



Affordable Housing Cleanup Grants Guidance for the 2023–25 Biennium

Affordable Housing Cleanup Grants

Toxics Cleanup Program

Washington State Department of Ecology
Olympia, Washington

January 2022

Publication No. 22-09-048

Publication Information

This document is available on the Department of Ecology's website at <https://apps.ecology.wa.gov/publications/SummaryPages/2209048.html>

Cover photo credit

- Bailey Kovac (cherry blossoms, 2019) under a Creative Commons license on Unsplash <https://unsplash.com/photos/zEKqNNrsYxo>.

Related Information

- *EAGL Instructions for 2023-25 Affordable Housing Cleanup Grant Applications: Toxics Cleanup Program's guidance for using Ecology's Administration of Grants & Loans System (EAGL) to apply for Affordable Housing Grants* (Ecology Publication No. 22-09-053): <https://apps.ecology.wa.gov/publications/summarypages/2209053.html>

Contact Information

Toxics Cleanup Program

Headquarters
P.O. Box 47600
Olympia, WA 98504-7600
Phone: 360-407-7170
Website: [Washington State Department of Ecology](https://www.ecology.wa.gov)¹

ADA Accessibility

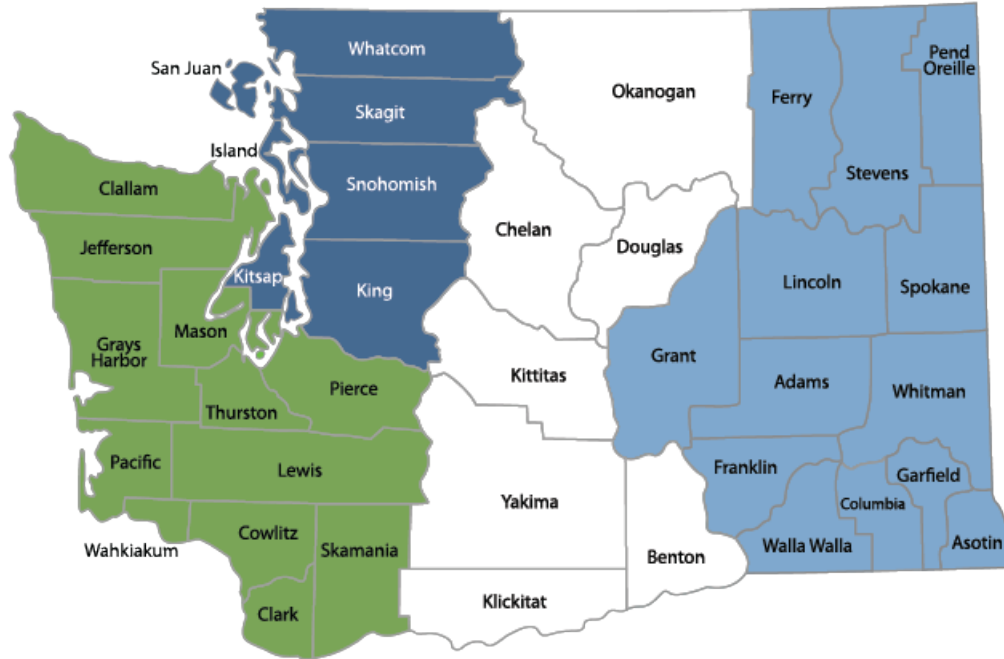
The Department of Ecology is committed to providing people with disabilities access to information and services by meeting or exceeding the requirements of the Americans with Disabilities Act (ADA), Section 504 and 508 of the Rehabilitation Act, and Washington State Policy #188.

To request an ADA accommodation, contact Ecology by phone at 360-407-6831 or email at ecyadacoordinator@ecy.wa.gov. For Washington Relay Service or TTY call 711 or 877-833-6341. Visit Ecology's website for more information.

¹ www.ecology.wa.gov/contact

Department of Ecology's Regional Offices

Map of Counties Served



Southwest Region 360-407-6300	Northwest Region 425-649-7000	Central Region 509-575-2490	Eastern Region 509-329-3400
---	---	---------------------------------------	---------------------------------------

Region	Counties served	Mailing Address	Phone
Southwest	Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Mason, Lewis, Pacific, Pierce, Skamania, Thurston, Wahkiakum	P.O. Box 47775 Olympia, WA 98504	360-407-6300
Northwest	Island, King, Kitsap, San Juan, Skagit, Snohomish, Whatcom	P.O. Box 330316 Shoreline, WA 98133	206-594-0000
Central	Benton, Chelan, Douglas, Kittitas, Klickitat, Okanogan, Yakima	1250 West Alder Street Union Gap, WA 98903	509-575-2490
Eastern	Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman	4601 North Monroe Spokane, WA 99205	509-329-3400
Headquarters	Statewide	P.O. Box 46700 Olympia, WA 98504	360-407-6000

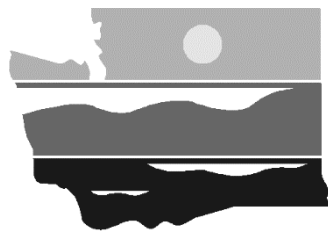
Affordable Housing Cleanup Grants Guidance for the 2023–25 Biennium

Affordable Housing Cleanup Grants

Toxics Cleanup Program
Washington State Department of Ecology
Olympia, WA

January 2022

Publication No. 22-09-048



DEPARTMENT OF
ECOLOGY
State of Washington

Contents

Publication Information	3
Contact Information	3
ADA Accessibility	3
Department of Ecology’s Regional Offices	3
Map of Counties Served	3
Affordable Housing Cleanup Grants Guidance for the 2023–25 Biennium	4
Figures and Tables	iii
Figures	iii
Tables	iii
Acronyms and Abbreviations	iv
Executive Summary	v
Chapter 1: Purpose and Applicability	1
1.1 Grant Program Goals.....	1
1.2 Grant types	2
Chapter 2: Cleanup Process	5
2.1 Cleanup Program	5
2.2 What is a cleanup?	5
2.3 Steps in the MTCA Cleanup Process.....	6
Chapter 3: Funding Cycle	9
3.1 Application Submittal	9
3.2 Project Evaluation and Ranking.....	10
3.3 Ecology’s Budget Request and Appropriation	10
3.4 Agreement Development	11
3.5 Reapplying.....	12
Chapter 4: Funding Policies and Criteria	13
4.1 Cash Management	13
4.2 Other Funding Sources	13
4.3 Cultural Resources Requirement.....	15
4.4 Environmental Justice Evaluation Criteria.....	16
4.5 Climate Resilience and Green Remediation	18
Chapter 5: Grant Management	19
5.1 Roles and Responsibilities.....	19
5.2 Spending Plans	20
5.3 Lien	21
5.3 Technical Reports.....	21
5.4 Quarterly Grant Progress Reports & Payment Requests	21
5.5 Amendments	21
5.6 Close Out	22
5.7 Audits	23
5.8 Property Restrictions	23
Chapter 6: Cost Eligibility	25
6.1 Proper Documentation.....	26

6.2 Eligible Costs.....	28
6.3 Conditionally Eligible	31
6.4 Ineligible Costs	34
Chapter 7: Affordable Housing Cleanup Grants	37
7.1 Project Eligibility	37
7.2 Grant Funding	39
7.3 Eligible Costs.....	39
7.4 Evaluation Criteria	41
Glossary	51
References and Resources	53
Appendix A: Chapter 173-323 WAC: Grants and Loans	58
173-323-010 Applicability.	58
173-323-020 Definitions.	59
173-323-030 Grant and loan announcements.	60
173-323-040 Application.....	60
173-323-050 Evaluation process.	61
173-323-060 Awarding funds.....	62
173-323-070 Grant or loan agreement.	62
173-323-080 Amendments to the grant or loan agreement.....	64
173-323-090 Performance standards.	64
173-323-100 Reimbursement.	66
173-323-110 Closing out the agreement.....	66
173-323-120 Termination of agreement.....	66

Figures and Tables

Figures

Figure 1: Steps in the formal MTCA cleanup process.	8
Figure 2: Ecology's two-year budget cycle for Affordable Housing Cleanup Grants.	11
Figure 3: Minimum affordable housing eligibility requirements.	38

Tables

Table 1: Affordable Housing Cleanup Grant Evaluation Criteria Categories and Weights.	41
Table 2: Affordable Housing Cleanup Grant Evaluation Criteria – Category 1: Faster Cleanup	42
Table 3: Affordable Housing Cleanup Grant Evaluation Criteria – Category 2: Improve Human Health and the Environment for Residential Use.....	44
Table 4: Affordable Housing Cleanup Grant Evaluation Criteria – Category 3: Equitable distribution of funds and property reuse.	46
Table 5: Affordable Housing Cleanup Grant Evaluation Criteria – Category 4: Community Investment.....	47
Table 6: List of Community Services and Types of Services to Respond to Criterion 4.7.	50
Table 7: Grant, Loan, and EAGL Resources Mentioned in this Guidance.....	53
Table 8: Environmental and Technical Resources Mentioned in this Guidance.	54
Table 9: Environmental Justice, Climate Change, and Cultural Resources Mentioned in this Guidance.	56
Table 10: Cleanup Laws, Regulations, and Legislative Bills Mentioned in this Guidance.....	57

Acronyms and Abbreviations

AHCG	Affordable Housing Cleanup Grant
AHCGP	Affordable Housing Cleanup Grant Program
AHPG	Affordable Housing Planning Grant
ARARs	applicable, relevant and appropriate requirements
CAP	cleanup action plan
EAGL	Ecology's Administration of Grants and Loans
Ecology	Washington State Department of Ecology
EIM	Environmental Information Management
EJscreen	Environmental Justice Screening and Mapping Tool
ESSB	Engrossed Substitute Senate Bill
FS	feasibility study
GEO 21-02	Governor's Executive Order 21-02
IDP	inadvertent discovery plan
MCL	maximum contaminant level
MTCA	Model Toxics Control Act
NRD	Natural Resource Damage
NRDA	Natural Resource Damage Assessment
PLP	potentially liable person
PRP	potentially responsible party
Pub. No.	Ecology publication number
RAG	remedial action grants and loans
RCW	Revised Code of Washington
RI	remedial investigation
SAW	Secure Access Washington
TCP	Toxics Cleanup Program
U.S. EPA	United States Environmental Protection Agency
VCP	Voluntary Cleanup Program
VIN	vehicle identification number
WAC	Washington Administrative Code

Executive Summary

Summer 2017, The Governor's Office and the Toxics Cleanup Program (TCP) policy staff noticed a synergy between cleaning up contaminated sites and providing affordable housing. As a result, TCP explored policy options to incentivize collaborations between environmental cleanups and affordable housing developments.

Ecology has developed the Affordable Housing Cleanup Grant Program to help advance environmental cleanups for affordable housing developments. These grants can cover the costs of remedial actions that include planning, investigative, and technical work needed to clean up contaminated sites.

In February of even-numbered years, Ecology will solicit applications for affordable housing cleanup projects. Ecology will use the applications to develop its budget request for the next biennium and update its ten-year financing plan for Affordable Housing Cleanup Grants. Ecology must submit both its budget request to the Governor and its [MTCA ten-year financing report](#)² to the Legislature in September of even-numbered years. A final budget is usually effective and enacted on July 1 of the following odd-numbered year.

This Guidance details the policies and expectations when applying for the Affordable Housing Cleanup Grants, meeting TCP requirements, and managing funded projects.

² <https://ecology.wa.gov/About-us/Who-we-are/Our-Programs/Toxics-Cleanup/TCP-Legislative-reports>

Chapter 1: Purpose and Applicability

The Washington State Department of Ecology's (Ecology's) Toxics Cleanup Program (TCP) administers the Affordable Housing Cleanup Grant Program (AHCGP) for persons interested in cleaning up land for development of affordable housing under the Model Toxics Control Act (MTCOA), Chapter [70A.305](#) (RCW)³. Engrossed Substitute Senate Bill 5993 (ESSB 5993) passed in 2019 and gave Ecology the authority to use Model Toxics Control Capital Account funds. RCW [70A.305.190](#)(4)(a)(iv)⁴ allows the funds to be used for "grants to persons intending to remediate contaminated real property for development of affordable housing". Chapter [173-323](#) WAC⁵ contains the general rules for issuance of these grants.

The purpose of the AHCGP is to expedite the cleanup and redevelopment of contaminated sites for affordable housing use while lessening the impact of cleanup costs. Ecology will require grant recipients to place property restrictions limiting the land use to affordable housing use for a 30-year period.

The AHCGP consists of Affordable Housing Cleanup Grants (AHCG) and Affordable Housing Planning Grants (AHPG). This guidance specifically addresses AHCG for the 2023-2025 solicitation. Ecology will issue separate guidance for the AHPG solicitation expected to take place in summer or fall 2023.

1.1 Grant Program Goals

Ecology's AHCGP provides grants for the cleanup of contaminated sites for affordable housing development. The program supports communities by:

- Cleaning up environmental contamination for residential use;
- Providing meaningful community engagement that informs and shapes decisions throughout the cleanup process; and
- Integrating longer-term goals of shared economic and community asset building across a diverse population.

This document provides guidance on how to apply, meet program requirements, and manage projects funded by an AHCG.

³ <https://app.leg.wa.gov/rcw/default.aspx?cite=70A.305>

⁴ <https://app.leg.wa.gov/rcw/default.aspx?cite=70A.305.190>

⁵ <https://apps.leg.wa.gov/wac/default.aspx?cite=173-323>

1.2 Grant types

1.2.1 Affordable Housing Cleanup Grants

An AHCG is a grant awarded to any person, including public or private affordable housing developer(s), for the purpose of investigating and remediating a contaminated site under an order or consent decree to facilitate redevelopment of the property(ies) for affordable housing use following remediation activities.

Affordable housing is defined in [RCW 43.185A.010](#)⁶ as residential housing for rental occupancy which, as long as the same is occupied by **low-income households**, requires payment of monthly housing costs, including utilities other than telephone, of no more than thirty percent of the family's income. A **low-income household** refers to a single person, family, or unrelated persons living together whose adjusted income is less than eighty percent of the median family income, adjusted for household size, for the county where the project is located⁷.

Examples of eligible remediation activities under the AHCG include, but are not limited to:

- Investigating the nature and extent of contamination at a site and developing a remedial investigation, feasibility study, and cleanup action plan; and
- Conducting cleanup construction with one-year of monitoring at a contaminated site.

1.2.2 Affordable Housing Planning Grants

An AHPG is a grant awarded to any person, including public or private affordable housing developer(s), for the purpose of considering acquisition, cleanup, and redevelopment of a brownfield property, or multiple properties within a defined area to facilitate remedial action and redevelopment of the property(ies) for affordable housing use following remediation activities. Brownfields are previously developed properties that are currently abandoned or underutilized because of actual or perceived prior contamination. AHPG for the 2023-25 biennium will be administered under Chapter [173-323](#) WAC. Ecology will develop a separate guidance document for AHPG implemented during the 2023-2025 biennium. We anticipate soliciting applications for these grants in summer or fall 2023.

Examples of eligible planning grant activities include, but not limited to:

- Due diligence investigation: preliminary characterization of a site to assess potential remediation costs and complexity prior to property purchase
- Redevelopment planning: conducting planning activities to ensure remediation and environmental justice concerns are addressed for an affordable housing project located on a known contaminated site

⁶ <https://app.leg.wa.gov/rcw/default.aspx?cite=43.185a.010>

⁷ Annual income data per county can be found in the US Department of Housing and Urban Development website: <https://www.huduser.gov/portal/datasets/il.html>

Refer to Chapter [173-323](#) WAC for the rules governing the administration of the AHCGP. Appendix A includes a copy of the rule. Please see Chapter [173-340](#) WAC,⁸ MTCA Cleanup Regulations for definitions of the terms used in this Guidance.

