts of the borrower and borrower's contractor/subcontractors to achieve the goals of the EPA for the participation of Minority-Owned Business Enterprises (MBEs) and Women-Owned Business Enterprises (WBEs) in bidding and contracting for work on the RLF-assisted project, payment of prevailing wages required by the federal government and the State of California and such other accounts and records required by City to comply with reporting requirements established by the federal government and the State of California; and
- Retain all records relating to the project for at least ten years after final repayment of financial assistance has been made or for any longer period required by City.

Any records of borrower relating to the project must be made available at any reasonable time for inspection or copying by any authorized representative of City.

Whenever federal law or an agency of the federal government requires an audit of the borrower or the borrower's RLF-financed cleanup project, or an audit is required to allow the City to ensure the integrity of the RLF, City may require the borrower to submit an audit of the financial records relating to the RLF-financed project. Subject to the approval of the City, the borrower shall retain, at borrower's expense, a certified public accountant independent of the borrower to prepare the audit. The auditor must prepare the audit in a format as the City may prescribe.

Borrower shall comply with the provisions of the Davis-Bacon Act, 40 USC Sec 276a *et seq.* and the corresponding regulations of the State of California regarding the payment of prevailing wages. City shall review the final contract documents to verify that the documents incorporate the proper federal and state wage determinations. The Borrower is responsible for assuring compliance with all applicable labor laws.

During the implementation of remediation or post-remediation action monitoring, the borrower shall permit any authorized representative of City to enter onto the site of the project at any reasonable time.

A copy of each executed change order must be submitted to City.

### **B. Closing Costs**

The City will be responsible for paying the following closing costs.

- i. Credit reports on individuals and businesses
- ii. Title commitment and policy
- iii. UCC filing fees
- iv. Recording fees for real estate



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- v. Appraisal and valuation fees
- vi. Commitment and origination fees as determined by City staff, in no case exceeding one and one-half percent in combination; and
- vii. Additional elective insurance, if any.

### **6. DISBURSEMENT**

The City will disburse the loan proceeds to the borrower as eligible expenses are incurred. On or before the last business day of each month in which the borrower's remediation contractor is performing work on the borrower's approved remediation site, the borrower will submit to the City three (3) copies of the contractor's monthly progress payment request. The borrower shall ensure that the borrower's qualified environmental consultant has reviewed and signed off on the payment request attesting to the request's accuracy and to the proper execution of the work that the request describes. The City will disburse the approved amount to the borrower within thirty (30) days after the City's receipt of a complete invoice and payment of funds by EPA to City, if applicable.

### **7. SERVICING OF LOANS**

#### **A. Payment Procedures**

- i. Loan payments shall be made directly to the City. Loan payments should be received on the first day of the month in which the payment is due. A late fee of 5% of the payment is due with any payment received on or after the tenth day of the month.
- ii. Remittances to the City shall be mailed to:

City of Santa Rosa  
Brownfields Cleanup Revolving Loan Fund  
Department of Economic Development and Housing  
90 Santa Rosa Avenue/P.O. Box 1806  
Santa Rosa, CA 95404-1806

#### **B. Ongoing Reporting by the Borrower**

- i. Financial Statements and Ongoing Reporting
  - a. So long as amounts remain due under the Promissory Note and Deed of Trust, borrower shall furnish City:
    - 1. Quarterly reports that document that the borrower remains in compliance with all relevant Federal and State environmental regulations and that they meet the



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requirements of RLF Program;

2. Quarterly Financial Statements, including basic accounting and control mechanisms, to allow City to confirm borrower's legitimate and authorized use of funds. Borrower's accounting system must track site- and project-specific costs by activity. Financial Statements are considered to be: (i) Income Statements; (ii) Balance Sheet; and (iii) Cash Flow Statement; and

### ii. Retention of Records and Inspection of Records And Operations

- a. Borrower shall comply with the following requirements regarding City access to and inspection of the borrower's business operations and records relevant to the loan and these requirements:
  1. Borrower shall maintain all records relevant to the loan on file for a minimum period of **ten** years from the date of reconveyance of the Promissory Note and Deed of Trust securing the loan and to make them available to City for inspection and copying. Borrower must maintain records of compliance with the terms and conditions of the loan, including requirements of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the National Contingency Plan (NCP) and allowable costs. In the event borrower's organization ceases to function, borrower shall offer to City all the borrower's documents relevant to the loan and, in its sole discretion, City may take possession of all or a portion of the documents.
  2. Borrower agrees to permit the City or its designated representative to inspect and/or audit its records and books relative to the loan and the loan at any time during normal business hours and under reasonable circumstances and to copy therefrom any information that City desires relevant to the loan documents. As may be necessary for the City to perform proper oversight of the borrower's compliance with applicable federal regulations, borrower shall provide the City reasonable access to other records that the City may reasonably request.
  3. So long as the loan remains due under the Promissory Note and Deed of Trust, the City, at its sole discretion, shall have the right to conduct visits to the borrower's place of business to inspect: a) the business operations of borrower, b) all records relevant to compliance with the terms of the loan and this agreement, and c), as applicable, collateral for the loan. Generally, the City may conduct such visits not more frequently than semi-annually (once during each six (6) month period), but reserves the right to conduct visits more frequently as circumstances may require the City to conduct them for purposes of confirming the borrower's compliance with the terms of the loan, this agreement, and with applicable federal and state requirements.



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4. The City shall provide written notice to the borrower prior to inspection of records or audit. At the City's request, the borrower agrees to deliver the records or to have the records delivered to the City or its designated representative at an address designated by such party within the City of Santa Rosa. If the City or its representative finds that the records delivered are incomplete, the borrower agrees to pay the City or its representative's cost to travel to the borrower's office or to another location where books or records are located to audit or retrieve the complete records.
5. At its sole discretion, the City shall determine the records that are relevant hereunder.

*In the case of a conflict among the documents of the City of Santa Rosa Brownfields Cleanup Revolving Loan Fund, the Loan Program Description will prevail.*



Brownfields Cleanup Revolving Loan Fund Program  
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List Brownfields Cleanup Revolving Loan Fund Forms & Documents

EPA Hazardous Substance Site Eligibility Determination Checklist  
EPA Petroleum Site Eligibility Determination Checklist

BF-1	Cleanup Loan Eligibility Request Form
BF-2	Cleanup Loan Applicant's Statement
BF-3	Loan Application Form
BF-4	Loan Application Checklist
BF-5	Credit Approval Memorandum
BF-6	Credit Amendment Memorandum
BF-7	Credit Denial Memorandum
BF-8	Loan Commitment Letter
BF-9	Loan Denial Letter
BF-10	Loan Conditional Eligibility Letter
BF-11	Loan Agreement
BF-12	Deed of Trust
BF-13	Security Agreement
BF-14	Promissory Note
BF-15	Public Participation Plan
BF-16	Assignment of Agreements, Plans and Specifications
BF-17	Assignment of Construction Contracts
BF-18	Contractor's Consent



## Brownfields Cleanup Revolving Loan Fund Program Program Description

# GLOSSARY OF TERMS

The definitions in this glossary were adapted from a variety of sources. These terms are considered common Brownfields terms and are provided herein for reference.

