



# RMDZ & GHG Loans Explained and Compared

CalRecycle Zone Works Training Workshop  
May 30, 2018



# Session Objective

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- Feedstock Origin Loan Criteria Revisions
- RMDZ Project Eligibility Criteria
- RMDZ General Loan Criteria
- GHG/RMDZ Comparison Chart Overview

# Feedstock Origin Loan Criteria

RECYCLING MARKET DEVELOPMENT ZONE (RMDZ)	GREENHOUSE GAS REDUCTION (GHG)
LOAN PROGRAM	LOAN PROGRAM
Pre-processing of materials is acceptable, <u>without</u> proof of a binding agreement with a California finished product producer	Pre-processing of materials is acceptable <u>with</u> proof of a binding agreement with a California finished product producer
All projects must be located in CA & in a <u>RMDZ</u>	All projects must be located in CA
Landfill diversion or materials that have already been diverted for pre-processing	<u>New Landfill diversion</u>
	<u>GHG emission reductions</u>

# Project Eligibility Criteria and General Loan Criteria

<http://www.calrecycle.ca.gov/RMDZ/Loans/CurrentCycle/default.htm>

<http://www.calrecycle.ca.gov/Climate/GrantsLoans/GHGLoans/FY201516/default.htm>

**Loan Programs Overview Comparison for  
Recycling Market Development Zone & Greenhouse Gas Reduction**

*Revised March 2018 (Highlighted items note differences)*

	<b>RECYCLING MARKET DEVELOPMENT ZONE (RMDZ) LOAN PROGRAM</b> <a href="http://www.calrecycle.ca.gov/rmdz/loans/CurrentCycle/default.htm">www.calrecycle.ca.gov/rmdz/loans/CurrentCycle/default.htm</a>	<b>GREENHOUSE GAS REDUCTION (GHG) LOAN PROGRAM</b> <a href="http://www.calrecycle.ca.gov/Climate/GrantsLoans/GHGLoans/FY201516/default.htm">www.calrecycle.ca.gov/Climate/GrantsLoans/GHGLoans/FY201516/default.htm</a>
<b>Eligible Processes</b>		
<b>Eligible Projects</b>	<p>1. The manufacturing of value-added finished products using California derived recycled content fiber, plastic, glass, <b>tires, construction and demolition materials</b>.</p> <p>Note: pre-processing of materials is acceptable, <b>without</b> proof of a binding agreement with a California finished product producer.</p>	Note: pre-processing of materials is acceptable <b>with</b> proof of a binding agreement with a California finished product producer.
<b>Eligible California Generated Feedstock Waste Types</b>	<ul style="list-style-type: none"> <li>• <b>Construction and demolition</b></li> <li>• <b>Tire Derived Projects</b></li> <li>• <b>Other waste materials that are landfilled</b></li> </ul>	
<b>Project Eligibility Criteria</b>	<ul style="list-style-type: none"> <li>• All projects must be located in CA &amp; in a <b>RMDZ</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>New Landfill diversion</b></li> <li>• <b>GHG emission reductions</b></li> </ul>
<b>Eligible Applicants</b>		<ul style="list-style-type: none"> <li>• <b>Local governments</b></li> </ul>
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>• <b>\$5 million cannot consist of more than \$3 million in RMDZ loans.</b></li> </ul>	
<b>Use of Loan Funds</b>	<ul style="list-style-type: none"> <li>• Real estate purchase (maximum \$1 M) and improvements</li> <li>• <b>Working capital</b></li> <li>• <b>Refinance of onerous debt that results in increase diversion</b></li> <li>• <b>Loan closing points</b></li> </ul>	