This Guidance summarizes and explains the program requirements. If any part of this Guidance conflicts with the rule language in Chapters [173-323](#) or [173-340](#) WAC, the rule language governs.

Applicants and Recipients⁹ should read and understand this Guidance, the applicable rules, and the applicable version of Ecology's "[Yellow Book](#)"¹⁰ also known as *Administrative Requirements for Recipients of Ecology Grants and Loans* (2017).

Applicants and Recipients are also responsible for understanding the scope of work in their grant agreements, orders, or decrees; program requirements; cost eligibility; and any general and special terms and conditions in their grant agreements

⁸ <https://apps.leg.wa.gov/WAC/default.aspx?cite=173-340>

⁹ As used in this Guidance, the term "Applicant" applies before receipt of the grant, and "Recipient" applies after the grant has been awarded.

¹⁰ <https://apps.ecology.wa.gov/publications/SummaryPages/1701004.html>

This page left intentionally blank

Chapter 2: Cleanup Process

This chapter provides background on the cleanup program established under Washington’s environmental cleanup law, the Model Toxics Control Act (MTCA), Chapter [70A.305](#) RCW¹¹. It also provides an overview of the steps used to investigate and clean up contaminated sites in Washington state.

2.1 Cleanup Program

MTCA, Chapter [70A.305](#) RCW, governs the cleanup of contaminated sites in Washington state. Voters approved MTCA in November 1988 as Initiative 97. The law came into effect on March 1, 1989. Under that law, Ecology adopted rules that describe the process and requirements for cleaning up contaminated sites:

- Chapter [173-340](#) WAC, MTCA Cleanup Rule.
- Chapter [173-204](#) WAC¹², Sediment Management Standards.

The law’s declaration of policy calls for raising “sufficient funds to clean up all hazardous waste sites and to prevent the creation of future hazards due to improper disposal of toxic wastes into the state’s lands and waters” (RCW 70A.305.010). To do this work – which includes providing funds for grants and loans – voters authorized a tax on the first possession on hazardous substances in Washington, including petroleum products and certain chemicals and pesticides. The law, as amended by [ESSB 5993](#)¹³ in 2019, directs a portion of the revenue from the Hazardous Substance Tax to the Model Toxics Control Capital Account, which can be used by Ecology for grants to persons intending to remediate contaminated real property for development of affordable housing (RCW [70A.305.190](#)[4][a][iv]).

2.2 What is a cleanup?

Cleanups are often considered construction projects that remove or immobilize contamination and put properties back into use. We frequently use the phrases *cleanup*, *cleanup site*, *contaminated site*, and *hazardous waste site* interchangeably. MTCA’s regulations defines a *hazardous waste site* as any site that Ecology has confirmed a release or a threatened release of a hazardous substance requiring remedial action (WAC [173-340-200](#)).¹⁴

Cleanup sites are defined by the nature and extent of contamination associated with one or more releases of hazardous substances. A complex site, for instance, requires more time and money to clean up. One such example is a co-mingled plume of chemicals at former dry cleaners, where chemicals have seeped into soil and groundwater, then vaporize through cracks of nearby buildings—a complex problem known as vapor intrusion.

¹¹ <https://app.leg.wa.gov/rcw/default.aspx?cite=70A.305>

¹² <https://apps.leg.wa.gov/WAC/default.aspx?cite=173-204>

¹³ <https://lawfilesexternal.wa.gov/biennium/2019-20/Pdf/Bills/Session%20Laws/Senate/5993-S.SL.pdf?cite=2019%20c%20422%20C2%A7%20203>

¹⁴ <https://apps.leg.wa.gov/WAC/default.aspx?cite=173-340-200>

A routine site takes less time and money, such as a leaking underground storage tank where only petroleum has impacted soil or groundwater. Sites can be small like a petroleum spill at a gas station, or enormous like those in Tacoma and Everett that span thousands of acres as a result of untreated smelter deposits of arsenic and lead for nearly 100 years.

Contamination found on land (called upland sites) can affect more than one parcel of real property and impact soil and groundwater for miles. Contamination along or in our waterways (called sediment sites) can damage the fragile aquatic environment, including vegetation, biota, and water quality. Cleanup actions (also called cleanups or remedial actions) are the collective planning, investigative, and technical work needed to clean up these contaminated sites.

Cleanups can be loud, dirty, and costly, but they are always worth it. They protect our health, facilitate habitat restoration, and help transform formerly unusable properties into thriving economic centers.

2.3 Steps in the MTCA Cleanup Process

The cleanup process, steps, and requirements, which are set forth in the MTCA Cleanup Rule (Chapter [173-340](#) WAC), are summarized below and illustrated in Figure 1.

- 1. Site Discovery & Initial Investigation.** Sites can be discovered when contamination is encountered during construction work; suspicion of contamination identified while conducting due diligence activities for property transactions; or as a result of findings in reports from property owners, employees, neighbors, or other agencies. After the contamination is reported, Ecology conducts an Initial Investigation to determine if the site needs further investigation. Property owners or operators may clean up the site at this stage. If not, Ecology adds it to the [Confirmed & Suspected Contaminated Sites List¹⁵](#).
- 2. Site Hazard Assessment (SHA).** Ecology evaluates the potential risk to human health and the environment from the site based on exposure potential and severity of hazard.
- 3. Interim Actions.** At any time during the cleanup process, interim actions may be conducted to reduce the risk to human health or the environment or partially clean up contamination.
- 4. Remedial Investigation (RI).** The RI serves as the mechanism for collecting data to characterize site conditions, determining the magnitude and extent of contamination, and assessing risk to human health and the environment.
- 5. Feasibility Study (FS).** The FS uses information from the RI for the development, screening, and evaluation of cleanup alternatives to enable selection of a cleanup action for the site.
- 6. Cleanup Action Plan (CAP).** The CAP is developed using the information gathered during the previous phases. The CAP identifies preferred cleanup methods and specifies cleanup standards and other requirements at the site.

¹⁵ <https://apps.ecology.wa.gov/cleanupsearch/reports/cleanup/contaminated>

7. **Cleanup Construction.** Actual cleanup begins when the CAP is implemented. This includes design, construction, operation, and monitoring of cleanup actions.
8. **Monitoring.** During and after cleanup construction, the effectiveness of the cleanup action is monitored through sampling and reporting.
9. **Controls.** If the cleanup action leaves contamination behind, institutional and engineered controls may be required to prevent or limit the movement of, or exposure to, hazardous substances remaining at the site. Ecology conducts periodic reviews of sites with institutional or engineering controls at least every five years to evaluate the ongoing effectiveness and protectiveness of the cleanup action.
10. **De-list the Site.** Ecology removes the site from its contaminated site lists after it meets all cleanup standards and requirements.

Cleanups can be conducted as formal cleanups or independent cleanups. Formal cleanups are those conducted by a potentially liable person (PLP) under an order or decree and supervised by Ecology, or those conducted by Ecology through contracted private companies. A prospective purchaser of a property may also conduct a formal cleanup through a prospective purchaser consent decree. Independent cleanups are remedial actions conducted without Ecology's oversight or approval. To be eligible for grants under the AHCG Program:

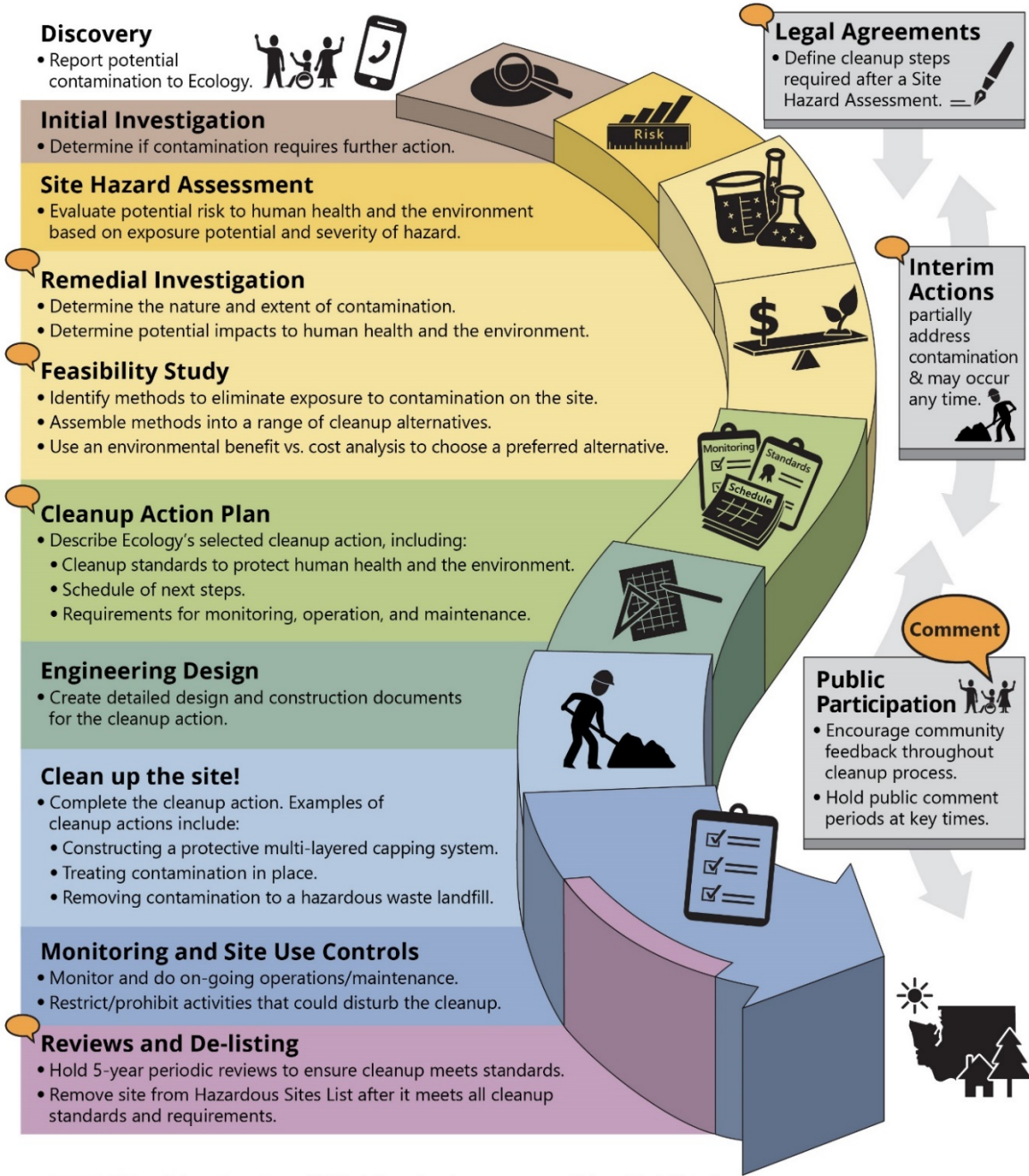
- A **cleanup project** must be in the formal process to apply for an AHCG.
- A **planning project** will likely not have a process (formal or independent) selected yet when applying for an AHPG.

For more information about the MTCA cleanup process, visit Ecology's webpage, [How the cleanup process works](https://ecology.wa.gov/Spills-Cleanup/Contamination-cleanup/Cleanup-process)¹⁶.

¹⁶ <https://ecology.wa.gov/Spills-Cleanup/Contamination-cleanup/Cleanup-process>



Washington's Formal Cleanup Process



Washington's Cleanup Law
 Model Toxics Control Act (MTCA)

MTCA defines the cleanup process. This public-initiated environmental law directs upland cleanups (on land or in groundwater) and sediment cleanups (in freshwater or marine environments). Ecology enacts MTCA and regulates the cleanup process.

September 2019
 Ecology Publication 19-09-166

Figure 1: Steps in the formal MTCA cleanup process.

Chapter 3: Funding Cycle

This chapter describes the major steps of Ecology's two-year funding cycle. Washington state's budget operates on a biennium, or two-year funding cycle. A biennium begins on July 1 of each odd-numbered year and ends on June 30 of the next odd-numbered year.

In February of even-numbered years, Ecology solicits applications for AHCGs.

Ecology uses the applications to develop its budget request for the next biennium and update its ten-year financing plan for the grants. Ecology must submit both its budget request to the Governor and its [MTCA ten-year financing report](#)¹⁷ to the Legislature in September of even-numbered years. The report estimates the amount of public financing needed to help Ecology, local governments, and other partners investigate and clean up contaminated sites in the next biennium and over the next ten years. The report is required under [RCW 70A.305.030 \(4\)](#).¹⁸

3.1 Application Submittal

Ecology administers all grants and loans through Ecology's Administration of Grants and Loans (EAGL) online system. EAGL is a comprehensive web-based grant and loan management system that allows Applicants and Recipients to complete grant applications, submit payment requests with progress reports, submit closeout and equipment reports, and request amendments online.

To gain access to the EAGL system, an Applicant must first create a Secure Access Washington (SAW) account. Once they have set up a SAW account, Applicants can log in and request access to EAGL. The EAGL account approval process can take up to three business days. Once Ecology has authorized the account, Applicants and Recipients can log in and use EAGL to apply for and manage their grants. EAGL only displays grant programs that are accepting applications.

SAW and EAGL video tutorials:

- [How to obtain a SAW account](#)¹⁹
- [Applying for Ecology grants](#)²⁰

EAGL instructions with screenshots and helpful tips:

- [EAGL Instructions for 2023–25 Affordable Housing Cleanup Grant Applications \(2022\)](#)²¹
- [EAGL External Users' Manual \(2021\)](#)²²

¹⁷ <https://ecology.wa.gov/About-us/Who-we-are/Our-Programs/Toxics-Cleanup/TCP-Legislative-reports>

¹⁸ <https://app.leg.wa.gov/rcw/default.aspx?cite=70A.305.030>

¹⁹ <https://www.youtube.com/watch?app=desktop&v=pj0EnljG3RQ&feature=youtu.be>

²⁰ <https://www.youtube.com/watch?app=desktop&v=9B3gvb3QRBk>

²¹ <https://apps.ecology.wa.gov/publications/SummaryPages/2209053.html>

²² <https://apps.ecology.wa.gov/publications/SummaryPages/1701015.html>

For help using EAGL or completing an application contact the Ecology Grant Financial Manager listed in the Program Contacts on the [grant webpage](#)²³.

3.2 Project Evaluation and Ranking

Ecology will consider projects submitted during the 2022 project solicitation (February 2022) for the project list submitted for funding during the 2023–25 biennium. If the state budget provides funding in the 2023-25 biennial budget, it would become available July 1, 2023. Read more about this timing in Section 3.3, “Ecology’s Budget Request and Appropriation.”

The “Project Eligibility” and “AHCG Scoring Criteria” forms in EAGL that Applicants complete gives Ecology information about the project and its eligibility. Ecology staff will consider information provided in the application when scoring. The application’s final score is used as part of the project ranking and funding decision process. Criteria varies by grant type (AHCG vs. AHPG); Section 7.4 of this guidance shows the scoring criteria for the AHCG.

The final scores are used to rank the projects and determine funding priority. The subsequent project list is used by Ecology to request funding within available monetary resources.

3.3 Ecology’s Budget Request and Appropriation

In September of even-numbered years, Ecology submits a prioritized budget request for grants to the Governor’s Office, and submits the MTCA Ten-Year Financing Report to the Legislature.

Before the end of each even-numbered calendar year, the Governor’s office releases their budget proposal. That budget serves as the starting point for the Legislature when session begins in January of an odd-numbered year. The Legislature will pass a final budget, which is usually effective and enacted on July 1 of the odd-numbered year. The length of this process results in an approximate 1.5 year delay between when we solicit affordable housing cleanup projects and when funding for those projects becomes available to successful Applicants. Figure 2 shows Ecology’s two-year budget cycle.