**Absorption:** The process of taking in, as when a sponge takes up water. Chemicals can be absorbed through the skin into the bloodstream and then transported to other organs. Chemicals can also be absorbed into the bloodstream after breathing or swallowing.

**Abandoned Well:** A well whose use has been permanently discontinued or which is in a state of such disrepair that it cannot be used for its intended purpose.

**Abatement:** Reducing the degree or intensity of, or eliminating, pollution.

**Administrative Record:** All documents considered or relied on in selecting the cleanup action at an RLF site. The cooperative agreement recipient (CAR) is required to establish an administrative record file for each RLF site.

**All Appropriate Inquiry (AAI):** Standards that must be applied by prospective property owners in order to qualify for Bona Fide Prospective Purchase, Contiguous Property Owner or Innocent Landowner liability limitations. A property owner must perform all appropriate inquiry into the previous ownership and uses of property before acquisition of the property.

**Ambient:** Surrounding. For example, ambient air is usually outdoor air, as opposed to indoor air.

**American Society for Testing and Materials (ASTM):** Provides standards for conducting an environmental site assessment for a parcel of commercial real estate with respect to the range of contaminants within the scope of CERCLA and petroleum products. This practice is intended to permit a user to satisfy one of the requirements to qualify for the innocent landowner defense to CERCLA liability.

**Analysis of Brownfields Cleanup Alternatives (ABCA):** An analysis of cleanup alternatives the borrower and City must conduct to choose and document the most appropriate cleanup action considering the site characteristics, surrounding environment, land-use restrictions, and potential future uses.

**Aquifer:** An underground geological formation or group of formations containing water. Source of groundwater for wells and springs.

**Aquitard:** Geological formation that may contain groundwater but is not capable of transmitting significant quantities of it under normal hydraulic gradients. May function as a confining bed.

**Arsenic:** A crystalline, gray, highly poisonous metal used in insect and weed control products.



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**Asbestos Abatement:** Procedures to control fiber release from asbestos-containing materials in a building or to remove them entirely, including removal, encapsulation, repair, enclosure, encasement and operations and maintenance programs.

**Background Level:** A typical or average level of a chemical in the environment. Background often refers to naturally occurring or uncontaminated levels.

**Biodegradable:** Capable of decomposing under natural conditions.

**Biological Monitoring:** Measuring chemicals in biological materials (blood, urine, breath, etc.) to determine whether chemical exposure in humans, animals or plants has occurred.

**Bona Fide Prospective Purchaser (BFPP):** A limited liability provision for property owners that have purchased the property after January 11, 2002, with knowledge of contamination after performing all appropriate inquiry. These landowners may still qualify for the landowner liability protection, provided they meet the other criteria set for in CERCLA § 101(40).

**Borrower:** An eligible individual or business entity that borrows funds from the RLF loan program to finance the remediation of contamination on the borrower's property. If the borrower does not own the property, the borrower must demonstrate to the satisfaction of the City long-term and complete control of the property for a minimum period of twenty (20) years following completion and acceptance of cleanup work by appropriate regulatory agency(ies).

**Brownfields:** Abandoned, idled or underused facilities or sites where expansion or redevelopment is complicated by real or perceived environmental contamination. They can be in urban, suburban or rural areas. EPA's Brownfields initiative helps communities mitigate potential health risks and restore the economic viability of such areas or properties.

**California Department of Toxic Substances Control (DTSC):** A regulatory agency of the State of California responsible for the investigation and cleanup of contaminated sites.

**California Environmental Quality Act (CEQA):** An act adopted in 1970 and incorporated in the Public Resources Code §§21000-21177. Its basic purposes are to: inform governmental decision makers and the public about the potential significant environmental effects of proposed activities; identify ways that environmental damage can be avoided or significantly reduced; require changes in projects through the use of alternatives or mitigation measures when feasible; and disclose to the public the reasons why a project was approved if significant environmental effects are involved. CEQA applies to projects undertaken, funded or requiring an issuance of a permit by a public agency.

**Carcinogen:** Any substance that may produce cancer.

**Chlorinated Hydrocarbons:** 1. Chemicals containing only chlorine, carbon and hydrogen. These include a class of persistent, broad-spectrum insecticides that linger in the environment



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and accumulate in the food chain. Among them are DDT, aldrin, dieldrin, heptachlor, chlordane, lindate, endrin, Mirex, hexachloride and toxaphene. Other examples include TCE, used as an industrial solvent. 2. Any chlorinated organic compounds including chlorinated solvents such as dichloromethane, trichloromethylene, chloroform.

**Chromium:** A heavy metal that affects the respiratory tract. Dypsea, coughing and wheezing have been reported from a case of acute exposure to hexavalent chromium, while perforations and ulcerations of the septum bronchitis, decreased pulmonary function, pneumonia and other respiratory effects have been noted from chronic exposure.

**Chronic:** Occurring over a long period of time (more than one year).

**Cleanup Action:** Action associated with removing, mitigating, or preventing the release or threat of a release of a hazardous substance, pollutant, or contaminant. The City may use the term "cleanup action" interchangeably with the terms remediation action, removal action, response action or corrective action.

**Code of Federal Regulations (CFR):** Codifies all rules of the executive departments and agencies of the federal government. It is divided into 50 volumes known as titles. Title 40 of the CFR (referenced as 40 CFR) lists environmental regulations.

**Comprehensive Environmental Response, Compensation and Liability Act (CERCLA):** Commonly known as Superfund, this law was enacted by Congress on December 11, 1980. CERCLA provides broad federal authority to respond directly to releases or threatened releases of hazardous substances that may endanger public health or the environment.

**Concentration:** The amount of one substance dissolved or contained in a given amount of another. For example, sea water contains a higher concentration of salt than fresh water.

**Contiguous Property Owner (CPO):** A limited liability provision that protects parties that are essentially victims of pollution incidents caused by their neighbor's actions. Contiguous property owners must perform all appropriate inquiry prior to purchasing property.

**Cooperative Agreement:** An assistance agreement whereby EPA transfers federal funds to the City of Santa Rosa according to specified standard terms and conditions, as well as any special terms and conditions related to environmental management and cleanup requirements, loan administration, reporting requirements, record keeping, etc.