## Loan Programs Overview Comparison for Recycling Market Development Zone & Greenhouse Gas Reduction

*Revised March 2018 (Highlighted items note differences)*

	RECYCLING MARKET DEVELOPMENT ZONE (RMDZ) LOAN PROGRAM <a href="http://www.calrecycle.ca.gov/rmdz/loans/CurrentCycle/default.htm">www.calrecycle.ca.gov/rmdz/loans/CurrentCycle/default.htm</a>	GREENHOUSE GAS REDUCTION (GHG) LOAN PROGRAM <a href="http://www.calrecycle.ca.gov/Climate/GrantsLoans/GHGLoans/FY201516/default.htm">www.calrecycle.ca.gov/Climate/GrantsLoans/GHGLoans/FY201516/default.htm</a>
<b>Eligible Processes</b>	<ul style="list-style-type: none"> <li>Waste Prevention</li> <li>Reuse</li> <li>Recycling, Composting, In-Vessel Digestion</li> </ul>	<ul style="list-style-type: none"> <li>Waste Prevention</li> <li>Reuse</li> <li>Recycling, Composting, In-Vessel Digestion</li> </ul>
<b>Eligible Projects</b>	<p>Construction, renovation, or expansion of facilities to increase in-state infrastructure for:</p> <ol style="list-style-type: none"> <li>The digestion or composting of organics into compost, soil amendments, biofuels, or bioenergy; or</li> <li>The manufacturing of value-added finished products using California derived recycled content fiber, plastic, glass, tires, construction and demolition materials.</li> </ol> <p>Note: pre-processing of materials is acceptable, <b>without</b> proof of a binding agreement with a California finished product producer.</p>	<p>Construction, renovation, or expansion of facilities to increase in-state infrastructure for:</p> <ol style="list-style-type: none"> <li>The digestion or composting of organics into compost, soil amendments, biofuels, or bioenergy; or</li> <li>The manufacturing of value-added finished products using California derived recycled content fiber, plastic, or glass.</li> </ol> <p>Note: pre-processing of materials is acceptable <b>with</b> proof of a binding agreement with a California finished product producer.</p>
<b>Ineligible Projects</b>	<ul style="list-style-type: none"> <li>Electronic waste, hazardous waste, metals, transformation, single use plastic bags, polystyrene food containers, materials that are banned from landfills.</li> </ul>	
<b>Eligible California Generated Feedstock Waste Types</b>	<ul style="list-style-type: none"> <li><b>Organics projects:</b> Green or food materials, or alternative daily cover (ADC)</li> <li><b>Recycled fiber, plastic, and glass projects:</b> fiber, plastic, or glass materials</li> <li><b>Construction and demolition</b></li> <li><b>Tire Derived Projects</b></li> <li><b>Other waste materials that are landfilled</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Organics projects:</b> Green or food materials, or alternative daily cover (ADC)</li> <li><b>Recycled fiber, plastic, and glass projects:</b> Fiber, plastic, or glass materials</li> </ul>
<b>Project Eligibility Criteria</b>	<ul style="list-style-type: none"> <li>All projects must be located in CA &amp; in a <b>RMDZ</b></li> <li>Landfill diversion or materials that have already been diverted for pre-processing</li> <li>Permit and CEQA review completed</li> </ul>	<ul style="list-style-type: none"> <li>All projects must be located in CA</li> <li><b>New Landfill diversion</b></li> <li><b>GHG emission reductions</b></li> <li>Permit and CEQA review completed</li> </ul>
<b>Eligible Applicants</b>	<ul style="list-style-type: none"> <li>Private, for-profit entities <ul style="list-style-type: none"> <li>Recycling manufacturer</li> <li>Preprocessor</li> <li>Final Product Producer</li> </ul> </li> <li>Nonprofit organizations (except private schools)</li> </ul>	<ul style="list-style-type: none"> <li>Private, for-profit entities <ul style="list-style-type: none"> <li>Recycling manufacturer</li> <li>Preprocessor</li> <li>Final Product Producer</li> </ul> </li> <li>Nonprofit organization (except private schools)</li> <li><b>Local governments</b></li> </ul>

**Loan Programs Overview Comparison for  
Recycling Market Development Zone & Greenhouse Gas Reduction**  
*Revised March 2018 (Highlighted items note differences)*

<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>• \$2,000,000 or 75% of total project cost, whichever is less.</li> <li>• Matching funds of at least 25% of the total project.</li> <li>• Borrower can receive more than one loan for either loan program. <ul style="list-style-type: none"> <li>○ Must result in additional diversion using the same or different type of feedstock, manufacturing process, or end product</li> </ul> </li> <li>• Borrower cannot to exceed \$5 million in total principal outstanding</li> <li>• <b>Cannot exceed \$3 million in RMDZ loans.</b></li> </ul>	<ul style="list-style-type: none"> <li>• \$2,000,000 or 75% of total project cost, whichever is less.</li> <li>• Matching funds of at least 25% of the total project.</li> <li>• Borrower can receive more than one loan for either loan program. <ul style="list-style-type: none"> <li>○ Must result in additional diversion using the same or different type of feedstock, manufacturing process, or end product</li> </ul> </li> <li>• Borrower cannot to exceed \$5 million in total principal outstanding, including RMDZ.</li> </ul>
<b>Use of Loan Funds</b>	<ul style="list-style-type: none"> <li>• Machinery and equipment</li> <li>• Real estate purchase <b>(maximum \$1 M) and improvements</b></li> <li>• Installation of machinery and equipment.</li> <li>• Requirement of implementing sustainable building practices, including the requirement to purchase recycled-content products.</li> <li>• <b>Working capital</b></li> <li>• <b>Refinance of onerous debt that results in increase diversion</b></li> <li>• <b>Loan closing points</b></li> </ul>	<ul style="list-style-type: none"> <li>• Machinery and equipment</li> <li>• Real estate purchase</li> <li>• Installation of machinery and equipment.</li> <li>• Requirement of implementing sustainable building practices, including the requirement to purchase recycled-content products.</li> </ul>
<b>Repayment Terms</b>	<ul style="list-style-type: none"> <li>• Interest Rate: 4.00%, fixed for the term of the loan.</li> <li>• Term: Up to 10 years when collateralized by equipment (not to exceed the useful life of the equipment and machinery and other assets), or 15 years when collateralized by real estate.</li> </ul>	
<b>Loan Applications</b>	<p>RMDZ Loan Application</p> <ul style="list-style-type: none"> <li>• Preliminary loan determination (No fee)</li> <li>• Full loan determination (\$300 fee)</li> <li>• Loan closing points: 0.5%, to be paid when the loan is funded.</li> </ul>	<p>GHG Loan Application</p> <ul style="list-style-type: none"> <li>• Preliminary loan determination (No fee)</li> <li>• Full loan determination (\$300 fee)</li> <li>• Loan closing points: 0.5%, to be paid when the loan is funded.</li> </ul>

# Contacts and Resources

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[ZA 101 Handbook](#)

# Questions?

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