²³ <https://ecology.wa.gov/About-us/Payments-contracts-grants/Grants-loans/Find-a-grant-or-loan/Affordable-Housing-Cleanup-grants>

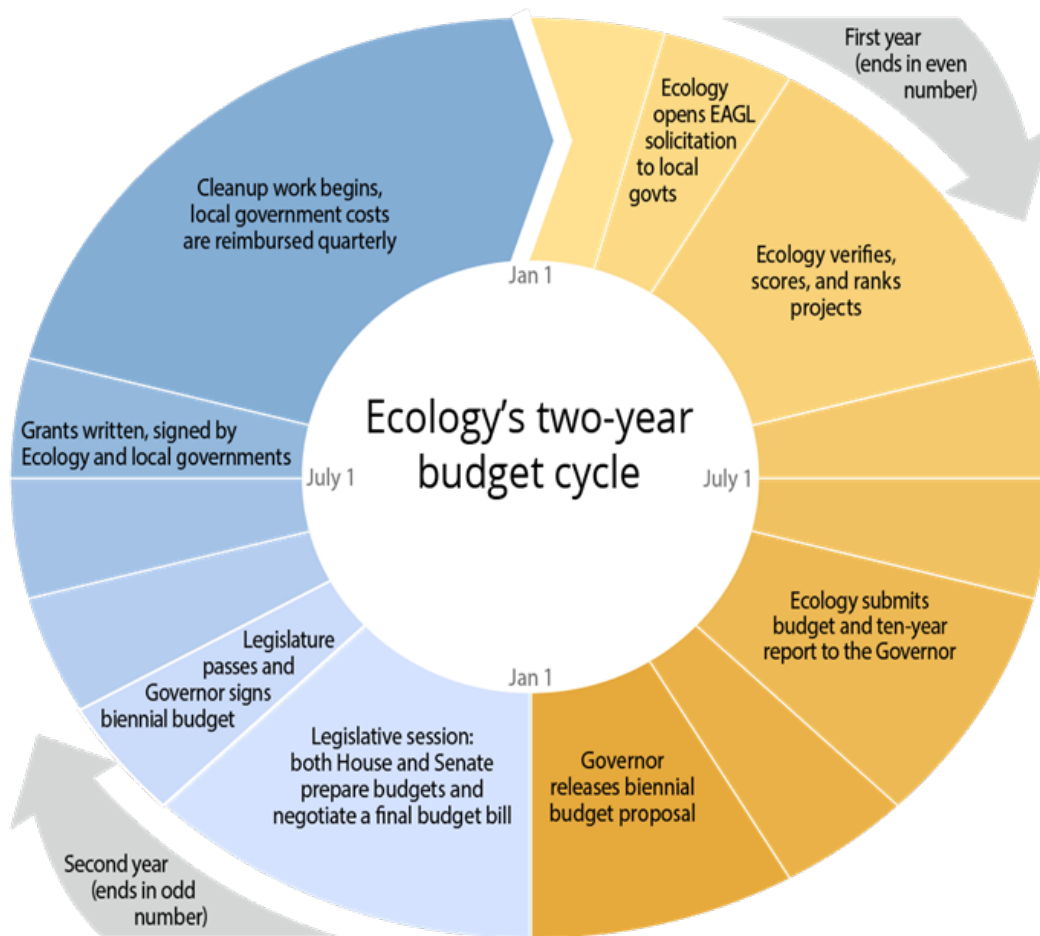


Figure 2. Ecology's two-year budget cycle for Affordable Housing Cleanup Grants.

3.4 Agreement Development

After the biennial budget is enacted, Ecology notifies Applicants if their project received funding. For funded projects, Ecology will work to accurately capture the scope of work for the grant. With the exception of the Grant Administration task, the cleanup grants under the AHCGP defer to the scope of work defined in the order or decree. The Applicant summarizes this scope of work in the "AHCG Project Details" form in the EAGL application. Ecology will assign each grant an Ecology Grant Financial Manager and Ecology Cleanup Project Manager. Ecology staff will then work with the Recipient to ensure the grant scope of work matches the needs of the cleanup and AHCGP requirements.

3.5 Reapplying

Ecology will move unfunded projects to the “Unfunded” status in EAGL. Ecology may request funding of additional projects in a supplemental budget request. However, the legislative session for the first supplemental budget overlaps with the biennial solicitation for the following biennium. Due to this overlap, please resubmit any project that did not initially receive funding during the next project solicitation.

Applicants whose projects did not receive funding or did not meet eligibility criteria can contact Ecology for other potential available funding opportunities to support cleanup.

Unused funds include (WAC [173-323-030](#)(3)²⁴):

- Funds awarded by Ecology, but not used by the Recipient.
- Funds offered by Ecology, but not accepted by the Recipient.

Ecology may grant unused funds at its discretion without announcing a new grant opportunity by:

- Awarding unused funds to unfunded applications from the previous solicitation
- Funding a new, emerging planning or cleanup project.

²⁴ <https://app.leg.wa.gov/WAC/default.aspx?cite=173-323-030>

Chapter 4: Funding Policies and Criteria

This chapter highlights general funding policies and updates related to implementing the AHCGP. For questions about these policies, please contact the appropriate Ecology Grant Financial Manager.

4.1 Cash Management

Ecology generally funds cleanup grants by each major phase of remedial action (RI, FS, and cleanup). To better manage cash flow and provide the most grant funds possible to Applicants who are ready to proceed with cleanups, Ecology avoids awarding more funds than estimated to complete the scope of work for that biennium.

Ecology may suspend the grant agreement and revoke funding if the recipient has not requested a reimbursement for two years.

4.2 Other Funding Sources

When applying and developing a budget for an AHCG, the grant Applicant/Recipient must identify all actual and potential sources of public and private financing for the project. These sources may include:

- Other affordable housing grants;
- Local matching funds;
- Agreements with other public and private Potentially Liable Persons (PLPs) or Potentially Responsible Parties (PRPs) to help pay for remedial action costs;
- Insurance policies and claims made against those policies; or
- Lawsuits filed to pursue a contribution claim or cost recovery claim under MTCA or the federal cleanup law.

An Applicant should conduct a thorough search for other PLPs or PRPs and relevant insurance policies, and initiate contact with these persons to try to reduce the public's share of cleanup costs. Ecology may condition an AHCG on a requirement to have exhausted all means, including litigation if appropriate, to recover funds from these other sources. Grant recipients are required to report on these activities and funding received.

4.2.1 Allowed use of other proceeds

A Recipient may use the proceeds from another grant source (not from Ecology), a settlement of an insurance claim, contribution claim, or cost recovery claim for the following cleanup-related costs:

- The Recipient's grant match
- The legal costs incurred by the Recipient to pursue the claim or action, which are not grant-eligible
- The remedial action costs incurred by the Recipient at the site that were not grant-eligible, such as long term operation and maintenance or monitoring costs and certain retroactive costs

4.2.2 Using other proceeds as grant match

Provided certain conditions are met, a Recipient may use proceeds from other grants (that aren't from Ecology), an insurance claim, a contribution claim, or a cost recovery claim under MTCA or the federal cleanup law to cover the remaining costs not covered by an AHCG. The Recipient must identify all other funding sources, including those from grants and litigation, in the grant application. Once the grant is awarded and active, the following conditions must be met if additional funding is allocated to the cleanup project from other sources:

- Upon application for another grant, filing a lawsuit, or insurance claim to recover remedial action costs at the contaminated site, the Recipient must notify Ecology of the application or filing within 30 days
- Upon successful grant application, legal action, or insurance claim, the Recipient must notify Ecology within 30 days of the total amount of funds received to date for remedial action costs at the contaminated site. The Recipient must also report additional funds in the next quarterly Progress Report submitted with the next Payment Request. The report should include:
 - The date of grant award, successful legal action, or insurance claim;
 - The specific amount of proceeds (or anticipated proceeds) received and the portion attributable to eligible costs; and
 - A copy of the grant agreement, settlement, judgment, or other document resolving the lawsuit or claim that details the funds received.

4.2.3 Repayment of excess proceeds

When the proceeds for cleanup from all other grant awards and settlements of all insurance claims, contribution claims, and cost recovery claims at a contaminated site exceed the allowed uses of the proceeds described above, the following may occur:

- If Ecology has not yet issued the AHCG, we will typically reduce the amount of the grant by the excess proceeds.
- If Ecology has issued the AHCG and the Recipient has spent the funds, Ecology will typically require repayment of the grant up to the amount of the excess proceeds.

4.3 Cultural Resources Requirement

Under [Governor's Executive Order 21-02](#)²⁵ (GEO 21-02), projects funded by an AHCG require Ecology review for potential impacts to cultural resources. Examples of cultural resources include Native American sacred places and landscapes; archaeological sites or objects; buildings, objects, sites, structures or districts older than 45 years; locations of significant events or pre-contact or historic occupation, such as trails, petroglyphs, village sites, or battlefields. State and local regulatory standards vary by project type, type of funding, and location. The goal of the review is to identify any cultural resources potentially affected by the proposed action, assess the effects of the proposed action, and seek ways to avoid, minimize, or mitigate any adverse impacts.

4.3.1 Cultural resource consultation and Inadvertent Discovery Plan

Ecology will review all affordable housing cleanup projects for potential impacts to cultural resources. We will consult with the Department of Archaeology and Historic Preservation and affected tribes for all projects involving field activities. The consultation process includes providing a completed [Ecology Cultural Resources Review Form](#)²⁶. Recipients need to contact the Ecology cleanup project manager to coordinate completion of this form.

Recipients are encouraged to work with the Ecology cleanup project manager to initiate a cultural resources consultation as soon as possible. The consultation process can take months to complete and Ecology may not reimburse otherwise grant-eligible costs if consultation is not completed prior to initiating field activities.

When a Recipient seeks reimbursement of past costs, Ecology will implement a separate evaluation process to fulfill the cultural resources protection requirements of GEO 21-02. That process is described in the focus sheet: Cultural Resources Protection and Remedial Action Grants (RAGs): Reimbursement of Past Costs.

For all projects involving field activities, Recipients also need to complete an Inadvertent Discovery Plan (IDP), which outlines steps to take in the event of a discovery of archaeological materials or human remains, in accordance with applicable state and federal laws. Recipients may use Ecology's [IDP template](#)²⁷ or an alternative that contains similar information. Recipients must provide the IDP to the Ecology cleanup project manager for review during planning for field activities.

²⁵ <https://dahp.wa.gov/sites/default/files/EO21-02%20-%20Archaeological%20and%20Cultural%20Resources.pdf>

²⁶ <https://apps.ecology.wa.gov/publications/SummaryPages/ECY070537.html>

²⁷ <https://apps.ecology.wa.gov/publications/SummaryPages/ECY070560.html>

4.4 Environmental Justice Evaluation Criteria

Providing equitable environmental protection to all people in our state is important to Ecology and the State of Washington. This core principle is part of the agency's commitment to environmental justice. Washington state law defines environmental justice as:

"...the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, rules, and policies. Environmental justice includes addressing disproportionate environmental and health impacts in all laws, rules, and policies with environmental impacts by prioritizing vulnerable populations and overburdened communities, the equitable distribution of resources and benefits, and eliminating harm." ([E2SSB 5141](#)²⁸).

This principle is consistent with MTCA's key policy that:

Each person has a fundamental and inalienable right to a healthful environment, and each person has a responsibility to preserve and enhance that right (RCW [70A.305.010](#)[1]).

The Legislature has supported affordable housing incentives because:

"...in many of Washington's urban centers there is insufficient availability of desirable and convenient residential units, including affordable housing units, to meet the needs of a growing number of the public who would live in these urban centers if these desirable, convenient, attractive, affordable, and livable places to live were available". (RCW [84.14.005](#)²⁹ [1][a]).

Therefore, by combining affordable housing development with environmental cleanups; Ecology is promoting the equitable distribution of environmental benefits and risks among diverse economic and cultural communities through

"the development of additional and desirable residential units, including affordable housing units, in these urban centers that will attract and maintain a significant increase in the number of permanent residents in these areas will help to alleviate the detrimental conditions and social liability that tend to exist in the absence of a viable mixed income residential population and will help to achieve the planning goals mandated by the growth management act under RCW [36.70A.020](#).³⁰ (RCW [84.14.005](#) [1][b])".

Ecology is including environmental justice considerations when selecting projects we will fund through the AHCGP. Those considerations include higher scoring for projects located in a "highly impacted community", defined as a community that the department has determined is likely to bear a disproportionate burden of public health risks from environmental pollution (WAC [173-322A-100](#)³¹[24]).

²⁸ <https://lawfilesexternal.wa.gov/biennium/2021-22/Pdf/Bills/Session%20Laws/Senate/5141-S2.SL.pdf?q=20210820010251>

²⁹ <https://app.leg.wa.gov/rcw/default.aspx?cite=84.14.005>

³⁰ <https://app.leg.wa.gov/rcw/default.aspx?cite=36.70a.020>

³¹ <https://app.leg.wa.gov/wac/default.aspx?cite=173-322A-100>

Ecology currently identifies a highly impacted community as one where:

- The population of the census tract scores a rank of 9 or 10 on the [Environmental Health Disparities Map](#)³² maintained by the Department of Health. The environmental health disparities index considers 19 indicators that include environmental exposures and effects as well as sensitive populations and socioeconomic factors.

OR

- The site is located in the 80th percentile for people of color population or low-income population demographic indicators according U.S. EPA's Environmental Justice Screening and Mapping tool ([EJSCREEN](#)).³³

In addition to helping identify highly impacted communities, Ecology integrated other environmental justice principles throughout the evaluation criteria to prioritize the following:

- Projects in communities at higher risks for displacement and higher levels of unaffordability. Ecology asks Recipients to use the Washington Tracking Network Environmental Health Disparities Map to identify the risk of Unaffordable Housing within an area. Additionally, Recipients are encouraged to submit additional supporting data where they have more localized data sources such as the [displacement risk map](#)³⁴ for the Puget Sound region.
- Projects that demonstrate they are providing the type of affordable housing needed in the communities they serve. Ecology asks Recipients to detail the long-term vision of the project and highlight any consistency with the local government vision.
- Projects with proximity to basic services and amenities such as the availability of mass transit and community services. Ecology asks recipients to list the distance from the proposed affordable housing project to mass transit and other services.

The U.S. Environmental Protection Agency (U.S. EPA) has other information on their [environmental justice website](#).³⁵

³² <https://fortress.wa.gov/doh/wtn/WTNIBL/>

³³ <https://ejscreen.epa.gov/mapper>

³⁴

<https://psregcncl.maps.arcgis.com/apps/webappviewer/index.html?id=4e1f07c343534e499d70f1686171d843>

³⁵ <https://www.epa.gov/environmentaljustice>

4.5 Climate Resilience and Green Remediation

Planning for adaptation (identifying and preparing for climate change impacts) and mitigation (reducing future climate change) are critical issues for contaminated sites that Ecology must address. Improving our ability to anticipate and prepare for climate change impacts will help protect human health and the environment, protect the substantial investment in cleaning up contaminated sites, and ensure the long-term effectiveness of cleanup remedies. In Washington state, relatively modest observed climate trends are projected to accelerate in the decades ahead, contributing to an increase in sea level rise, extreme precipitation events, wildfires, and flooding.