**Cooperative Agreement Recipient (CAR):** Eligible entity that enters into a cooperative agreement with EPA to receive grant funding and initiate a revolving loan fund program. The City of Santa Rosa is the CAR under a grant from EPA to capitalize the RLF program.

**Contaminant:** 1. Any substance or material that enters a system (the environment, human body, food, etc.) where it is not normally found; 2. Any physical, chemical, biological or radiological substance or matter that has an adverse effect on air, water or soil.



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**Contamination:** Introduction into water, air or soil of microorganisms, chemicals, toxic substances, wastes or wastewater in a concentration that makes the medium unfit for its next intended use. Also applies to surfaces of objects, buildings and various household and agricultural sue products.

**Cost/Benefit Analysis:** A quantitative evaluation of the costs which would be incurred by implementing an environmental regulation versus the overall benefits to society of the proposed action.

**Cost Recovery:** A legal process by which potentially responsible parties contributed to contamination at a site can be required to reimburse the regulatory agency for money spent during any cleanup actions by the government.

**Cost Share:** The requirement that cooperative agreement recipients contribute a percentage of federal award funds. Cooperative agreement recipients must contribute 20% of the total cooperative agreement award towards the RLF. It may be in the form of cash, labor, material or services from non-federal sources.

**Cross Contamination:** The movement of underground contaminants from one level or area to another due to invasive subsurface activities.

**Cross-Cutting Federal Requirements:** Requirements applicable to the RLF by operation of statutes, executive orders and regulations other than CERCLA and associated administrative authorities.

**Dermal:** Referring to the skin. Dermal absorption means absorption through the skin.

**Dioxin:** Any of a family of compounds known chemically dibenzo-p-dioxins. Concern about them arises from the potential toxicity as contaminants in commercial products. Tests on laboratory animals indicate that it is one of the more toxic anthropogenic (man-made) compounds.

**Disbursement:** The transfer of funds from the cooperative agreement recipient to the borrower or cleanup subgrantee.

**Dissolved Solids:** Disintegrated organic and inorganic material in water. Excessive amounts make water unfit to drink or use in industrial processes.

**Dose:** The amount of substance to which a person is exposed. Dose often takes body weight into account.

**Eligible Entity:** An entity that qualifies for a cooperative agreement. The City of Santa Rosa is an eligible entity.



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**Engineered Controls:** Method of managing environment and health by placing a barrier between the contamination and the rest of the site, thus limiting exposure pathways.

**Environmental Contamination:** The presence of hazardous substances in the environment. From the public health perspective, environmental contamination is addressed when it potentially affects the health and quality of life of people living and working near the contamination.

**Environmental Equity/Justice:** Equal protection from environmental hazards for individuals, groups or communities regardless of race, ethnicity or economic status. This applies to the development, implementation and enforcement of environmental laws, regulations and policies and implies that no population of people should be forced to shoulder a disproportionate share of negative environmental impacts of pollution or environmental hazard due to a lack of political or economic strength levels.

**Environmental Exposure:** Human exposure to pollutants originating from facility emissions. Threshold levels are not necessarily surpassed, but low-level chronic pollutant exposure is one of the most common forms of environmental exposure.

**Environmental Protection Agency:** The Environmental Protection Agency (EPA) leads the nation's environmental science, research, education and assessment efforts and protects human health and the environment. Through its Brownfields Initiative, EPA empowers states, communities, and other stakeholders in economic development to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. The EPA's Brownfields strategies include funding pilot programs and other research efforts, clarifying liability issues, entering into partnerships, conducting outreach activities, developing job training programs, and addressing environmental justice concerns.

**Epidemiology:** The study of the occurrence and causes of health effects in human populations. An epidemiological study often compares two groups of people who are alike except for one factor, such as exposure to a chemical or the presence of a health effect. The investigators try to determine if any factor is associated with the health effect.

**Exposure:** Contact with a chemical by swallowing, breathing or direct contact (such as through the skin or eyes). Exposure may be short-term (acute) or long-term (chronic).

**Fund Manager:** Manages the financial aspect of the RLF program. The City of Santa Rosa's Department of Economic Development & Housing (EDH) acts as fund manager for the RLF.

**Generator:** 1. A facility or mobile source that emits pollutants into the air or releases hazardous waste into water or soil. 2. Any person, by site, whose act or process produces regulated medical waste or whose act first causes such waste to become subject to regulation. Where



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more than one person (e.g., doctors with separate medical practices) is located in the same building, each business entity is a separate generator.

**Geographic Information System (GIS):** A computer hardware and software system designed to collect, manipulate, analyze and display spatially referenced data for solving complex resource, environmental and social problems.

**Greenfields:** Generally parkland, undeveloped open space and agricultural lands located near the outskirts of towns, cities and larger metropolitan areas. These areas help delineate one village, city or town from another, or where development is occurring and where it is not.

**Groundwater:** The supply of fresh water found beneath the Earth's surface, usually in aquifers. Because groundwater is a major source of drinking water, there is growing concern over contamination from leaching agricultural or industrial pollutants or leaking underground storage tanks.

**Hazardous Substance:** 1. Any material that poses a threat to human health and/or the environment. Typical hazardous substances are toxic, corrosive, ignitable, explosive or chemically reactive. 2. Any substance designated by EPA to be reported if a designated quantity of the substance is spilled in the waters of the United States or is otherwise released into the environment.

**Hazardous Waste:** By-products of society that can pose a substantial or potential hazard to human health or the environment when improperly managed. Possesses at least one of four characteristics (ignitability, corrosivity, reactivity or toxicity), or appears on special EPA lists.

**Heavy Metals:** Metallic elements with high atomic weights (mercury, chromium, cadmium, arsenic and lead). Can damage living things at low concentrations and tends to accumulate in the food chain.

**Health Investigation:** Any investigation of a defined population using epidemiologic methods which would assist in determining exposures or possible public health impact by defining health problems requiring further investigation through epidemiologic studies, environmental health monitoring or sampling and surveillance.

**Hydrogeology:** The geology of groundwater, with particular emphasis on the chemistry and movement of water.

**Ingestion:** Swallowing. Chemicals can get in or on food, drink, utensils, cigarettes or hands and then be ingested. After ingestion, chemicals can be absorbed into the blood and distributed throughout the body.

**Inhalation:** Breathing. Exposure may occur from inhaling contaminants because they can be deposited in the lungs, taken into the blood, or both.



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**Information Repository:** The geographic location of the Administrative Record for each RLF site. The City has established Information Repositories at the locations listed in the PPP, under "Information Repositories and the Administrative Record". The Administrative Record is available for inspection during regular work hours at each Information Repository.