According to the U.S. EPA, green remediation is the “practice of considering all environmental effects of remedy implementation and incorporating options to maximize net environmental benefit of cleanup actions”³⁶. The goals of green remediation are to increase the environmental benefit and reduce the environmental impacts throughout the cleanup process. Implementing green remediation best management practices can result in:

- **Benefits to human health and the environment.** Reducing nitrogen/sulfur oxides and diesel particulate matter emissions benefits air quality; and reducing greenhouse gas emissions decreases contributions to carbon in the atmosphere.
- **Cost savings.** Conserving energy reduces fuel and electricity costs, and minimizing waste material reduces transportation costs and landfill tipping fees.
- **Benefits to the local economy.** Using local goods and services can generate revenue and jobs for the community and limit the mileage from transporting people and materials. This, in turn, conserves energy and fuel and reduces air pollutant emissions.

For more information on incorporating climate change considerations in cleanup, please review Ecology’s climate change guidance, [Adaptation Strategies for Resilient Cleanup Remedies: A guide for cleanup project managers to increase the resilience of toxic cleanup sites to the impacts from climate change \(2017\)](#)³⁷.

³⁶ U.S. EPA Definition taken from <https://www.epa.gov/remedytech/green-remediation-incorporating-sustainable-environmental-practices-remediation>

³⁷ <https://apps.ecology.wa.gov/publications/documents/1709052.pdf>

Chapter 5: Grant Management

This chapter describes the financial and administrative aspects of managing an AHCG and is intended to address some common questions that frequently arise during agreement execution. The information in this chapter supplements the following:

- Information contained in the applicable version of Ecology's "[Yellow Book](#)," the *Administrative Requirements for Recipients of Ecology Grants and Loans*
- The project-specific terms and conditions specified in the grant agreement
- The General Terms and Conditions for Ecology grants and loans. This document is included in each grant or loan agreement. Contact the appropriate Ecology Financial Grant Manager for the latest version. If the General Terms and Conditions are amended during the biennium, the version in effect on the date the agreement was signed or date of the most recent amendment applies. The General Terms and Conditions are not negotiable
- The scope of work or other requirements specified in an order, decree, or the grant agreement

5.1 Roles and Responsibilities

The AHCG that supports cleanup work involves several key individuals: the grant Applicant or Recipient, the Ecology Grant Financial Manager, the Ecology Cleanup Project Manager, the Ecology AHCGP Project Manager, and the Ecology TCP Section Manager.

5.1.1 Grant Applicant or Recipient

The grant applicant that applies for the grant is responsible for managing the work funded by the grant, including compliance with both cleanup and grant administration requirements. Remedial actions must be consistent with applicable rules, the order or decree, and the approved work plan. Remedial actions must also be completed within reasonable costs. The Recipient is responsible for ensuring that contractors or consultants are procured and act in accordance with all applicable federal and state laws.

Applicants are responsible for submitting accurate application materials including all elements of the grant application. Once the grant is executed, the Recipient is responsible for updating the spending plan, quarterly payment request and progress reports, and timely notification to Ecology staff of any changes to the scope of work, work schedule, or other changes to the grant budget.

5.1.2 Ecology Grant Financial Manager

The Ecology Grant Financial Manager is the Recipient's contact for questions or concerns regarding cost eligibility, EAGL assistance, amendments, and grant administration. Once the grant is awarded, the Grant Financial Manager will work with the Recipient to ensure the grant description, budget, and scope of work appropriately reflect the work to be funded by the grant. Once the grant is activated, the Grant Financial Manager will facilitate amendments, review

each payment request, and ensure proper grant close out. The Grant Financial Manager reviews each payment request to ensure proper documentation, accuracy of records, and cost eligibility. When the grant is Closed Out the Grant Financial Manager ensures that the grant agreement and associated amendments are uploaded into the Integrated Site Information System (ISIS).

5.1.3 Ecology Cleanup Project Manager

The Ecology Cleanup Project Manager is the primary point of contact for site work, and is responsible for managing the cleanup and responding to questions or concerns about remedial actions. Cleanup Project Managers verify Applicant information prior to project ranking and funding decisions by the TCP Management Team. The Cleanup Project Manager issues the Notice of Intent to Incur Remedial Action Costs, the Notice of Intent to File a Lien, and files the lien per Section 5.3 of this guidance. Once the grant is active, the Cleanup Project Manager will conduct site visits; review technical documents; and review quarterly progress reports and payment requests. Ecology reviews technical documents to ensure compliance with MTCA and other applicable requirements, and for completeness and data quality. When a grant is active, the Cleanup Project Manager will review payment requests and progress reports to ensure technical accuracy, reasonableness of costs, and compliance with the scope of work as defined in the order, decree, or grant agreement. Once the grant is Closed Out the Cleanup Project Manager will ensure that a lien is recorded and will continue to monitor the site to ensure that the restrictions established in the grant agreement are being met.

5.1.4 Ecology Toxics Cleanup Program Section Manager

Ecology's TCP Section Manager supervises Ecology's Cleanup Project Managers within their geographic area of responsibility. For AHCGs, their role includes informing potential Applicants of available grants; coordinating ten-year plan submissions; working with other members of the TCP Management Team to rank and score projects for budget requests; and monitoring grant activity and expenditures.

5.1.5 Ecology Affordable Housing Cleanup Grant Program Project Manager

Ecology's AHCGP Project Manager provides policy level coordination for AHCG. This role includes providing technical assistance to Applicants and Recipients. Technical assistance may include the identification of strategies, resources, and potential partnerships or answering questions on the availability of funding, eligibility of potential projects, how Ecology selects projects for funding and other details about the grant program.

5.2 Spending Plans

Recipients must update spending plans for their grant within EAGL with each payment request. Ecology's TCP Management Team meets quarterly to review the actual expenditures to date and projected future expenditures. If a project becomes significantly delayed, Ecology may allot unused funds to another project.

5.3 Lien

Ecology will file a lien against the property for a period of 30 years to ensure that the Recipient continues to meet the terms established in the grant agreement. Ecology will issue a Notice of Intent to Incur Remedial Action Costs to the grant recipient prior to issuance of a grant agreement as described in Ecology [Procedure 550B](#)³⁸. Ecology will follow with a Notice of Intent to File a Lien during Close Out (see Section 5.6).

5.3 Technical Reports

The Recipient should submit any technical reports required under the grant to the Ecology Cleanup Project Manager for review as specified in the order, decree, or grant agreement. The Recipient must enter all sampling data generated during remedial actions into Ecology's Environmental Information Management system (EIM). Ecology will withhold payments if the Recipient has not properly entered data into EIM or submitted all technical documents.

5.4 Quarterly Grant Progress Reports & Payment Requests

Ecology provides grants on a cost reimbursement basis. This means the Recipient must incur a cost before it is eligible for reimbursement under the grant. The Recipient must submit requests for reimbursement and adequate documentation of eligible costs incurred after the agreement signature date to Ecology within 120 days of incurring the costs.

The Recipient must complete progress reports and submit one with each payment request or at a minimum each quarter, during the lifetime of the grant. Progress reports describe actions and accomplishments in meeting project milestones and include a certification that the Recipient has submitted sampling results to Ecology as required. Ecology's Grant Financial Manager and Cleanup Project Manager review progress reports to learn how the activities are proceeding, the reasons for any delays or cost overruns, and if any changes took place in the project, project staff, or contractors. Quarterly progress reports must include information on the status of pending cost recovery actions and insurance claims.

Ecology's Grant Financial Manager cannot process a payment request without a progress report, proper documentation, or updated spending plan for that billing period.

5.5 Amendments

After Ecology's Grant Financial Manager establishes the grant budget, they may consider a request for an amendment. However, Ecology does not promise or guarantee such amendments. Ecology may amend an agreement to change the length of the agreement or the budget for the agreement. Ecology usually does not amend an agreement to increase funding. If the Recipient needs additional funding, Ecology would usually award it in a subsequent grant agreement in a subsequent project solicitation.

³⁸ <https://apps.ecology.wa.gov/publications/documents/1209046.pdf>

The Ecology Grant Financial Manager may only redistribute funds among the grant tasks or perform other amendments through a formal amendment process. If a change is needed, the Recipient can request an amendment through EAGL or by emailing their project's Ecology Grant Financial Manager. Once approved, the amendment process can begin.

Ecology may allow a Recipient to deviate from the task budget by up to 10% of the total grant budget. At their discretion, the Ecology Grant Financial Manager may require an amendment when the Recipient has surpassed the budget even if by less than 10%. If a payment request goes over the 10% threshold, Ecology will withhold the exceeding funds until an amendment appropriately adjusts the budget and we approve a new payment request. Ecology will automatically disperse the exceeding funds along with the approved funds of the new payment request.

5.6 Close Out

Close Out of the grant is an administrative task to finalize disbursement of award. Ecology will continue to monitor the fulfillment of the conditions, including property restrictions, under the formal cleanup agreement (i.e. order or decree) and the grant agreement with Ecology.

When the Recipient has completely spent a grant and completed eligible reimbursable activities, they will need to submit:

- **Outstanding technical documents.** Provide all technical documents to the Cleanup Project Manager as outlined in the order, decree, or grant agreement. Ecology may withhold final payment and grant close out if the Recipient has not submitted completed deliverables to Ecology staff.
- **Final Payment Request and Progress Report.** Both of these EAGL forms will require the Recipient to identify it as the final payment request or progress report for the grant. Select “yes” on the final payment request and progress report to enable closing out the grant.
- **Close Out Report.** This is an EAGL form found in the Payment Request Menu where the Recipient summarizes the final achievements of the activities funded by the grant. In most cases, we require the Close Out report with the final Payment Request and Progress Report. If you require more time or assistance completing your Close Out report, speak to your Ecology Grant Financial Manager. Ecology may withhold your final payment pending submittal of the Close Out report.

Ecology must record the property lien during Close Out of the grant per [Procedure 550B³⁹](#). The Grant Financial Manager will upload the grant agreement and associated amendments into ISIS so that property restrictions are documented.

³⁹ <https://apps.ecology.wa.gov/publications/documents/1209046.pdf>

5.7 Audits

All grants and loans are subject to audit. Ecology has the right to audit the grant for three years after the grant is officially finished. Ecology may audit grant related documentation at any time during the project. If the audit identifies problems, they must be corrected. If Ecology identifies any problems on invoices, the Recipient must review and correct all previous invoices. This could include repayment of grant funds or adjustments to subsequent billings to reimburse Ecology for overpayments.

5.8 Property Restrictions

Prior to the Recipient conveying any interest in the real property or entering into any leases, they must restrict the real property to affordable housing use through a restrictive covenant, in accordance with RCW [64.04.130](https://app.leg.wa.gov/rcw/default.aspx?cite=64.04.130)⁴⁰, for a period of no less than thirty years. If the recipient refuses to restrict the property use to affordable housing; or fails to meet the terms in the grant agreement, Ecology will use its lien authority (Section 5.3) to recover costs incurred and will require repayment of the funds with interest. Interest will accrue at the rate of twelve percent (12%) per year from the time Ecology demands repayment of funds.

⁴⁰ <https://app.leg.wa.gov/rcw/default.aspx?cite=64.04.130>

This page left intentionally blank

Chapter 6: Cost Eligibility

The Recipient is responsible for understanding cost eligibility terms prior to incurring an expense and billing to the grant. Cost eligibility is outlined in the terms of the agreement, the grant rules, Ecology's "[Yellow Book](#)," and this Guidance.

Only Ecology's Grant Financial Manager can determine if a cost is eligible under the grant. Ecology Grant Financial Managers work with Ecology Cleanup Project Managers, who supervise the actual cleanup or investigation related activities, to ensure the costs are reasonable, necessary, and applicable to the project. If there are any questions about whether a specific cost may be billed to the grant, the Recipient must ask the Ecology Grant Financial Manager responsible for the agreement.

The Recipient is fully responsible for paying any cost that Ecology's Grant Financial Manager does not allow. This remains true even if the Recipient did not understand the cost was not eligible, or a contractor or other representative approved or purchased the item without the Recipient's knowledge or approval.

If the Ecology Grant Financial Manager decides a cost is not grant-eligible, the Recipient should not include the item on any future payment requests. The Recipient is responsible for submitting accurate and properly documented payment requests for eligible expenses.

Only eligible cash expenditures are reimbursable. In general, an eligible cost is:

- **Necessary to complete the scope of work.** Ecology's Grant Financial Manager and Ecology's Cleanup Project Manager must approve the scope of work. For sites under an order or decree, the scope of work in the grant agreement must be consistent with the required work plan for the order or decree.
- **Reasonable for the task.** Ecology reserves the right to reject costs as excessive, even when work is fully approved from a technical standpoint. As a result, Ecology may reimburse some expenses at less than the allowable percentages or not at all. It is important to communicate project needs, especially equipment, with Ecology's Grant Financial Manager prior to making large expenditures to ensure that Ecology will reimburse the expenditure.
- **Timing.** The Recipient must incur costs after the effective date of the agreement and before the expiration date of the agreement.
- **Retroactive costs.** Costs incurred prior to the executed grant are at the sole expense of the Recipient, except as specified below for the Cleanup Grants only (Planning Grants will not be reimbursed retroactive costs).
 - Costs incurred under the order or decree during the period of a prior grant agreement that Ecology has not previously reimbursed
 - Costs incurred under the order or decree between the effective date of the order or decree and the agreement signature date

- Costs incurred negotiating the order or decree, provided that the costs are not legal costs and were incurred within 60 days after starting negotiations for an order, or 120 days after starting negotiations for a decree
- Costs incurred before the effective date of the order or decree conducting independent remedial actions, as long as the costs for the remedial actions were incurred:
 - After the site was entered into Ecology's Voluntary Cleanup Program (VCP); or
 - Two years prior to the signature date of the order or decree; whichever is the earliest date.

The effective date of the grant agreement will be the date that Ecology accepted the site into the VCP or two years prior to the signature date of the order or decree; whichever is the earliest.

Please note that if this Agreement includes retroactive reimbursement for past costs covering field activities potentially impacting cultural resources, then that activity will be subject to Ecology review to assess actions taken to address potential direct and indirect effects on prehistoric and historic archaeological sites, historic buildings and structures, traditional cultural places, sacred sites or other cultural resources. Based on the findings of the review, some or all past costs may be deemed ineligible for retroactive reimbursement.

- **Consistent.** Charged costs must be consistent with the standard business practices of the Recipient, contractor, or consultant. A cost is not eligible if it is computed differently than costs incurred in any other Recipient, contractor, or consultant activity. The Recipient, contractor, or consultant must compute the direct and indirect charges in the same way as those charges would be computed if the costs were related to any other activity. The Recipient should follow consistency with standard business practices, except when grant billing or other requirements necessitate variation.

6.1 Proper Documentation

The Recipient must properly document all costs for Ecology to consider them eligible for reimbursement. The Recipient must upload all supporting documentation to EAGL for each payment request and progress report. This includes documentation for all expenses, including the Recipient's salary and benefits data, contractor and subcontractor invoices and receipts, accounting records or any other form of record that establishes the appropriateness of an expense. Receipts for supplies or meals must be itemized (if billing meals at per diem without receipts clearly note the date, individual who is claiming meals and meals being sought for reimbursement-breakfast, lunch dinner, and per diem rate). A charge card receipt with only a total payment amount is not acceptable documentation. Backup documentation requirements are the same for contractors and their subcontractors.

At a minimum, supporting documentation must include:

- Description of the item or services purchased. “Supplies” is not an adequate description. The invoice must include a list of the individual items purchased with the quantity and price
- Name of vendor
- Date of cost incurred
- Invoice number
- Invoice date
- Serial, vehicle identification number (VIN), or other identifying number (for equipment or vehicles costing \$5,000 or more)
- Cost and quantity for each line item or service
- Tax
- Total cost
- Notes associating the cost to the grant site can be handwritten on invoice by the Recipient
- Grant task number for billing

Backup documentation should organizationally follow the receipt or invoice to which it relates. It is a best practice to upload invoices individually to EAGL rather than all lumped together in one PDF. The Recipient should name PDFs with the Invoice Number included. EAGL has a 35-megabyte limit for each upload and it is more difficult to review large PDFs. Please save PDFs in a format that allows a search capacity. If the Recipient scans the PDF as a picture, we cannot search them and we may return the Payment Request/ Progress Report to the Recipient for resubmittal.

The Recipient must organize the documentation and labeled it in such a manner that Ecology’s Grant Financial Manager can determine which expenses the Recipient is claiming in a reasonable amount of time. If the backup documentation is disorganized to the extent that Ecology’s Grant Financial Manager cannot locate the appropriate information in a timely manner, we may return the payment request to the Recipient for modification and reorganization.

Fixed Price or Lump Sum contracts often used in public works contracting also require backup documentation to support charges. This includes trip tickets for contaminated soil disposal, rental receipts for equipment, subcontractor invoices, sampling and analysis bills, and receipts for supplies and direct expenses. Ecology may also require the Recipient to upload the contract as backup.

Withholding (aka retainage) is not billable to the grant until it the Recipient has paid it to a consultant or contractor and provides proper documentation. The Recipient must have incurred costs for Ecology to reimburse them. Backup documentation of consultant or contractor payments often includes a) copies of emails or memos from the Recipient to the bank approving the release of the funds, and b) copies of financial transactions or a letter from the bank showing release of funds to the consultant or contractor. An invoice from the consultant or

contractor billing for the withholding, and a warrant from the Recipient showing payment of the withholding, are also acceptable documentation.

Recipient salary and benefit costs should document the date work was performed and the hours worked per day. The Recipient may use an Excel spreadsheet, or a printout from their accounting system. The Recipient must upload all backup documentation must into EAGL, along with a statement about where and how they collected the backup information such as from a time accounting system or manual spreadsheet updates). If the Recipient enters time into an Excel spreadsheet, then they should provide a copy of the signed timesheet as additional backup. The Recipient must present documentation for each day worked, not only in a summary rolled up into pay periods. The backup documentation must include:

- The name of employee charging to the grant with their actual salary and benefits;
- For each employee, provide the hours worked each day, by date, and by grant task;
- The role each employee fulfills for the project, and the activities performed during the billing period.

Consultant time requires the number of hours worked per day, a brief description of tasks/activities worked on each day, and necessary backup from a payroll system or project tracking database. Ecology understands that consultants usually charge time at a chargeable rate that includes benefits. However if the rate seems unreasonable, Ecology may not reimburse at the full chargeable rate. The same cost eligibility rules apply to consultants hired directly by the Recipient and the subcontractors hired by any primary consultants or contractors. Some consultants bill by employee salary only and add a separate cost for the overhead costs of all employees combined; this method is acceptable.

6.2 Eligible Costs

For the purposes of this Guidance, we also refer to “grant-eligible costs” as “eligible costs.” While the order, decree, or grant agreement will identify the scope of work, there are often specific issues related to eligible costs that may arise during grant implementation. When there is a question about what is an eligible cost, the Recipient should first review the applicable version of Ecology’s [“Yellow Book,”](#) *Administrative Requirements for Recipients of Ecology Grants and Loans*.

- **Administrative costs.** The Recipient incurs administrative costs as part of normal administrative processes for approval of contracts or payment of bills are eligible costs. For example, time spent reviewing invoices, preparing payment requests or progress reports, and other project-related documents, or participating in briefing meetings with elected officials or others who need to approve a contract related to the grant, are eligible costs.
- **Direct expenses.** Direct costs are eligible costs. These are costs that the Recipient can identify specifically with a particular task for the project, such as:
 - Compensation for employee time devoted to the project;

- Cost of materials used specifically for the project;
- Cost of goods or services furnished for the project by other entities such as consultants or other agencies or programs.
- **Operation and maintenance or monitoring costs.** Operation and maintenance or monitoring occurs after construction of a cleanup action component is complete. These actions are usually specified in an Operation and Maintenance Plan, required under WAC [173-340-400](#)⁴¹(4)(c), or a Compliance Monitoring Plan, required under WAC [173-340-410](#)⁴². However, these costs are not grant-eligible if the Recipient incurs more than one year after completing construction. See Ineligible Costs later in this chapter.

Ecology may only fund one year of operation and maintenance or monitoring for each funded component of the cleanup action, including components that are long-term actions such as monitored natural attenuation or monitored natural recovery. Any costs incurred performing such activities after the first year are not grant eligible.

When it's not clear whether the Recipient has completed construction of a cleanup action component, Ecology uses U.S. EPA's guidance, "[Closeout Procedures for National Priority Sites](#)⁴³," to determine if construction is complete.

- **Overhead.** Overhead costs are those the Recipient incurs for a common purpose and not readily identifiable with a particular project. Examples of overhead include utilities for a facility not specific to the project or support departments such as human resources, fiscal staff, or supervisory personnel.

The Recipient should proportion these costs between the grant and other non-grant related usage. The Recipient may charge overhead to cover costs that they do not typically directly bill to the grant. Allowable overhead for AHCGs is **up to 25%** of salaries and benefits for the recipient's employees directly billing to the project. If the normal organizational overhead rate for the recipient's employees is 20%, then the grant the Recipient should not bill for more than 20% overhead. The Recipient must report overhead charges = on the same billing as the connected salaries and benefits on which we calculate overhead are a separate line item. This is not applicable to consultant/contractor salary and benefits.

- **Fleet costs and mileage.** The Recipient needs to clearly establish a billing method for automobile or fleet costs and keep it consistent throughout the grant. The Recipient needs to keep this method consistent with how they typically manage their automobile or fleet expenses. The Recipient cannot create it specifically for purposes of the grant. The [state mileage rate](#)⁴⁴ in effect at the time the Recipient incurred the cost is applicable as a maximum for any mileage billed by the Recipient, consultants, or contractors. The Recipient may not apply markups to mileage unless the final rate is equal to or less than

⁴¹ <https://apps.leg.wa.gov/WAC/default.aspx?cite=173-340-400>

⁴² <https://apps.leg.wa.gov/WAC/default.aspx?cite=173-340-410>

⁴³ <https://www.epa.gov/superfund/close-out-procedures-national-priorities-list-superfund-sites>

⁴⁴ <https://ofm.wa.gov/accounting/administrative-accounting-resources/travel/diem-rate-tables>

the state mileage rate in effect at the time the travel occurred. It is the Recipient's responsibility to correct mileage billed in excess of the state rate.

- **Parking.** Parking is a grant-eligible expense. The Recipient must provide receipts for reimbursement. Absent a receipt, Ecology will not allow the cost.
- **Rental cars.** If the Recipient or a Recipient's contractor or consultant leases a rental car, the invoice should include the miles driven and the time period of the rental. Ecology may ask the Recipient to provide the project hours worked by the individual who used the car. If the employee or consultant did not work fulltime on grant activities during the period the Recipient leased the car, Ecology's Grant Financial Manager will only approve a prorated share of the rental or lease cost. The Recipient must provide original gasoline receipts for fuel costs when a car is rented, unless otherwise approved by Ecology's Grant Financial Manager. Gasoline may only be direct billed for a rental vehicle.
- **Consultant or contractor list of reimbursable expenses.** For vehicle expenses charged based on a list of their Reimbursable Expenses (example: \$100/day for use of their company vehicle) the grant may reimburse the amount of the per day or week charge for the use of the contractor or consultant vehicle in lieu of a rental vehicle from a rental company. In this case, Ecology would not pay the gasoline and mileage separately. The only eligible cost is the charge for the vehicle usage.
- **Travel – per diem.** When on travel status, a Recipient's and their consultant or contractor's travel costs are grant-eligible under certain circumstances. Ecology will only pay per diem costs at the [state rate](#)⁴⁵ determined by the Office of Financial Management. Travel costs are not eligible for markup by a contractor, consultant, or the Recipient, unless the total cost remains at or below the state travel rate in effect at the time of travel. Ecology will not reimburse any markups over the state rate or other disallowed travel costs with grant funds.
 - Itemized receipts are always required for hotels. Ecology cannot reimburse the room rate in excess of the state rate. This does not include additional room fees and taxes. For example, if the state rate is \$91, the room must cost \$91 or less. However, the reimbursable hotel bill could be higher than \$91 after the addition of taxes and room fees. This does not include room service. Non-traditional lodging, such as Airbnb and VRBO, are subject to approval of the Ecology Grant Financial Manager. In general, Ecology will reimburse nontraditional lodging at the state rate and further taxes or room fees are likely to be disallowed since they are typically higher for this type of lodging.
 - Ecology's Grant Financial Manager may authorize exceptions to state-approved hotel rates under limited circumstances. However, they must approve the exception in writing prior to the Recipient incurring the cost. Ecology does not allow costs in excess of the state rate if the Recipient has not requested and received approval in advance

⁴⁵ <http://www.ofm.wa.gov/resources/travel.asp>

- **Permit fees.** Fees for permits necessary to complete remedial actions are an eligible cost. This includes local, state (including Ecology-issued permits), and federal permits. If remedial actions being conducted under an order or decree are exempt from a local, state, or federal permit, any equivalent fee charged by the permitting agency to identify applicable, relevant and appropriate requirements (ARARs) are eligible costs (excluding Ecology or the U.S. EPA oversight charges). To complete the work within the biennium, the Recipient may need to pay an extra fee for expedited permit review. Ecology considers these expedited fees eligible costs. Fees for permits related to redevelopment of a site are not eligible costs.
- **Supplies.** Supplies are tangible personal property other than tools or equipment. Supplies are either direct billed or Ecology considers them an overhead expense. Supplies or materials needed to perform the scope of work in the agreement are a grant-eligible cost. Under most grant agreements, these costs are part of overhead expenses but the Recipient can directly bill them if they use them only for grant-related activities. Receipts for supplies must detail and identify the specific items the Recipient purchased. It cannot just say “Supplies.” **Example:** If the Recipient purchases paper or ink for an office printer used by multiple programs or projects, this is an overhead expense. If the Recipient has a project office with a project printer dedicated to use only on the grant-funded activities, the Recipient may direct bill printer supplies.

6.3 Conditionally Eligible

Conditionally eligible costs are costs that may be grant-eligible if they meet certain conditions. All conditionally eligible costs require prior written approval from Ecology’s Grant Financial Manager. Failure to obtain prior approval may result in the Recipient having to pay for these costs, which also makes them ineligible to count towards the grant match. The following section discusses specific issues related to conditionally eligible costs that often arise during the administration of AHCGs.

- **Amenity replacement costs.** Ecology may allow the costs of replacing amenities on the site such as trash and recycle bins, sidewalks, benches, lighting, turf, picnic tables, and drinking fountains, if these amenities were destroyed because of cleanup construction. Recipients must provide up-front documentation about why the Recipient needed to remove and replace these amenities. The Ecology Cleanup Project Manager must have visually inspected them prior to destruction and required their removal for cleanup. If the Recipient carelessly destroyed amenities during cleanup activities, Ecology will not reimburse them under the grant. If amenities were past their normal life expectancy, Ecology will not reimburse them under the grant. Ecology may allow partial payment at the Ecology grant manager’s discretion.
- **Equipment.** Equipment means tangible, nonexpendable, personal property that has a useful life of more than one year and an acquisition cost of at least \$5,000 per functional unit or system. Some tools can fall into the equipment category because of their cost. Once an item exceeds the \$5,000 threshold, additional requirements govern its acquisition, use, and disposition and will require an Equipment Purchase Report in

EAGL. Ecology's "[Yellow Book](#) provides additional information on this topic." If a Recipient will want reimbursement for equipment purchases, the Recipient should inform Ecology's Grant Financial Manager so they can write the purchase into the grant agreement.

- **Tools.** Tools are tangible personal property having a useful life of more than one year and an acquisition cost of less than \$5,000 per functional unit. Tools are a conditionally allowable cost. They require written approval from Ecology's Grant Financial Manager. Considerations typically include the following:
 - Is the tool required to perform the scope of work in the agreement?
 - Is the cost reasonable?
 - Is the price of the tool the most economical means of accomplishing the task or work?
 - Will the Recipient maintain ownership/possession of the tool?

If the Recipient purchase tools without approval by Ecology's Grant Financial Manager prior to the purchase, Ecology might not allow the cost for reimbursement under the grant. Ecology expects that contractors or consultants arrive trained and equipped to do the job for which they were hired.

- **Light refreshments.** Light refreshments for public meetings required in the scope of work for the agreement are conditionally allowable costs. The Recipient must request approval to provide light refreshments prior to incurring any expense. Before the meeting, submit the following to Ecology's Grant Financial Manager:
 - Written request that contains an explanation for the purpose of the meeting;
 - Meeting agenda or description of purpose; and
 - Draft budget (expense itemization) approved by Ecology's Grant Financial Manager in advance of the event.
- After the meeting, submit the following to Ecology's Grant Financial Manager:
 - Sign-in sheet or attendance list; and
 - Final vendor receipts or invoices.

Ecology will not reimburse the Recipient and consultant or contractor lunches or meeting refreshments under the grant agreement unless the Recipient shows that employees are on travel status. The Ecology Grant Financial Manager must approve the costs in advance.

- **Groundbreaking and cleanup completion ceremonies.** The costs of hosting a groundbreaking ceremony or one commemorating the completion of a cleanup are generally not grant-eligible costs. Ecology may allow for light refreshments; if allowed by Ecology's Grant Financial Manager, the requirements for light refreshments apply.

- **Negotiation costs.** Technical and administrative costs incurred by the Recipient during negotiations on an agreed order or consent decree may be eligible for grant reimbursement (legal costs are not grant-eligible). The Recipient must incur these costs within 60 days of start of negotiations on an agreed order, or within 120 days of start of negotiations on a consent decree. Recipients should receive a notice from Ecology that this time period has begun. If not, the Recipient should request such a notice. The Ecology Cleanup Project Manager must agree the costs incurred were appropriate, reasonable, and necessary to develop the technical aspects of the order or decree (such as the scope of work). Costs related to discussion of an enforcement order are not eligible costs.

Examples of grant-eligible costs: Staff time or consultant costs to develop a scope of work, public participation plan, or sampling and analysis plan to be attached to the order or decree. Legal fees for negotiations are not a grant-eligible cost.

- **Overtime.** If the Recipient does not request overtime in advance, the Recipient may not request payment for overtime hours.
- **Overtime differential.** Ecology seldom allows overtime differential. It is any increase in pay over the standard pay rate that is provided to compensate an employee for hours worked in excess of the standard workday or week. Ecology may allow Overtime differential only when an employee spends one hundred percent (100%) of their time on grant activities and the Recipient obtains prior written approval from the Ecology Grant Financial Manager.
- **Training.** Recipient staff training is a conditionally allowable cost. Recipient training must directly relate to the project and prove necessary to carry out the scope of work, such as Hazardous Waste Safety training.

Ecology's Grant Financial Manager may allow travel associated with approved training for the Recipient if they authorize it in advance. Communicate with Ecology's Grant Financial Manager to discuss training and any associated travel needs prior to incurring any expense. Failure to do so could result in Ecology denying the expenses. Ecology may prorate training costs when a Recipient only works part-time on grant activities.

Affordable Housing Cleanup Grants will not typically reimburse consultant or contractor training. Consultants or contractors should be prepared to perform the duties for which they are being hired. If the Recipient agrees to fund consultant training, the Recipient is solely responsible for these costs and should not expect to receive reimbursement under the grant. There are some limited circumstances when Ecology has approved these costs. Consult with the Ecology Grant Financial Manager prior to incurring this cost if you wish to seek reimbursement under the grant.