**Innocent Landowner:** A limited liability provision for property owners who have performed an all appropriate inquiry prior to purchase and cannot know, or have reason to know, of contamination. A person must meet the criteria set forth in CERCLA § 107(b)(3) and CERCLA § 101(35) to have a viable defense as an innocent landowner.

**In Situ:** In its original place; unmoved or unexcavated. Remaining at the site or in the subsurface.

**Institutional Controls:** A control requirement or notice that is recorded with the appropriate regulatory agency or agencies where reasonable diligent inquiry would uncover the existence of such notice. Examples of different types of institutional controls are: structure use restrictions, land use restrictions, natural resource use restrictions, well restriction areas, deed restrictions, deed notices, declaration of environmental restrictions, access controls, monitoring requirements, site posting requirements, information distribution, notification in closure letter, restrictive covenants and federal/state/county/local registries.

**Lead (Pb):** A heavy metal of a dull grayish color that is present in small amounts everywhere in the human environment. Lead can get into the body from drinking contaminated water, eating vegetables grown in contaminated soil or breathing dust when children play or adults work in lead-contaminated areas. Lead can cause damage to the nervous system or blood cells if present in the body. Children are at highest risk from exposure to lead contamination because their bodies are still developing. Under Proposition 65, lead is listed as a reproductive toxic substance for women and men.

**Lead Agency:** A public agency which has the principle responsibility for ordering and overseeing site investigation and cleanup. Usually the agency with the broadest regulatory authority.

**Licensed Environmental Professional (LEP):** See Qualified Environmental Professional.

**Lithology:** Mineralogy, grain size, texture and other physical properties of granular soil, sediment or rock.

**Maximum Contaminant Level (MCL):** The maximum permissible level of a contaminant in water delivered to any user of a public system. MCLs are enforceable standards.

**Manifest:** A one-page form used by haulers transporting waste that lists EPA identification numbers, type and quantity of waste, the generator it originated from, the transported that



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shipped it and the storage or disposal facility to which it is being shipped. It includes copies for all participants in the shipping process.

**Media:** Soil, water, air, plants, animals or any other parts of the environment that can contain contaminants.

**Metabolism:** All the chemical reactions that enable the body to work. For example, food is metabolized (chemically changed) to supply the body with energy. Chemicals can be metabolized and made either more or less harmful by the body.

**Migration:** The movement of chemical contaminants through soils or groundwater.

**Mitigation:** Measures taken to reduce adverse impacts on the environment.

**Monitoring Wells:** 1. A well used to obtain water quality samples or measure groundwater levels. 2. A well drilled at a hazardous waste management facility or site to collect groundwater samples for the purpose of physical, chemical or biological analysis to determine the amounts, types and distribution of contaminants in the groundwater beneath the site.

**National Environmental Policy Act:** The National Environmental Policy Act (NEPA) requires federal agencies to integrate environmental values into their decision making processes by considering the environmental impacts of their proposed actions and reasonable alternatives to those actions.

**National Oil and Hazardous Substances Pollution Contingency Plan (NCP):** The federal regulation that guides determination of the sites to be corrected under the Superfund program and the program to prevent or control spills into surface waters or elsewhere. Before enactment of the Brownfields law, RLF funding came from the Superfund trust fund. Thus, the NCP also governs some of the requirements of the RLF program. Some provisions of the NCP still pertain to Brownfields cleanup activities.

**National Priorities List (NPL):** The EPA's listing of sites that have undergone preliminary assessment and site inspection to determine which locations pose immediate threat to persons living or working near the release. These sites are most in need of cleanup.

**National Pollutant Discharge Elimination System (NPDES):** A provision of the Clean Water Act which prohibits discharge of pollutants into waters of the United States unless a special permit is issued by EPA, a state or, where delegated, a tribal government on an Indian reservation.

**North Coast Regional Water Quality Control Board (NCRWQCB or RWQCB):** A regional board of the State of California Water Resources Control Board responsible for the investigation and cleanup of contaminated sites in California, including Santa Rosa.



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**Petroleum:** Crude oil or any fraction thereof that is liquid under normal conditions of temperature and pressure. The term includes petroleum-based substances comprising a complex blend of hydrocarbons derived from crude oil through the process of separate, conversion, upgrading and finishing. Includes motor fuel, jet oil, lubricants, petroleum solvents and used oil.

**Petroleum Hydrocarbons:** A family of organic compounds derived from petroleum. Petroleum hydrocarbons are found in gasoline, oil, diesel and jet fuels.

**pH:** An expression of the intensity of the basic or acid condition of a liquid; may range from 0 to 14, where 0 is the most acid and 7 is neutral. Natural waters usually have a pH between 6.5 and 8.5.

**Phase I Environmental Assessment:** A report prepared for a real estate holding which identifies potential or existing environmental contamination liabilities and is based upon a visit to the real estate holding and a search of relevant records.

**Phase II Environmental Assessment:** An investigation which collects original samples of soil, groundwater or building materials to analyze for quantitative values of various contaminants. This investigation is normally undertaken when a Phase I determines a likelihood of site contamination.

**Phenols:** Organic compounds that are byproducts of petroleum refining, tanning and textile, dye and resin manufacturing. Low concentrations cause taste and odor problems in water; higher concentrations can kill aquatic life and humans.

**Plume:** An area of chemicals in a particular medium such as air or groundwater, moving away from its source in a long band or column. A plume can be a column of smoke from a chimney or chemicals moving with groundwater.

**Pollutant:** Generally, any substance introduced into the environment that adversely affects the usefulness of a resource or the health of humans, animals or ecosystems.

**Pollution:** Generally, the presence of a substance in the environment that because of its chemical composition or quantity prevents the functioning of natural processes and produces undesirable environmental and health effects. Under the Clean Water Act, for example, the term has been defined as the man-made or man-induced alteration of the physical, biological, chemical and radiological integrity of water and other media.

**Polychlorinated Biphenyls (PCBs):** PCBs are mixtures of synthetic organic chemicals with the same basic chemical structure and similar physical properties ranging from oily liquids to waxy solids. Due to their non-flammability, chemical stability, high boiling point and electrical insulating properties, PCBs were used in hundred of industrial and commercial applications including electrical, heat transfer and hydraulic equipment; as plasticizers in paints, plastics and



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rubber products; in pigments, dyes and carbonless copy paper and many other applications. PCBs are also toxic substances that are a hazard to human health and the environment due to their persistence, tendency to increase in concentration in plants and animals through inhalation or ingestion (thus accumulating in the food chain), toxicity and delayed reproductive effects.