- **Working lunches.** Recipient working lunches are a conditionally eligible cost and typically requires that the Recipient is on travel status. The Recipient must submit a written request for working lunches prior to incurring expenses. Consultant or contractor

working lunches are not grant-eligible unless the Recipient obtains written approval from the Ecology Grant Financial Manager prior to the event. Ecology's Grant Financial Manager may approve expenses for Recipients consistent with how Ecology approves working lunches for Ecology staff. Please refer to Ecology's "[Yellow Book](#)" for more information.

6.4 Ineligible Costs

Ineligible costs are costs that are not eligible for reimbursement under the grant and the Recipient cannot use them for grant match. The Recipient should not submit invoices or other documentation for these costs for reimbursement. The following section discusses specific issues related to ineligible costs that often come up in administration of AHCGs.

- **Contingencies, rising costs, and change orders.** Ecology writes grant agreements for a set amount. Any contingencies in separate contracts do not change the amount of the grant agreement.
- **Dispute resolution.** Technical, legal, and administrative expenses that the Recipient incurs to challenge an Ecology decision, such as the costs of dispute resolution under an order or decree or grant agreement.
- **Ecology and U.S. EPA charges.** Costs that Ecology or U.S. EPA charge the Recipient for site management oversight (cost recovery) under the terms of orders or decrees or for technical assistance under the VCP.
- **Grant application development.** Costs of preparing a grant application, including Recipient staff time, consultant, or contractor time.
- **Legal expenses or attorney fees.** Legal costs of any kind, including, but not limited to, the costs of seeking client advice; pursuing cost recovery; contribution or insurance claims administrative hearings; pursuing penalties or civil or criminal actions against persons; penalties the Recipient incurs; defending actions taken against the Recipient; drafting or filing covenants or liens, and any other attorney fees the Recipient incurs .
- **Lobbying.** Any costs for entertaining; attempting to influence dignitaries or elected officials; discussing the project with elected officials who do not have contract approval authority, are not grant-eligible costs. This includes contacts with legislators to urge project funding.
- **Natural Resource Damage Assessment costs and Natural Resource Damages.** Costs related to development of Natural Resource Damage Assessments (NRDA), fees for damages to the environment or work required in lieu of fees under Natural Resource Damage (NRD) settlements, cleanup and habitat restoration work required under a state or federal NRD settlement.
- **Operation and maintenance or monitoring costs.** Operation and maintenance or monitoring costs incurred more than one year after completing construction of a cleanup action component, even if additional activities are necessary.
- **Penalties and late fees.** Penalties or late fees assigned to the Recipient or contractors. For example, the Recipient pays an invoice late and a contractor charges a late fee.

This cost is not eligible for reimbursement under an AHCG. A penalty issued by Ecology for failure to comply with an order or decree is not a grant-eligible cost.

- **In-kind contributions.** Goods, services, and transactions not involving money.
- **Non-cleanup related activities.** Site development and mitigation costs not required as part of the remedial action.
- **Other party expenses.** The costs incurred under an order or decree by a PLP.

This page left intentionally blank

Chapter 7: Affordable Housing Cleanup Grants

The purpose of AHCG is to provide funding to PLPs or prospective purchasers to investigate and clean up contaminated sites for development as affordable housing. These grants intend to expedite the cleanup of contaminated sites and provide affordable housing to Washington's residents. The grants will include a requirement that the Recipient restricts properties to an affordable housing use at the sites cleaned up with these funds.

7.1 Project Eligibility

For AHCGs, a project consists of remedial actions conducted under an order or decree at a contaminated site. Ecology may provide more than one grant for a project. Depending on availability of funding, the number of grant requests, and the pace of remedial actions, Ecology may fund a project over multiple biennia.

An AHCG project must meet all of the requirements listed below; if the project does not meet these requirements, Ecology will not fund the project.

- The Applicant is a person or entity interested in cleaning up a contaminated site for affordable housing development⁴⁶;
- The number of affordable housing units in a multifamily⁴⁷ housing proposal represents a minimum of 20% of the total number of housing units from a development in which the new, converted, or rehabilitated multiple-unit housing must provide for a minimum of fifty percent of the space for permanent residential occupancy (Figure 3).
- The property is within or part of a contaminated site , AND
 - The applicant proposes to clean up the full extent of the contamination, OR
 - If the applicant does not propose to conduct the full cleanup of the site:
 - There is an order or decree in place with other PLPs for the off-property remedial actions at the site, OR Ecology determines there is credible evidence of additional PLPs who are jointly and severally liable for the site; therefore, leaving off-property contamination in place does not create any orphan site(s).
- The Applicant is a PLP under MTCA, a potentially responsible party (PRP) under the federal cleanup law, or prospective purchaser of a contaminated site. If the Applicant is a

⁴⁶ Affordable housing development is defined as residential housing for rental occupancy which, as long as the same is occupied by low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than thirty percent of the family's income. "Low-income household" means a single person, family or unrelated persons living together whose adjusted income is less than eighty percent of the median family income, adjusted for household size, for the county where the project is located. (RCW 43.185A.010).

⁴⁷ Multifamily Housing is defined as five or more separate housing units for residential habitation contained in one or more building sites that do not meet the definition of single-family housing and mobile home parks (Housing Trust Fund Handbook, 2021, Department of Commerce).

prospective purchaser, the Applicant has demonstrated that it has legal access to the site.

- Applicant agrees to commit to property restrictions (lien and covenant for the number of affordable housing units for a 30-year period). Ecology will require the repayment of grant funds if the Applicant does not meet these restrictions.
- The Applicant has (a) a funding partner that will track and manage the affordable housing restrictions as part of their funding commitment or (b) a third party or a mechanism to verify and report that the applicant is:
 - Offering the minimum number of units as affordable housing units as committed to in the grant agreement (and written into the order or decree); and that
 - Property managers properly screen tenants as qualified for these affordable housing units.
- Proposed project is located within an incorporated city, town, or urban growth area designated under [RCW 36.70A.110](#)⁴⁸.

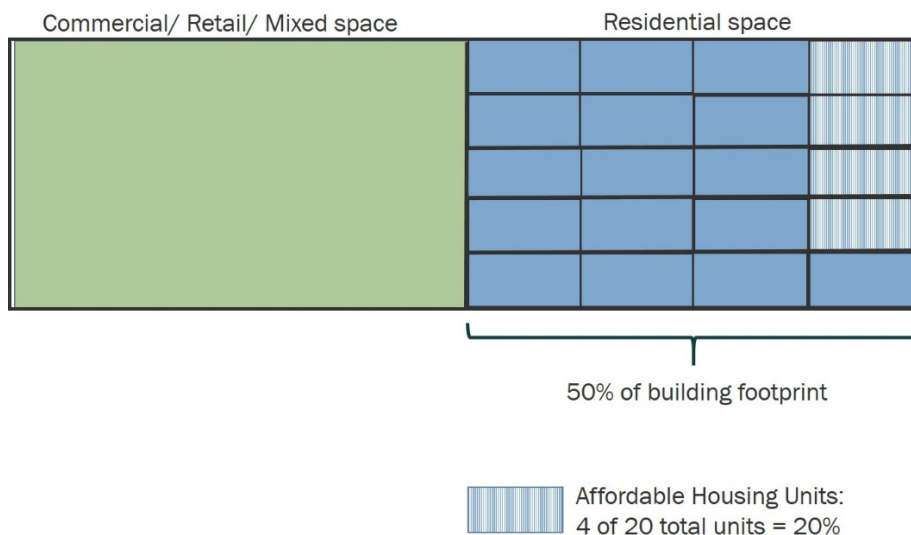


Figure 3: Minimum affordable housing eligibility requirements.

⁴⁸ <https://app.leg.wa.gov/rcw/default.aspx?cite=36.70a.110>

7.2 Grant Funding

Ecology has not set a limit on the amount of eligible project costs Ecology may fund. Ecology will limit each grant to the amount the Applicant expects to spend within one biennium.

Ecology may provide up to 100% state share of an eligible project ⁴⁹cost as follows:

- Projects proposing 80 -100% of affordable housing units in a multifamily housing development are eligible to receive 100% of the eligible cleanup costs.
- Projects proposing 50 - <80% of affordable housing units in a multifamily housing development are eligible to receive 90% of the eligible cleanup costs.
- Projects proposing 20 - <50% of affordable housing units in a multifamily housing development are eligible to receive 50% of the eligible cleanup costs.

Recipients are responsible for the remaining share of eligible project costs (match) and 100% of all non-eligible project costs.

Ecology retains the discretion to not award a grant for an eligible project or to provide less funding for an eligible project than the maximum amount or percentage allowed, based on funding availability or other factors (WAC [173-323-060](#)⁵⁰).

7.3 Eligible Costs

Ecology's Grant Financial Manager has final approval authority for all grant-related costs. Both the Recipient and Ecology must sign the grant agreement to make any costs the Recipient incurs under a new agreement eligible for reimbursement. Ecology can only reimburse costs to implement a work plan, if the Ecology Cleanup Project Manager previously approved it. The order or decree will provide the work plan for the AHCG. The Recipient must properly document all costs. The Ecology Grant Financial Manager must pre-approve conditionally eligible costs. Examples of eligible activities and related costs for AHCGs include:

- Emergency or interim actions;
- Remedial investigations;
- Feasibility studies and selection of the remedy⁵¹;
- Engineering design and construction of the selected remedy;
- Operation and maintenance or monitoring of a cleanup action component for one year after construction completion of the component;

⁴⁹ A "project" is defined as a redevelopment or new construction that meets the eligibility criteria described in Section 7.1.

⁵⁰ <https://apps.leg.wa.gov/wac/default.aspx?cite=173-323-060>

⁵¹ While preparation of a draft cleanup action plan is a grant-eligible cost, Ecology retains final authority to determine the appropriate cleanup action at a site.

- Grant administration consistent with the applicable version of Ecology’s [“Yellow Book”](#);
- The following retroactive costs:
 - Costs the Recipient incurred under the order or decree during the period of a prior grant agreement that Ecology did not reimburse.
 - Costs the Recipient incurred under the order or decree between the effective date of the order or decree and the agreement signature date.
 - Costs the Recipient incurred negotiating the order or decree, provided that the costs are not legal costs and they incurred them within 60 days after starting negotiations for an order, or 120 days after starting negotiations for a decree.
 - Costs the Recipient incurred before the effective date of the order or decree conducting independent remedial actions (up to a maximum of \$600,000), as long as the costs for the remedial actions were incurred:
 - After Ecology accepted the site into the VCP; OR
 - No more than two years prior to the agreement signature date (if the Recipient incurred eligible costs during that time period).

In these cases, Ecology will set the effective date of the grant agreement as the date that Ecology accepted the site in VCP or two years prior of the agreement signature date, whichever is earlier.

Ecology applies the same eligibility requirements to retroactive costs as other costs reimbursed under the grant. Costs not allowed are the sole responsibility of the Recipient. For more information on cost eligibility, see Section 6.2.

7.4 Evaluation Criteria

Ecology evaluates AHCG applications based on several criteria. We group those criteria into four categories, weighted according to their importance for this grant type. We determine a project's score adding together the total score for each category. Table 1 shows the weight for each category. The categories are:

- **Category 1:** Faster Cleanup
- **Category 2:** Improve Human Health and the Environment for Residential Use
- **Category 3:** Equitable Distribution of Funds and Property Reuse
- **Category 4:** Community Investment

Table 1: Affordable Housing Cleanup Grant Evaluation Criteria Categories and Weights.

Category	Total points	Points weight
Category 1. Faster cleanup	10	15%
Category 2. Improve human health and the environment for residential use	20	15%
Category 3. Equitable distribution of funds and property reuse	20	20%
Category 4. Community investment	50	50%

Tables 2 through 5 show evaluation (or scoring) criteria for each category. The tables identify each criteria, the maximum possible criteria score, and the documents required to support each response. When completing the application in EAGL, the Applicant answers a series of questions that reflect the scoring criteria. The Applicant must provide relevant supporting information related to the criteria when completing the application. Ecology will score the application based on the responses to the questions and the supporting information provided.

Table 2: Affordable Housing Cleanup Grant Evaluation Criteria – Category 1: Faster Cleanup

Criteria Number	Evaluation criteria	Documentation required	Maximum score
1.1	<p>Readiness to proceed – contracts 2 points: Contracts are in place to begin the project or environmental consultant is hired. 0 points: The above does not apply.</p>	Copy of contract or hiring documentation showing commitment to completing cleanup tasks.	2
1.2	<p>Readiness to proceed - permits 2 points: All required state, local, or federal permits are currently in progress and the Applicant expects to have them in hand at the time of funding, or the work funded by the request does not require any permits. 0 points: The above does not apply.</p>	List of permits needed and schedule for permit preparation and for obtaining permits.	2
1.3	<p>Readiness to proceed – matching funds 2 points: Recipient has secured and can spend matching funds. 0 points: The above does not apply.</p>		2
1.4	<p>Readiness to proceed - zoning 3 points: Proposed project and zoning status of the property are consistent. 1 point: Proposed project and zoning status of the property are not consistent but a zoning variance applies and is in progress. 0 points: The above does not apply.</p>	<p>Submit a map showing the zoning for the project location or a letter from the city (or county) zoning official stating specifically that the property is appropriately zoned for the proposed project.</p> <p>If proposed project and zoning status of the property are not consistent include a letter from the city (or county) zoning official stating that the proposed development is eligible for a zoning variance and such variance is in progress.</p>	3

Criteria Number	Evaluation criteria	Documentation required	Maximum score
1.5	<p>Leveraging other funds</p> <p>3 points: Applicant has secured private funds for redevelopment and cleanup (including contributions, insurance, public-private partnerships, etc.) or additional grants.</p> <p>2 points: Applicant is actively pursuing private funds (including contributions, insurance, public-private partnerships, etc.) /or additional grants</p> <p>1 point: Applicant has a capital plan for both cleanup and redevelopment or reuse of the Site.</p> <p>0 points: None of the above apply</p>	Provide documentation indicating funding sources' grantor, amount, and funding status.	3
1.6	<p>Coordination with Ecology</p> <p>3 points: Applicant has an effective order or decree for the proposed work or order/decree is under negotiation.</p> <p>0 points: The above does not apply.</p>	Provide copy of order or decree.	3

Table 3: Affordable Housing Cleanup Grant Evaluation Criteria – Category 2: Improve Human Health and the Environment for Residential Use

Criteria Number	Evaluation criteria	Documentation required	Maximum score
2.1	<p>Potential exposure routes of concern:</p> <ul style="list-style-type: none"> • Soil (direct contact) • Groundwater (ingestion) • Groundwater (direct contact) • Surface water (ingestion) • Surface water (direct contact) • Vapor intrusion (inhalation) • Sediment (ecological receptors) <p>3 points: 4 or more exposure routes 2 points: 2-3 exposure routes 1 point: 1 exposure route 0 points: no exposure routes</p>	Provide preliminary conceptual site model, existing Phase II investigation, Ecology site hazard assessment, or other information that indicates what contaminants, media, or exposure routes are likely present at the site to support response.	3
2.2	<p>Extent of contamination</p> <p>2 points: Confirmed or unknown potential for contamination to spread. 0 points: The above does not apply.</p>	Provide preliminary conceptual site model, existing Phase II investigation, Ecology site hazard assessment, or other information that indicates what contaminants, media, or exposure routes are likely present at the site to support response.	2
2.3	<p>Use of green remediation principles during the cleanup activities</p> <p>5 points: The project evaluates or implements green remediation principles to minimize the environmental impact from cleanup actions (such as minimizing greenhouse gas emissions or implementing water conservation) or uses applicable concepts from a reputable sustainability or green remediation program (such as LEED or Envision). 3 points: The project incorporates sustainability or green remediation principles to some extent. 0 points: The project does not incorporate sustainability or green remediation principles.</p>	Provide description in writing.	5

Criteria Number	Evaluation criteria	Documentation required	Maximum score
2.4	<p>Climate change considerations for the proposed project</p> <p>5 points: The project 1) includes or will include a vulnerability assessment to understand the risks and impacts from climate change (such as sea level rise, extreme storm events and flooding, and wildfires) and 2) does or will incorporate climate change adaptation measures to increase the resilience of cleanup remedies.</p> <p>3 points: The project incorporates or discusses climate change adaptation principles to some extent.</p> <p>0 points: The project does not incorporate climate change adaptation considerations.</p>	Provide description in writing.	5

Table 4: Affordable Housing Cleanup Grant Evaluation Criteria – Category 3: Equitable distribution of funds and property reuse.

Criteria Number	Evaluation criteria	Documentation required	Maximum Score
3.1	<p>Diverse funding distribution 5 points: Grant would help ensure diverse funding distribution within the State. The area is east of the Cascades. 0 points: The above does not apply.</p>	Provide project location.	5
3.2	<p>Environmental health disparities 10 points: The community has a rank of 5 or higher for overall Environmental Health Disparities in the Washington Tracking Network with a rank of 5 or higher for Unaffordable Housing subcategory. 0 points: The above does not apply.</p>	Provide project location, Environmental Health Disparities rank and Unaffordable Housing rank.	10
3.3	<p>Property reuse 5 points: The Site contains a vacant, abandoned, or underutilized former industrial or commercial facility. 0 points: The above does not apply.</p>	Provide as a pdf document a description of the current use of the property including photographs.	5

Table 5: Affordable Housing Cleanup Grant Evaluation Criteria – Category 4: Community Investment

Criteria Number	Evaluation criteria	Documentation required	Maximum score
4.1	<p>Consistency with local government's vision 5 points: Meets the goals of the local government's planning documents at the time of redevelopment. (Include a letter from the local planning office that indicates the local government has review the proposal and it fits the municipality's master plan or needs) 0 points: The above does not apply.</p>	Include verification, whether as a letter from the local planning office that indicates the local government has reviewed proposal and it fits the municipality's master plan or needs; or an explanation demonstrating that your project fits the municipality's master plan or needs.	5
4.2	<p>Infrastructure availability 4 points: Availability of existing urban infrastructure (water, sewer, power, road access, etc.) that can sustain the affordable housing development. 2 points: Urban infrastructure is not available but a letter from local public works indicates that the system has available connections and sufficient capacity for the affordable housing development and its timeline. 0 points: The above does not apply.</p>	Include documentation to support this – documentation requested in 4.1 may serve this purpose if it specifically addresses infrastructure such as water and sewer.	4
4.3	<p>Affordable housing stock 10 points: Project increases affordable housing stock by having 80-100% of the housing units be affordable housing units. 6 points: Project increases affordable housing stock by having 50-79% of the housing units be affordable housing units. 3 points: Project increases affordable housing stock by having 30-49% of the housing units be affordable housing units. 0 points: The above does not apply.</p>	Provide proposed affordable housing plan (pro forma or other, as applicable).	10
4.4	<p>Community benefit 6 points: Project includes an additional community benefit as part of the development (for example, park, green areas, community center, etc.) 0 points: The above does not apply.</p>	Include as an upload preliminary plans or brief project description that reflect additional benefits.	6

Criteria Number	Evaluation criteria	Documentation required	Maximum score
4.5	<p>Project’s long term vision</p> <p>6 points: The project demonstrates a clear vision for creating/enhancing the site as a community asset beyond affordable housing (e.g. provides mixed use development, public greenspace, community center) and the applicant has submitted letters of support from the community, or other agencies.</p> <p>4 points: The project demonstrates a clear vision for creating/enhancing the site as a community asset beyond affordable housing (e.g. provides mixed use development, public greenspace, community center).</p> <p>0 points: The above does not apply.</p>	<p>Upload a description (no more than 5000 characters) of the project vision and any additional community resources that the future applicant or other parties plan to add to the project that will support and enhance the use of the property. Please highlight how the project meets specific needs of the particular community the proposed project serves. Specific needs can relate to affordable housing income range (50% AMI, 80% AMI, or other), services, or other needs based on community composition. Letters of support from community groups, or other agencies will help support your response (Documentation provided for criteria 4.1 may serve this purpose if it specifically discusses community assets beyond the benefit of affordable housing).</p> <p>Examples may include transportation improvements; employment centers, parks, schools, etc.</p>	6

Criteria Number	Evaluation criteria	Documentation required	Maximum score
4.6	<p>Mass transit 4 points: For urban:⁵² Project located within a half mile or less of mass transit infrastructure (bus, train, light rail). For rural:⁵³ Project is within 5 miles of an officially designated Park & Ride lot or public-private regional transportation. 0 points: The above does not apply.</p>	Upload a map generated with google maps or similar application that shows project location and distance to mass transit (you may use the “nearby” feature in google maps). You must submit a map in pdf format that contains a scale and legend.	4
4.7	<p>Services (refer to Table 6) For Urban: Project is within 0.5 mile walk of the community services listed in Table 6 as described below. For Rural: Project is located within 5 miles of the community services listed in Table 6 as described below. 10 points: Includes food access and another 4-6 services of different types. 8 points: Includes food access and another 2-3 services of different types. 5 points: Includes food access and one other type of service. 0 points: The above does not apply.</p>	Upload a map generated with google maps or similar application that shows project location and distance to services (you may use the “nearby” feature in google maps). You must submit a map in pdf format that contains a scale and legend.	10
4.8	<p>5 points: Community where the contaminated site is located is a “highly impacted community,” as defined in WAC 173-322A-100(24) and Section 4.4: Environmental Justice Evaluation Criteria of this Guidance. 0 points: The above does not apply.</p>	Provide rank for the community per the Environmental Health Disparities Map.	5

⁵² Urban is defined as: an urban area or community consists of contiguous, densely settled census block groups (BGs) and census blocks that meet minimum population density requirements (1000ppsm /500ppsm), along with adjacent densely settled census blocks that together encompass a population of at least 50,000 people.

⁵³ Rural is defined as:

a) Counties with a population of less than 90,000, except for areas within these counties that meet the definition of Urban.

b) Counties with a population greater than 90,000 but less than 390,000 when more than an aggregated 25% of that county’s population resides in one metropolitan area. In this case, the county except such metropolitan area would be considered rural; for Example, Yakima County except the City of Yakima.

Table 6: List of Community Services and Types of Services to Respond to Criterion 4.7.

Types	Description and examples
Food access	farmers market, full service grocery store, other food store with produce
Health	pharmacy, medical clinic or office that treats patients
Wellness	public pool, gym, health club, sports field, public park, or similar
Education and culture	public library, educational facility, community college, K-12, Vocational School, or similar
Civic and community facilities	community or recreation center (includes performance spaces), post office, senior center, police station, fire station
Retail	clothing store, department store, hardware store
Services	bank, laundry, adult or senior care, child care, social services center

Glossary

Term	Definition
Applicant	A term that applies before receipt of the grant vs. “Recipient” that applies after the grant has been awarded.
biennium	A period of two years. The state of Washington operates on a two year (biennial) budget cycle that starts July 1 st of each odd-numbered year, and ends June 30 th of the next odd-numbered year. The 2023–25 biennium starts July 1, 2023, and ends June 30, 2025.
AHCG Program	Ecology’s Affordable Housing Cleanup Grant program that provides funding to any person cleaning up a site for affordable housing development.
cleanup actions	Also known as cleanups or remedial actions. The collective planning, investigative, and technical work needed to clean up contaminated sites.
cleanup site	Also known as a contaminated site or hazardous waste site. A site or property where Ecology has confirmed one or more releases (or threatened release) of a hazardous substance.
consent decree or decree	A legal document issued under Chapter 70A.305 RCW or the federal cleanup law.
contaminated site	Also known as a cleanup site or hazardous waste site.
EAGL	Stands for Ecology’s Administration of Grants and Loans. This is a comprehensive web-based grant and loan management system Ecology uses that allows Applicants and Recipients to develop and manage their agreements online.
Eligible cost	A project cost that is eligible for funding under this chapter and the terms of the grant or loan agreement.
fiscal year	A period of one year named for the year it ends. For example, Fiscal Year 2024 starts July 1, 2023, and ends June 30, 2024.
Hazardous substance	Means any hazardous substance as defined in WAC 173-340-200 .
hazardous waste site	Also known as a cleanup site or contaminated site. Defined in MTCA as any site that Ecology has confirmed a release or a threatened release of a hazardous substance requiring remedial action (WAC 173-340-200).
Highly impacted community	A community that the department has determined is likely to bear a disproportionate burden of public health risks from environmental pollution.
Independent remedial action	Remedial actions conducted without department oversight or approval and not under an order or consent decree.
Model Toxics Control Act (MTCA statute)	Washington’s environmental cleanup law, Chapter 70A.305 RCW

Term	Definition
Model Toxics Control Act Regulations (MTCA Cleanup Rule)	Washington's regulations that set standards and procedures for cleaning up contaminated sites (Chapter 173-340 WAC). The MTCA Cleanup Rule is one of two cleanup rules in Washington adopted under the Model Toxics Control Act, 70A.305 WAC . The other cleanup rule is the Sediment Management Standards (Chapter 173-204 WAC) known as the SMS Cleanup Rule.
MTCA Ten-Year Financing Report	Ecology's financial report produced every even-numbered year that describes cleanup financing needs over the next ten fiscal years.
order	A legal document that includes enforcement orders and agreed orders issued under MTCA, and unilateral administrative orders and administrative orders on consent issued under the federal cleanup law.
Potentially liable person (PLP)	Any person whom the department finds, based on credible evidence, to be liable under Chapter 70A.305 WAC
Prospective purchaser	A person who is not currently liable for remedial action at a facility and who proposes to purchase, redevelop, or reuse the facility.
Recipient	A term that applies after the grant has been awarded vs. "Applicant" that applies after the grant has been awarded.
remedial actions	Also known as cleanups or cleanup actions. The collective planning, investigative, and technical work needed to clean up contaminated sites.
Secure Access Washington	A single sign-on application gateway created by Washington State Department of Information Services.
sediment site	A contaminated site in riverbeds and seabeds where aquatic animals such as crabs and clams live. Sediment can include silt, sand, cobble, and beaches.
Scope of work	The tasks and deliverables of the grant or loan agreement.
Site	Any building, structure, installation, equipment, pipe or pipeline (including any pipe into a sewer or publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, vessel, or aircraft; or any site or area where a hazardous substance, other than a legal consumer product in consumer use, has been deposited, stored, disposed of, or placed, or otherwise come to be located.
upland site	A contaminated site on land or in groundwater.
Voluntary Cleanup Program (VCP)	The program authorized under 70A.305.170 RCW and WAC 173-340-515
Yellow Book	Ecology's administrative requirements common to all Ecology grants and loans that have an agreement effective date of August 11, 2017, or later (publication no. 17-01-004)

References and Resources

Table 7: Grant, Loan, and EAGL Resources Mentioned in this Guidance.

Resource	Description	Link
Yellow Book	Guidance for all Ecology grants and loans: <i>Administrative Requirements for Recipients of Ecology Grants and Loans</i> (Pub. No. 17-01-004)	https://apps.ecology.wa.gov/publications/SummaryPages/1701004.html
EAGL	Ecology's Administration of Grants and Loans system, where grant applicants can apply for funding opportunities including grants for cleanup and safe drinking water	Overview: https://ecology.wa.gov/About-us/How-we-operate/Grants-loans Secure Access Washington (SAW) log-in: https://secureaccess.wa.gov/ecy/eagl/
EAGL Instructions for 2023–25 Affordable Housing Cleanup Grant Applications	Specific EAGL guidance when applying for Affordable Housing Cleanup Grant	https://apps.ecology.wa.gov/publications/SummaryPages/209053.html
EAGL External Users' Manual	General EAGL guidance when applying for all Ecology grant and loans (Pub. No. 17-01-015)	https://apps.ecology.wa.gov/publications/SummaryPages/1701015.html
How to obtain a Secure Access Washington (SAW) account	YouTube video	https://www.youtube.com/watch?v=pj0EnljG3RQ&feature=youtu.be
Applying for Ecology grants	YouTube video	https://www.youtube.com/watch?v=9B3qvb3QRBk
per diem rate tables	Office of Financial Management's rates for lodging, meals, and mileage per day	https://www.ofm.wa.gov/accounting/administrative-accounting-resources/travel/diem-rate-tables

Table 8: Environmental and Technical Resources Mentioned in this Guidance.

Resource	Description	Link
EIM and MyEIM	Ecology's Environmental Information Management System (EIM) and MyEIM database tools that contain environmental data for air, water, soil, sediment, aquatic animals, and plants used for cleaning up sites. Data is collected by Ecology and partners, including local governments.	EIM: https://ecology.wa.gov/Research-Data/Data-resources/Environmental-Information-Management-database MyEIM: https://ecology.wa.gov/Research-Data/Data-resources/Environmental-Information-Management-database/Using-MyEIM
Closeout Procedures for National Priority Sites	EPA's guidance to determine whether construction of a cleanup action has been completed	https://www.epa.gov/superfund/close-out-procedures-national-priorities-list-superfund-sites
Cleanup Site Search	Database of 13,300-plus contaminated sites known to Ecology that draws from the internal Integrated Site Information System (ISIS) database	https://apps.ecology.wa.gov/gsp/SiteSearchPage.aspx
TCP Web Reporting	Selection of reports and datasets that draws from two Ecology internal environmental databases: Integrated Site Information System (ISIS) and Underground Storage Tank System	https://apps.ecology.wa.gov/tcp/webreporting/
Confirmed & Suspected Contaminated Sites List	List of sites undergoing cleanup and sites awaiting further investigation and/or cleanup	https://apps.ecology.wa.gov/tcp/webreporting/reports/cleanup/contaminated
Hazardous Sites List	Special edition of the Site Register published twice a year listing sites that have been assessed and ranked using the Washington Ranking Method, and sites on the National Priorities List	https://apps.ecology.wa.gov/publications/UIPages/PublicationList.aspx?IndexTypeName=Program&NameValue=Toxics+Cleanup&DocumentTypeName=Newsletter
How the cleanup process works	Steps in the MTCA formal cleanup process	https://ecology.wa.gov/Spills-Cleanup/Contamination-cleanup/Cleanup-process
Washington's Formal Cleanup Process Infographic	Infographic illustrating steps in the MTCA formal cleanup process (Pub. No. 19-09-166)	https://apps.ecology.wa.gov/publications/SummaryPages/1909166.html

Resource	Description	Link
Toxics Cleanup Program's (TCP's) policies and guidance	Consolidated but not exhaustive list of TCP's policies, procedures, implementation memos, and major guidance documents for cleaning up hazardous sites and meeting the requirements of MTCA.	https://ecology.wa.gov/Regulations-Permits/Plans-policies/Toxics-cleanup-policies
TCP publications	Published focus sheets, frequently asked questions, guidance documents, and technical reports that describe cleanup sites across the state	https://apps.ecology.wa.gov/publications/UIPages/PublicationList.aspx?IndexTypeName=Program&NameValue=Toxics+Cleanup&DocumentTypeName=Publication
TCP Legislative reports	Recurring and one-time legislative reports produced by the TCP	http://ecology.wa.gov/About-us/Get-to-know-us/Our-Programs/Toxics-Cleanup/TCP-Legislative-reports
EPA's Superfund Chemical Data Matrix (SCDM) query	Query to generate lists of corresponding Hazard Ranking System factor values, benchmarks, and data elements	https://www.epa.gov/superfund/superfund-chemical-data-matrix-scdm-query

Table 9: Environmental Justice, Climate Change, and Cultural Resources Mentioned in this Guidance.