**Preliminary Remediation Goals (PRGs):** Risk-based tools used by EPA Region 9 for evaluating and cleaning up contaminated sites. They are being used to streamline and standardize all stages of the risk decision-making process. The Region 9 PRG table combines current EPA toxicity values with “standard” exposure factors to estimate contaminant concentrations in environmental media (soil, air and water) that are considered protective of humans, including sensitive groups, over a lifetime. Chemical concentrations above these levels would not automatically designate a site as “dirty” or trigger a response action. However, exceeding a PRG suggests that further evaluation of the potential risks that may be posed by site contaminants is appropriate. Further evaluation may include additional sampling, consideration of ambient levels in the environment or a reassessment of the assumptions contained in these screening-level estimates (e.g., appropriateness of route-to-route extrapolations, appropriateness of using chronic toxicity values to evaluate childhood exposures, appropriateness of generic exposure factors for a specific site, etc.).

**Public Hearing:** A formal meeting wherein public officials hear the public’s views and concerns about a cleanup action or proposal. The government agency is required to consider such comments when evaluating its actions. Public hearings must be held upon request during the public comment period.

**Public Participation Plan (PPP):** A document, approved by the Regional Water Quality Control Board, that is designed to determine a community’s information need and to provide a program for public involvement during site investigation and cleanup activities.

**Quality Assurance/Quality Control:** A system of procedures, checks, audits and corrective actions to ensure that all EPA research design and performance, environmental monitoring and sampling and other technical and reporting activities are of the highest achievable quality.

**Qualified Environmental Professional (QEP):** The official designated to coordinate and direct cleanup actions at an RLF site or sites.

**Quality Assurance and Analysis Plan (QAAP):** A process for obtaining data of sufficient quality and quantity to satisfy data needs.

**Receptor:** Ecological entity exposed to a stressor.

**Recharge Area:** A land area in which water reaches the zone of saturation from surface infiltration, e.g., where rainwater soaks through the earth to reach an aquifer.



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**Recharge:** The process by which water is added to a zone of saturation, usually by percolation from the soil surface; e.g., the recharge of an aquifer.

**Release:** Any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment of a hazardous or toxic chemical or extremely hazardous substance.

**Remedial Action (RA):** The actual construction or implementation phase of a site cleanup that follows remedial design.

**Remedial Design:** A phase of remedial action that follows the remedial investigation/feasibility study and includes development of engineering drawings and specifications for a site cleanup.

**Remedial Action Plan:** A plan, approved by RWQCB, outlining a specific program leading to the remediation of a contaminated site. Once the Draft Remedial Action is prepared, a public meeting is held and comments from the public are solicited for a period of no less than 30 days. After the public comment period has ended and public comments have been responded to in writing, RWQCB approves the final remedy for the site (the final RAP).

**Remedial Investigation:** An in-depth study designed to gather data needed to determine the nature and extent of contamination at a site; establish site cleanup criteria; identify preliminary alternatives for remedial action; and support technical and cost analyses of alternatives.

**Remediation:** Cleanup or other methods used to remove or contain a toxic spill or hazardous materials.

**Risk:** A measure of the probability that damage to life, health, property and/or the environment will occur as a result of a given hazard.

**Risk Assessment:** A health risk assessment is a document that describes the possible adverse health effects which may result from exposure to contaminants. A health risk assessment does not address the possibility of, or adverse health effects resulting from, a highly unusual or illegal situation such as a fire or major spill. The health risk assessment cannot predict health effects; it only describes the increased possibility of adverse health effects based on the best scientific information available. The health risk assessment should include a section describing the uncertainties and assumptions that form part of the bases for the calculations.

**Risk Communication:** Activities to ensure that messages and strategies designed to prevent exposure, adverse human health effects and diminished quality of life are effectively communicated to the public. As part of a broader prevention strategy, risk communication supports education efforts by promoting public awareness, increasing knowledge and motivating individuals to take action to reduce their exposure to hazardous substances.



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**Saturated Zone:** The area below the water table where all open spaces are filled with water under pressure equal to or greater than that of the atmosphere.

**Semi-Volatile Organic Compounds (SVOC):** Compounds that partially evaporate or change from liquid to gas readily at normal temperature.

**Site Manager:** a Qualified Environmental Professional (QEP) who oversees environmental cleanup action for the City of Santa Rosa.

**Slurry:** A watery mixture of insoluble matter resulting from some pollution control techniques.

**State Agencies:** State agencies include, but are not limited to the California Department of Toxic Substance Control (DTSC) and the Northern California Regional Water Quality Control Board (RWQCB).

**Stressors:** Physical, chemical or biological entities that can induce adverse effects on ecosystems or human health.

**Superfund:** Another name for CERCLA.

**Tidal Marsh:** Low, flat marshlands traversed by channels and tidal hollows, subject to tidal inundation. Normally, the only vegetation present is salt-tolerant bushes and grasses.

**Toxicity:** The degree to which a substance or mixture of substances can harm humans or animals. Acute toxicity involves harmful effects in an organism through a single or short-term exposure. Chronic toxicity is the ability of a substance or mixture of substances to cause harmful effects over an extended period, usually upon repeated or continuous exposure sometimes lasting for the entire life of the exposed organism. Subchronic toxicity is the ability of the substance to cause effects for more than one year but less than the lifetime of the exposed organism.

**Toxic Substance:** A chemical or mixture that may present an unreasonable risk of injury to health or the environment.

**Toxic Waste:** A waste that can produce injury if inhaled, swallowed or absorbed through the skin.

**Transporter:** Hauling firm that picks up properly packaged and labeled hazardous waste from generators and transports it to designated facilities for treatment, storage or disposal. Transporters are subject to EPA and Department of Transportation (DOT) hazardous waste regulations.

**Uniform Administrative Rules – 40 CFR Parts 30 & 31:** 40 CFR Part 30 establishes uniform administrative rules for federal grants and agreement awarded to institutions of higher



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education, hospitals and nonprofit organizations. 40 CFR Part 31 establishes consistency and uniformity among federal agencies in the management of grants and cooperative agreements with state, local and federally recognized Indian tribal governments.

**Uniform Commercial Code (UCC):** One of a number of uniform acts that have been promulgated in conjunction with efforts to harmonize the law of sales and other commercial transactions in all 50 states within the United States of America. This objective is deemed important because of the prevalence today of commercial transactions that extend beyond one state (for example, where the goods are manufactured in state A, warehoused in state B, sold from state C and delivered in state D). The UCC deals primarily with transactions involving personal property (moveable property), not real property (immovable property).

**Unsaturated Zone:** The area above the water table where soil pores are not fully saturated, although some water may be present.

**Vadose Zone:** The zone between land surface and the water table within which the moisture content is less than saturation (except in the capillary fringe) and pressure is less than atmospheric. Soil pore space also typically contains air or other gases. The capillary fringe is included in the vadose zone.