Resource	Description	Link
Washington State Department of Health's EJ	Web-based data on public health aspects of environmental justice	https://www.doh.wa.gov/DataandStatisticalReports/EnvironmentalHealth/WashingtonTrackingNetworkWTN/Resources/EnvironmentalJusticeIssues
Washington Tracking Network	Map-based tool used to facilitate searching for and displaying health concerns that have links to environmental health	https://www.doh.wa.gov/DataandStatisticalReports/EnvironmentalHealth/WashingtonTrackingNetworkWTN/
EPA's environmental justice website	National environmental justice data and link to EJSCREEN	https://www.epa.gov/environmentaljustice
Ecology's climate change guidance for cleanup sites	Adaptation Strategies for Resilient Cleanup Remedies: A guide for cleanup project managers to increase the resilience of toxic cleanup sites to the impacts from climate change (Pub. No. 17-09-052)	https://apps.ecology.wa.gov/publications/SummaryPages/1709052.html
EPA's green remediation for cleanup sites	Information for incorporating sustainable environmental practices into remediation of contaminated sites	https://www.epa.gov/remedytech/green-remediation-incorporating-sustainable-environmental-practices-remediation
Cultural Resources Review Sheet	Form for gathering information when complying with National Historic Preservation Act or Executive Order 21-02 Archaeological and Cultural Resources (Pub. No. ECY 070-537)	https://www.governor.wa.gov/sites/default/files/exe_order/eo_21-02.pdf
Public Inadvertent Discovery Plan (IDP)	Plan and procedures for the unanticipated discovery of cultural resources and human skeletal remains (Pub. No. 070-560)	https://apps.ecology.wa.gov/publications/SummaryPages/ECY070560.html
Governor's Executive Order 21 - 02	Gov. Jay Inslee's executive order for Archaeological and Cultural Resources	https://www.governor.wa.gov/sites/default/files/exe_order/eo_21-02.pdf

Table 10: Cleanup Laws, Regulations, and Legislative Bills Mentioned in this Guidance.

Resource	Description	Link
MTCA (statute)	Hazardous Waste Cleanup—Model Toxics Control Act, Chapter 70A.305 RCW	http://app.leg.wa.gov/rcw/default.aspx?cite=70.105D
MTCA Cleanup Rule	Model Toxics Control Act—Cleanup Regulations, Chapter 173-340 WAC	http://apps.leg.wa.gov/WAC/default.aspx?cite=173-340
Sediment Cleanup Rule	Sediment Management Standards, Chapter 173-204 WAC	http://apps.leg.wa.gov/WAC/default.aspx?cite=173-204

Appendix A: Chapter 173-323 WAC: Grants and Loans

WAC Sections

- 173-323-010 Applicability.
- 173-323-020 Definitions.
- 173-323-030 Grant and loan announcements.
- 173-323-040 Application.
- 173-323-050 Evaluation process.
- 173-323-060 Awarding funds.
- 173-323-070 Grant or loan agreement.
- 173-323-080 Amendments to the grant or loan agreement.
- 173-323-090 Performance standards.
- 173-323-100 Reimbursement.
- 173-323-110 Closing out the agreement.
- 173-323-120 Termination of agreement.

173-323-010 Applicability.

(1) This chapter only applies to grants and loans issued by ecology that are funded under chapter [70.105D](#) RCW⁵⁴, Hazardous waste cleanup—Model Toxics Control Act (MTCA), and that are not regulated by another chapter of the WAC that provides requirements for a specific grant or loan program. Ecology will maintain a list of these other chapters on the agency web site.

(2) This chapter contains general rules for grant and loan issuance and performance, and applies to the following types of grants and loans issued by the department of ecology:

- (a) Competitive.
- (b) Formula.
- (c) One-time.

[Statutory Authority: RCW [70.105D.070](#)(8). WSR 18-01-096 (Order 16-10), § 173-323-010, filed 12/18/17, effective 1/18/18.]

⁵⁴ This rule refers to previous codification numbers for several statutes. For example, in 2020 the Washington State Legislature recodified the Model Toxics Control Act from Chapter 70.105D RCW to Chapter 70A.305 RCW.

173-323-020 Definitions.

Agreement effective date means the date on which the grant or loan agreement becomes effective, as specified in the grant or loan agreement. This is the earliest date eligible costs can be incurred.

Agreement expiration date means the latest date eligible costs can be incurred, as specified in the grant or loan agreement.

Competitive grants and loans mean grants or loans that are evaluated and awarded based on prioritization, scoring, or ranking.

Ecology means the Washington state department of ecology.

Eligible costs mean costs that meet all criteria established in the agreement and grant or loan program funding guidelines.

Formula grants and loans mean grants or loans awarded based on distribution factors, such as population.

Grant means an award of financial assistance given to a recipient to carry out work for a public purpose or public good authorized by law.

Grant or loan agreement or agreement means the formal, written, contractual document that details the terms and conditions, scope of work, budget, and schedule of the grant or loan, and that is signed by the authorized signatories of the recipient and ecology.

Grant or loan program means a financial assistance program with a distinct set of requirements that provides grant or loan funding to eligible applicants.

Loan means an agreement involving lending money to a recipient.

One-time grant or loan means a grant or loan that **is not formula or competitive and** involves one or more of the following:

- (a) Designation by the legislature or governor; such as a recipient, project, or type of work.
- (b) Identification of recipient(s) based on input from an advisory or stakeholder group(s).
- (c) An environmental or human health emergency, priority, or concern.

Signature date means the date the ecology authorized signatory signs the agreement.

[Statutory Authority: RCW [70.105D.070](#)(8). WSR 18-01-096 (Order 16-10), § 173-323-020, filed 12/18/17, effective 1/18/18.]

173-323-030 Grant and loan announcements.

Competitive and formula grants and loans

(1) Ecology must announce the availability of funding opportunities for competitive and formula grants and loans. The announcement must include, at a minimum, a description of:

- (a) Purpose of the grant or loan.
- (b) Funding cycle for the grant or loan.
- (c) Amount of funding available, if known.
- (d) Eligibility criteria for the grant or loan.
- (e) Information about how to apply.
- (f) Application deadlines.
- (g) Ecology contact information.

One-time grants and loans

(2) Ecology is not required to announce the availability of funding opportunities for one-time grants or loans.

Unused funds

(3) Ecology is not required to announce the availability of unused funds. Ecology awards unused funds based on the requirements in WAC [173-323-060](#). Unused funds are one or all of the following:

- (a) Funds awarded by ecology, but not used by the recipient.
- (b) Funds offered by ecology, but not accepted by the recipient.
- (c) Funds not awarded by ecology in the initial distribution cycle.

[Statutory Authority: RCW [70.105D.070](#)(8). WSR 18-01-096 (Order 16-10), § 173-323-030, filed 12/18/17, effective 1/18/18.]

173-323-040 Application.

(1) All applicants must use the electronic system identified by ecology to apply for grants and loans. Applicants without access to the electronic system must use a process approved by ecology.

(2) The applicant must complete the application process and provide all required information, including:

- (a) Applicant information.
- (b) Project location and description.

- (c) Scope of work and tasks for the project.
 - (d) Requested funding amount for the project.
 - (e) Any other information required by ecology for the specific type of grant or loan.
- (3) For formula or competitive grants and loans, the applicant must submit the application by the due date, if a due date is included in the announcement. Ecology may approve a later due date.
- (4) Ecology may request additional information to assist in the application evaluation process.

[Statutory Authority: RCW [70.105D.070](#)(8). WSR 18-01-096 (Order 16-10), § 173-323-040, filed 12/18/17, effective 1/18/18.]

173-323-050 Evaluation process.

- (1) Ecology reviews and evaluates applications to determine eligibility and funding.
- (2) Ecology determines project funding based on a grant or loan program evaluation process.
- (3) Ecology evaluates all applications submitted within all required deadlines.

Competitive and formula grants and loans

- (4) When evaluating competitive and formula grant and loan applications, ecology considers:
- (a) Eligibility of the applicant and whether the project meets the eligibility criteria.
 - (b) Whether the application demonstrates all of the following:
 - (i) Readiness to proceed.
 - (ii) Feasibility of the project.
 - (iii) Availability of matching funds, if applicable.
 - (c) The applicant's past grant or loan performance.

One-time grants and loans

- (5) When evaluating a one-time grant or loan application, ecology considers:
- (a) Whether the project is eligible for the funding based on the authority for the funding or, when appropriate, the specific direction of the legislature or governor.
 - (b) Whether the project is an effective use of available funds.
 - (c) The applicant's past grant or loan performance.

[Statutory Authority: RCW [70.105D.070](#)(8). WSR 18-01-096 (Order 16-10), § 173-323-050, filed 12/18/17, effective 1/18/18.]

173-323-060 Awarding funds.

- (1) Ecology must award grants and loans:
 - (a) Consistent with all federal and state laws and rules authorizing the funding and any specific direction by the legislature.
 - (b) Subject to available funds.
 - (c) Based on evaluations of grant or loan applications submitted.
- (2) Ecology has discretion to determine what the final award amount will be.

[Statutory Authority: RCW [70.105D.070](#)(8). WSR 18-01-096 (Order 16-10), § 173-323-060, filed 12/18/17, effective 1/18/18.]

173-323-070 Grant or loan agreement.

- (1) Ecology works with the recipient to prepare the grant or loan agreement.
- (2) A grant or loan agreement issued and managed in ecology's electronic system must include, at a minimum:
 - (a) Project description.
 - (b) Expected outcomes.
 - (c) Project budget and funding distribution.
 - (d) Agreement effective date and expiration date.
 - (e) Description of tasks and deliverables.
 - (f) Contact information for ecology and the recipient.
 - (g) Signatures of authorized signatories.
 - (h) General terms and conditions that specify requirements related, but not limited to:
 - (i) Amendments and modifications.
 - (ii) Assignment limits on transfer of rights or claims.
 - (iii) Inadvertent discovery of human remains and/or cultural resources.
 - (iv) Compliance with all laws.
 - (v) Conflict of interest.
 - (vi) Disputes.

- (vii) Environmental data standards.
- (viii) Governing law.
- (ix) Indemnification.
- (x) Independent status of the parties to the agreement.
- (xi) Order of precedence for laws, rules, and the agreement.
- (xii) Property rights, copyrights, and patents.
- (xiii) Records, audits, and inspections.
- (xiv) Recovery of funds.
- (xv) Severability.
- (xvi) Suspension.
- (xvii) Sustainable practices.
- (xviii) Termination.
- (xix) Third-party beneficiary.
- (xx) Waiver of agreement provisions.
- (i) Special terms and conditions, if any.
- (j) Agreement-specific terms and conditions, if any.
- (k) General federal conditions, if any.
- (l) Other items, if any, necessary to meet the goals of the grant or loan program.

[Statutory Authority: RCW [70.105D.070](#)(8). WSR 18-01-096 (Order 16-10), § 173-323-070, filed 12/18/17, effective 1/18/18.]

173-323-080 Amendments to the grant or loan agreement.

- (1) A change to any of the following items requires an amendment to the agreement:
- (a) Scope of work or the objectives of the project.
 - (b) Budget, whether for an increase or decrease.
 - (c) Funding, whether for an increase or decrease.
 - (d) Redistributing costs among budget tasks that exceed ten percent deviation of the total eligible costs of the funding distribution.
 - (e) Funding distributions, including share percentages.
 - (f) Agreement effective or expiration date, whether to shorten or extend.
 - (g) Special terms and conditions or agreement-specific terms and conditions.
- (2) Administrative changes do not require an amendment. Examples of administrative changes include updates to contact names, addresses, and phone numbers.
- (3) An amendment must be signed by all parties before it is effective.

[Statutory Authority: RCW [70.105D.070](#)(8). WSR 18-01-096 (Order 16-10), § 173-323-080, filed 12/18/17, effective 1/18/18.]

173-323-090 Performance standards.

General provisions

- (1) Nothing in this chapter influences, affects, or modifies existing ecology programs, rules, or enforcement of applicable laws and rules relating to activities funded by a grant or loan.
- (2) Ecology and the recipient must fulfill their obligations under the terms of a grant or loan agreement.
- (3) Ecology, or an auditor authorized by the state of Washington, may audit or inspect a recipient's grant or loan agreements and records.
- (4) New ecology grant and loan agreements signed after the effective date of this chapter must be managed using ecology's designated electronic system. A recipient who cannot access the electronic system to meet a deadline or agreement requirements must use a process approved by ecology.
- (5) Ecology may perform site visits to monitor the project, evaluate performance, and document compliance or any other conditions of the agreement.

Recipient standards

(6) Recipients must:

(a) Follow all applicable accounting and auditing laws and rules related to grants and loans.

(b) Use funds according to the agreement.

(c) Use funds according to the recipient's own policies and procedures, and according to all applicable laws and rules.

(d) Comply with all applicable laws, rules, orders, and permits when carrying out activities authorized by the agreement.

(e) Obtain preapproval for equipment purchases over the amount specified in the agreement.

(7) As specified in the grant or loan agreement, the recipient must submit the following to ecology:

(a) Progress reports.

(b) Payment requests.

(c) Equipment purchase reports.

(d) Documentation.

(e) A final closeout report.

(f) Any other required information.

Ecology standards

(8) Ecology must:

(a) Follow all applicable accounting and auditing laws and rules related to grants and loans.

(b) Monitor projects and review progress reports to assure compliance with applicable laws, rules, orders, permits, and terms and conditions of the agreement.

(c) Confirm that ecology has received required documentation and the project is satisfactorily completed before approving final payment.

[Statutory Authority: RCW [70.105D.070](#)(8). WSR 18-01-096 (Order 16-10), § 173-323-090, filed 12/18/17, effective 1/18/18.]

173-323-100 Reimbursement.

- (1) Ecology will only reimburse eligible costs incurred between the effective date and the expiration date of an agreement.
- (a) Ecology will not reimburse costs until on or after the signature date of an agreement.
- (b) Any costs incurred before the signature date are at the recipient's risk.
- (2) The recipient must submit a progress report with a payment request and other documentation as required in the grant or loan agreement to be reimbursed.
- (3) Ecology will not issue final payment until the closeout requirements in WAC [173-323-110](#) have been met.

[Statutory Authority: RCW [70.105D.070](#)(8). WSR 18-01-096 (Order 16-10), § 173-323-100, filed 12/18/17, effective 1/18/18.]

173-323-110 Closing out the agreement.

- (1) The recipient must follow the closeout requirements in the agreement.
- (2) Ecology is not obligated to reimburse the recipient the final payment if the recipient does not meet all closeout requirements within the time frames in the agreement.
- (3) Ecology will close out the grant or loan agreement when it determines the recipient has met the closeout requirements or when the agreement has been terminated (see WAC [173-323-120](#)).

[Statutory Authority: RCW [70.105D.070](#)(8). WSR 18-01-096 (Order 16-10), § 173-323-110, filed 12/18/17, effective 1/18/18.]

173-323-120 Termination of agreement.

- (1) Failure by the recipient to comply with a grant or loan agreement may result in termination of the agreement.
- (2) Ecology will attempt to contact the recipient regarding any issues with agreement compliance prior to terminating an agreement.
- (3) Ecology's ability to make payments is contingent on availability of funding. In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to completion or expiration date of the agreement, ecology, at its sole discretion, may elect to terminate the agreement, in whole or part, or renegotiate the agreement, subject to new funding limitations or conditions. Ecology may also elect to suspend performance of the agreement until ecology determines the funding insufficiency is resolved.
- (4) Ecology will document the termination of an agreement.

[Statutory Authority: RCW [70.105D.070](#)(8). WSR 18-01-096 (Order 16-10), § 173-323-120, filed 12/18/17, effective 1/18/18.]