**Volatile Organic Compounds (VOCs):** Substances containing carbon and different proportions of other elements such as hydrogen, oxygen, fluorine, chlorine, bromine, sulfur or nitrogen. These substances easily become vapors or gases. A significant number of the VOCs are commonly used as solvents (paint thinners, lacquer thinner, degreasers and dry cleaning fluids).

**Voluntary Cleanup Program (VCP):** State operated cleanup programs focused on addressing the environmental, legal and financial barriers that often hinder the redevelopment and reuse of contaminated properties. RLF funds may be used to clean up a site pursuant to a state VCP so long as the RLF cleanup meets the substantive and procedural requirements of CERCLA and the NCP and all terms and conditions of the cooperative agreement are met.

**Water Table:** The level of groundwater.

**Work Plan:** A detailed description of the work to be performed, including a schedule for reaching milestones.



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## ACRONYMS AND ABBREVIATIONS

AAI	All Appropriate Inquiry
ABCA	Analysis of Brownfields Cleanup Alternatives
ASTM	American Society for Testing and Materials
BFPP	Bona Fide Prospective Purchaser
CAR	Cooperative Agreement Recipient
CAO	City of Santa Rosa City Attorney's Office
CEQA	California Environmental Quality Act
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act of 1980
CFR	Code of Federal Regulations
CPO	Contiguous Property Owner
DBE	Disadvantaged Business Enterprise
DOT	US Department of Transportation
DPW	City of Santa Rosa Department of Public Works
DTSC	California Department of Toxic Substances Control
EDH	City of Santa Rosa Department of Economic Development
EPA	US Environmental Protection Agency
GIS	Graphic Information System
ILO	Innocent Landowner
LUST	Leaking Underground Storage Tank
MBE	Minority Business Enterprises
NEPA	National Environmental Policy Act
NCP	National Contingency Plan
NPL	National Priorities List
PCB	Polychlorinated Biphenyl
PPP	Public Participation Plan
QEP	Qualified Environmental Professional
RCRA	Resource Conservation & Recovery Act
RLF	City of Santa Rosa Brownfields Cleanup Revolving Loan Fund
NCRWQCB	North Coast Regional Water Quality Control Board, aka RWQCB
SBE	Small Business Enterprise
SVOC	Semi-volatile organic compound
TCE	Trichloroethylene
TPH	Total Petroleum Hydrocarbon
UCC	Uniform Commercial Code
VOC	Volatile Organic Compound
WBE	Women-Owned Business Enterprise



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**ATTACHMENT A**  
**CERTIFICATE OF INSURANCE REQUIREMENTS FOR**  
**BORROWER AND CONTRACTOR**

**FORWARD IMMEDIATELY TO YOUR INSURANCE AGENT OR BROKER**

**WARNING:**

The City of Santa Rosa has certain requirements for certificate(s) of insurance and endorsements that may not comport with your insurance company's standard forms. A checklist is attached. Failure to comply will result in a possible delay or termination of the loan agreement.

## CERTIFICATE OF INSURANCE REQUIREMENTS FOR BORROWER

These requirements will assist the insurance carrier in providing the City of Santa Rosa with a Certificate of Insurance and additional insured endorsement that is in conformance with the requirements set forth in the loan agreement. These requirements set forth only the minimum coverage amounts for the required insurance. Borrower shall assure that the Contractor's construction contract includes policies that meet the minimum coverage amounts set forth here. Give this checklist to your insurance provider as soon as possible to assure that you are able to timely comply with these requirements:

Borrower shall maintain and keep in full force and effect the following policies of insurance with minimum coverage amounts as indicated below and issued by insurers with AM Best ratings of no less than A-:VI or otherwise acceptable to the City:

- |   |                          |
|---|--------------------------|
| A. Commercial general liability at least as broad as ISO CG 0001<br>(per occurrence)        | \$2,000,000              |
| With an edition date prior to 2004 or its equivalent<br>(aggregate) <sup>1</sup>            | \$2,000,000              |
| (including operations and completed operations)   |                          |
| B. Business auto coverage** at least as broad as ICO CA 0001 <sup>2</sup><br>(per accident) | \$1,000,000              |
| C. Workers Compensation <sup>3</sup><br>Employer's Liability                                | Statutory<br>\$1,000,000 |

<sup>1</sup> If insurance applies separately to this project/location, aggregate may be equal to per occurrence amount. Coverage may be met by a combination of primary and excess insurance but excess shall provide coverage at least as broad as specified for underlying coverage.

<sup>2</sup> Auto liability insurance shall cover owned, nonowned and hired autos. If borrower owns no vehicles, auto liability coverage may be provided by means of a nonowned and hired auto endorsement to the general liability policy. If borrower or borrower's employees will use personal autos in any way on this project, borrower shall provide evidence of personal auto liability coverage for each such person.

<sup>3</sup> Sole Proprietors must provide representation of their exempt status.

**Endorsements:** All policies shall contain or be endorsed to contain the following provisions:

Coverage shall not be canceled by either party, except after thirty (30) days prior written notice has been provided to the entity unless canceled for non-payment, and then ten (10) days notice shall be given.

**Commercial General and Liability Policies:** Policies shall contain or be endorsed to contain the following provisions:

For any claims related to this project, the **borrower's insurance coverage shall be primary** and any insurance or self-insurance maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

The City of Santa Rosa and borrower, their respective officers, agents and employees are to be named as **additional insured** on a form equivalent to CG20 10 with an edition date prior to 2004.

### ***Other Insurance Provisions***

No policy required by this section shall prohibit borrower from waiving any right of recovery prior to loss. Borrower hereby waives such right with regard to the indemnitees.

All insurance coverage and limits provided by borrower and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement limits the application of such insurance coverage. Coverage for an additional insured shall NOT be limited to its vicarious liability. Defense costs must be paid in addition to any limits.

Self-insured retentions and/or deductibles above \$10,000 must be declared to the City. At the City's option, the borrower may be required to provide claims administrator information and a financial guarantee in a form satisfactory to the City to guarantee payment of loss and related investigations, claims administration and defense expenses.

### ***Verification of Coverage and Certificates of Insurance***

Borrower shall furnish the City with original certificates and endorsements effecting coverage required above. Certificates and endorsements shall make reference to policy numbers. All certificates and endorsements are to be received and approved by the City before work commences and must be in effect for the duration of the contract. The City reserves the right to require complete, copies of all required policies and endorsements.

## CERTIFICATE OF INSURANCE REQUIREMENTS FOR CONTRACTOR

These requirements will assist the insurance carrier in providing the City of Santa Rosa with a Certificate of Insurance and additional insured endorsement that is in conformance with the requirements set forth in the contract. These requirements set forth only the minimum coverage amounts for the required insurance. Give this checklist to your insurance provider as soon as possible to assure that you are able to timely comply with these requirements:

Contractor shall maintain and keep in full force and effect the following policies of insurance with minimum coverage amounts as indicated below and issued by insurers with AM Best ratings of no less than A-:VI or otherwise acceptable to the City:

- |   |   |
|---|---|
| A. Commercial general liability at least as broad as ISO CG 0001<br>(per occurrence)        | \$2,000,000   |
| With an edition date prior to 2004 or its equivalent<br>(aggregate) <sup>1</sup>            | \$2,000,000   |
| (including operations and completed operations)   |   |
|   |   |
| B. Business auto coverage** at least as broad as ICO CA 0001 <sup>2</sup><br>(per accident) | \$1,000,000   |
|   |   |
| C. Workers Compensation <sup>3</sup><br>Employer's Liability                                | Statutory<br>\$1,000,000                                |
|   |   |
| D. Pollution Liability Insurance <sup>4</sup>   | (per occurrence) \$1,000,000<br>(aggregate) \$2,000,000 |
|   |   |
| E. Asbestos Pollution Liability Insurance <sup>4</sup>                                      | (per occurrence) \$1,000,000<br>(aggregate) \$2,000,000 |

<sup>1</sup> If insurance applies separately to this project/location, aggregate may be equal to per occurrence amount. Coverage may be met by a combination of primary and excess insurance but excess shall provide coverage at least as broad as specified for underlying coverage.

<sup>2</sup> Auto liability insurance shall cover owned, nonowned and hired autos. If Contractor owns no vehicles, auto liability coverage may be provided by means of a nonowned and hired auto endorsement to the general liability policy. If Contractor or Contractor's employees will use personal autos in any way on this project, Contractor shall provide evidence of personal auto liability coverage for each such person.

\*\* Any contractors or subcontractors who are transporting pollutants and/or hazardous materials are required to have an MCS-90 – an endorsement to the business automobile policy.

<sup>3</sup> Sole Proprietors must provide representation of their exempt status.

<sup>4</sup> If the work involves lead-based paint or asbestos identification/remediation, the Pollution Liability Policy must not contain lead-based paint or asbestos exclusions. If the work

involves mold identification, the Pollution Liability Policy must not contain a mold exclusion and definition of "Pollution" in said policy shall include microbial matter including mold.

**Endorsements:** All policies shall contain or be endorsed to contain the following provisions:

Coverage shall not be canceled by either party, except after thirty (30) days prior written notice has been provided to the entity unless canceled for non-payment, and then ten (10) days notice shall be given.

**Commercial General and Liability Policies:** Policies shall contain or be endorsed to contain the following provisions:

For any claims related to this project, the **Contractor's insurance coverage shall be primary** and any insurance or self-insurance maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

The City of Santa Rosa and borrower, their respective officers, agents and employees are to be named as **additional insured** on a form equivalent to CG20 10 with an edition date prior to 2004.

### ***Other Insurance Provisions***

No policy required by this section shall prohibit Contractor from waiving any right of recovery prior to loss. Contractor hereby waives such right with regard to the indemnitees.

All insurance coverage and limits provided by Contractor and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement limits the application of such insurance coverage. Coverage for an additional insured shall NOT be limited to its vicarious liability. Defense costs must be paid in addition to any limits.

Self-insured retentions and/or deductibles above \$10,000 must be declared to the City. At the City's option, the Contractor may be required to provide claims administrator information and a financial guarantee in a form satisfactory to the City to guarantee payment of loss and related investigations, claims administration and defense expenses.

### ***Verification of Coverage and Certificates of Insurance***

Borrower shall furnish the City with Contractor's original certificates and endorsements effecting coverage required above. Certificates and endorsements shall make reference to policy numbers. All certificates and endorsements are to be received and approved by the City before work commences and must be in effect for the duration of the contract. The City reserves the right to require complete, copies of all required policies and endorsements.

## STATEMENTS REQUIRED BY LAW AND EXECUTIVE ORDER

Federal executive agencies, including the Environmental Protection Agency (EPA), are required to withhold or limit financial assistance, to impose special conditions on approved loans, to provide special notices to recipients or borrowers and to require special reports and data from borrowers in order to comply with legislation passed by the congress and Executive Orders issued by the President and by the provisions of various inter-agency agreements. EPA has issued regulations and procedures that implement these laws and executive orders.

The borrower will carry out the Project in accordance with the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) in (42 USC 9601 et seq.); Uniform Administrative Requirements for Grants and Cooperative Agreements to States and Local Governments (40 CFR Part 31); Cooperative Agreements for Superfund Response Actions (40 CFR Part 35, Subpart O); the National Oil and Hazardous Substances Contingency Plan (NCP) (40 Part 300). In addition, the loan recipient agrees to comply with the following federal statutes:

### **Privacy Act (5U.S.C. 552a)**

The Privacy Act of 1974 is a law which mandates how federal agencies maintain records about individuals. The law strives to balance the government's need to maintain these records with the individual's right to be protected from unwarranted invasions of personal privacy. The Privacy Act requires that agencies collect only information on individuals that is necessary to carry out an agency function, provide safeguards to protect the records from unauthorized access and disclosure, allow people to see the records kept on them, and provide an opportunity to correct inaccuracies.

Any person can request to see or get copies of any personal information that the EPA has in his or her file, when that file is retrievable by individual identifiers, such as name or social security numbers. Requests for information about another party may be denied unless the EPA has the written permission of the individual to release the information to the requestor. Disclosure exceptions that do not require consent of the individual of record are: internal agency request, Freedom of Information Act requirements, routine agency use, requests by the Bureau of the Census, statistical research or reporting requests, preservation of records by the National Archives and Records Administration, requests for civil or criminal law enforcement, Congressional disclosure requests, disclosure for health or safety purposes, requests by the General Accounting Office, requests made pursuant to the order of a court of competent jurisdiction, or for debt collection {Federal Claims Collections Act of 1966 [31U.S.C. 3701(a)(3)] & Debt Collection Act of 1982 [P.L. 97-365]}.

When this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature, the EPA may refer it to the appropriate agency, whether Federal, State, local, or foreign, charged with responsibility for or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. See Fed. Reg. 8020 (1991) for other published routine uses.

Complete EPA Privacy Act procedures are set out in 40 CFR Part 16.

### **Freedom of Information Act (5 U.S.C. 552)**

This law provides, with some exceptions, that EPA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest EPA office and be identified as a Freedom of Information request. **Relationship of the Freedom of Information Act to the Privacy Act:** The Freedom of Information Act (FOIA) and the Privacy Act both deal with the disclosure of information held by the Federal Government. The FOIA generally gives the public the right to inspect their government's records, but has exemptions which permit the withholding of certain limited classes of records, including records which would cause a clearly unwarranted invasion of personal privacy if disclosed. As a general rule, the Privacy Act does not affect the public's right of access to records available under the FOIA.

## **Right of Financial Privacy Act of 1978 (12 U.S.C. 3401)**

This is notice to you as required by the Right of Financial Privacy Act of 1978, of the access rights of the City of Santa Rosa (City), EPA, and their agents to financial records held by financial institutions that are or have been doing business with you or your business, including any financial institutions participating in a loan or loan guarantee. The law provides that the City and EPA shall have a right of access to your financial records in connection with its consideration or administration of assistance to you in the form of a Government loan or loan guarantee agreement. The City and EPA are required to provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records, after which no further certification is required for subsequent accesses. The law also provides that the access rights of the City and EPA continue for the term of any approved loan or loan guarantee agreement. No further notice to you of the access rights of the City and EPA is required during the term of any such agreement.

The law also authorizes the City and EPA to transfer to another Government authority any financial records included in an application for a loan, or concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan or loan guarantee or to collect on a defaulted loan or loan guarantee. No other transfer of your financial records to another Government authority will be permitted by the City or EPA, except as required or permitted by law.

## **Equal Employment Opportunity**

All loans shall comply with Executive Order 11246, "Equal Employment Opportunity," as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." In addition, the borrower will undertake good faith efforts in compliance with 40 CFR §35.6580 to give opportunities for qualified Small Business Enterprises (SBE), Minority Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE) to submit proposals, bids, and provide services on contracts and subcontracts for services and supplies. The borrower may be requested to submit a report of such efforts.

## **Equal Credit Opportunity Act (15 U.S.C. 1691)**

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicants income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580. **Nondiscrimination in Recipients of Federal Assistance (Civil Rights Act of 1964 Title VI, Federal Water Pollution Control Act of 1972 Section 13, Federal Rehabilitation Act of 1973 Section 504, Age Discrimination Act of 1975 Pub. L. 94-135):** These rules provide that no person in the United States shall, on the grounds of race, color; religion, national origin, sex, age or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

## **Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c)**

All loans will comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to EPA.

## **Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7)**

Pursuant to CERCLA 104(G)(1), The Davis Bacon Act applies to construction, repair or alteration work funded in whole or in part with BCRLF loan funds. All construction contracts awarded by the recipient or subcontractors of more than \$2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to EPA and the SREDHD.

## **Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333)**

Where applicable, all loans in excess of \$100,000 for construction contracts and in excess of \$2500 for other loans that involve the employment of mechanics or laborers shall include a provision for compliance with sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under section 102 of the Act, each recipient shall be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous or dangerous.

## **Executive Order 11738—Environmental Protection (38 F.R. 25161) including the Clean Air Act (42 U.S.C. 7401 *et seq.*) and the Federal Water Pollution Control Act (33 U.S.C. 1251 *et seq.*), as amended**

The Executive Order charges the EPA with administering its programs in a manner that will result in effective enforcement of the Clean Air Act, the Federal Water Pollution Act and other environmental protection legislation. The EPA must, therefore, impose conditions on some loans. By acknowledging receipt of this form and presenting the application, the principals of all small businesses borrowing \$100,000 or more in direct funds stipulate the following:

1. That any facility used, or to be used, by the subject firm is not cited on the EPA list of Violating Facilities.
2. That subject firm will comply with all the requirements of Section 114 & 306 of the Clean Air Act (42 U.S.C. 7401 *et seq.*) and section 508 of the Clean Water Act, and Section 308 of the Water Act (33 U.S.C. 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements of the respective Acts, and all regulations and guidelines issued thereunder.
3. That the subject firm will notify the Lender of the receipt of any communication from the Director of the EPA indicating that a facility utilized, or to be utilized, by subject firm is under consideration to be listed on the EPA list of Violating Facilities.

## **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)**

Section 319 of Public Law 101-121 prohibits recipients of Federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan. Recipients who apply for a loan shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the loan recipient.

## **EPA Requirements for Drug-Free Workplace**

The Drug-Free Workplace Act of 1988 requires that all recipients receiving funds from any federal agency certify to that agency that they will maintain a drug-free workplace, or, in the case of a recipient who is an individual, certify to the agency that his or her conduct of activity will be drug-free. This government-wide rule implements the statutory requirements. It directs that recipients take steps to provide a drug-free workplace in accordance with the Act.

## **Debarment and Suspension (Executive Orders 12549 and 12689)**

A person who is debarred or suspended is excluded from federal financial and non financial assistance and benefits under federal programs and activities. No loans shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with Executive Orders 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than Executive Order 12549. Borrowers shall provide the required certification regarding its exclusion status and that of its principal employees.

## **Open Competition and Government Neutrality Towards Government Contractors' Labor Relations, as amended (Executive Orders 13202 and 13208)**

Executive Order 13202 , entitled, "Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects", as amended by Executive Order 13208, provides that, as a condition for award of any federally funded contract or subcontract, agencies may not permit inclusion of contract conditions requiring or prohibiting entering into or adhering to agreements with a labor organization, or otherwise discriminating against parties entering into or adhering to such agreements. (Source: <http://www.epa.gov/EPA-IMPACT/2003/October/Day-17/i26317.htm>)

## **Other Economic or Social Requirements**

Demonstration Cities and Metropolitan Development Act of 1966 (Pub. L. 89-754, as amended), Uniform Relocation and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, as amended), Section 504 of the Rehabilitation act of 1973 (Pub. L. 93-112, including executive orders 11914 & 11250), Section 192 of the Small Business Administration Reauthorization and Amendment Act of 1988 (Pub. L. 100-590), Women's and Minority Business Enterprise, Executive Orders 11625, 12138, 12432.

ATTACHMENT B

**Notice of Exemption**

To:  Office of Planning and Research  
1400 Tenth Street, Room 121  
Sacramento, CA 95814

From: (Public Agency) \_\_\_\_\_

\_\_\_\_\_  
(Address)  
\_\_\_\_\_

County Clerk  
County of \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Project Title: \_\_\_\_\_

Project Location - Specific: \_\_\_\_\_  
\_\_\_\_\_

Project Location - City: \_\_\_\_\_ Project Location - County: \_\_\_\_\_

Description of Nature, Purpose, and Beneficiaries of Project:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of Public Agency Approving Project: \_\_\_\_\_

Name of Person or Agency Carrying Out Project: \_\_\_\_\_

Exempt Status: (check one)

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number:
- Statutory Exemptions. State code number:

Reasons why project is exempt: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Lead Agency**

Contact Person: \_\_\_\_\_ Area Code/Telephone/Extension: \_\_\_\_\_

**If filed by applicant:**

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project?  Yes  No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Title: \_\_\_\_\_

Signed by Lead Agency

Date received for filing at OPR:

Signed by Applicant