



S A C O G

SACOG Board of Directors

Item #09-11-9
Consent

November 5, 2009

Authorize Staff Involvement in EPA Brownfields Revolving Loan Fund Grant Application

Issue: SACOG has been invited to join a coalition of councils of governments and the Center for Creative Land Recycling in applying for a U.S. Environmental Protection Agency (USEPA) Brownfields Revolving Loan Fund (RLF) Grant that would provide low interest loans to private or public entities within each council of governments (COG) to remediate brownfield contamination on redevelopment sites.

Recommendation: The Land Use & Housing Committee recommends that the Board authorize staff to continue working as part of a coalition on the USEPA Brownfields RLF Grant and, if grant is awarded, participate as a coalition member in the grant.

Committee Action/Discussion: The USEPA provides grants to eligible entities to facilitate the redevelopment of brownfield sites. Brownfields are real property, the redevelopment of which is inhibited by the presence or perception of contamination. The Association of Bay Area Governments (ABAG) and the Center for Creative Land Recycling (CCLR) have invited SACOG to join in forming a coalition of California councils of governments to apply for Brownfield RLF grant funds to serve their member jurisdictions. In awarding the brownfield loans, priority would be given to growth areas identified through Blueprint visioning processes, or other COG board-approved criteria.

Four COGS, including ABAG, SACOG, SCAG (Southern California Association of Governments) and the San Joaquin Valley Policy Council (a coalition of the eight San Joaquin Valley COGs) have joined in the grant application, pending approval from their boards of directors. Many jurisdictions are not able to take on an EPA RLF loan program on their own, nor do they have a sufficient number of sites that are individually suited to the program. Thus, a coalition of COGs was proposed in order to increase the potential for more local jurisdictions to gain access to this funding source. ABAG is the lead grant applicant and will administer the grant. CCLR will administer the RLF program and provide technical assistance in the grant administration. CCLR is a non-profit organization with experience in managing RLFs throughout California, including USEPA RLF grants.

RLF grants provide funding for a grant recipient to capitalize a revolving loan fund from which to provide loans and sub-grants to carry out cleanup activities at brownfield sites. Funds may be used to clean up sites contaminated with petroleum and/or hazardous substances. The grant period is five years and awarded in the form of a cooperative agreement. The total funding requested under the grant is \$5,000,000 with a 20 percent cost share requirement paid by loan recipients or local or state funds. Eligible loan recipients include private developers, non-profit developers, and local governments. The proposed budget and scope of work are attached and a full application can be made available as requested.

If the grant is awarded, the coalition will be memorialized by a memorandum of understanding (MOU) which will specify distribution, management, priorities, and program goals. The coalition members will be responsible for: executing a cooperative agreement; providing notice to member jurisdictions of the availability of grant funds; providing direction to the coalition of the priority areas in their jurisdiction; and participating in the loan committee, which sets loan fund goals, recommends approval of loans, and other goals of the coalition. The benefit to coalition members includes local jurisdiction access to loan or grant funds to remediate sites within a COG's priority growth area and promotion of infill development.

The grant application deadline was October 16, 2009. Staff anticipates award announcements will occur between March and May 2010. Staff developed the application to meet the deadline but defers to direction from the SACOG Board of Directors as to whether to continue to pursue the opportunity.

Approved by:

Mike McKeever
Executive Director

Attachment

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disbursements, EPA reimbursements and periodic loan statements.

The cost of management activities, estimated at \$259,000 for ABAG and CCLR cover salary and benefits. Travel expenses to the national and regional conferences and training are in addition to this amount. Ineligible administrative expenses will not be billed to the grant.

b Budget. The \$6.0 million combined grant and cost share will be used to capitalize remediation loans and cover programmatic expenses, including travel to project sites and for conferences. It is detailed below. ABAG will coordinate Program Management, Fund Management and Site Management with CCLR and the lead regulatory agency.

| Table 5: BUDGET | | <i>Tasks - HazMat</i> | | | |
|--------------------------|---------------------------|--------------------------|------------------------|---------------------|---------------------|
| Categories | <i>Project Management</i> | <i>Fund Management</i> | <i>Site Management</i> | <i>Cleanup</i> | <i>Total</i> |
| Personnel | 70,000 | 39,375 | 60,375 | | \$169,750 |
| Fringe | 23,333 | 13,125 | 20,125 | | \$56,583 |
| Travel | 21,000 | | 21,000 | | \$42,000 |
| Supplies | 3,500 | | | | \$3,500 |
| Contractual | | | 49,000 | | \$49,000 |
| Loans | | | | 2,432,500 | \$2,432,500 |
| Subgrants (max) | | | | 1,621,667 | \$1,621,667 |
| SubTotal - HazMat | 117,833 | 52,500 | 150,500 | 4,054,167 | \$4,375,000 |
| | | <i>Tasks - Petroleum</i> | | | |
| Personnel | 10,000 | 5,625 | 8,625 | | \$24,250 |
| Fringe | 3,333 | 1,875 | 2,875 | | \$8,083 |
| Travel | 3,000 | | 3,000 | | \$6,000 |
| Supplies | 500 | | | | \$500 |
| Contractual | | | 7,000 | | \$7,000 |
| Loans | | | | 347,500 | \$347,500 |
| Subgrants (max) | | | | 231,667 | \$231,667 |
| SubTotal - Petro | 16,833 | 7,500 | 21,500 | 579,167 | \$625,000 |
| Total - EPA-RLF | \$ 134,667 | \$ 60,000 | \$ 172,000 | \$ 4,633,333 | \$ 5,000,000 |
| Match | | | | 1,000,000 | \$1,000,000 |
| Total - SURF | \$ 134,667 | \$ 60,000 | \$ 172,000 | \$ 5,633,333 | \$ 6,000,000 |

- Task 1 - Project Management activities include setting up the program, drafting, negotiating and executing the Coalition MOU, coordinating all EPA requirements, marketing, underwriting, loan processing and administration, and reporting.
- Task 2 - The Fund Management duties include disbursement, tracking, management of funds, and EPA reimbursement requests.

- Task 3 - The Site Management duties include coordination of all remediation and regulatory requirements at the borrower's sites with the on-scene coordinator retained by the borrower/subgrantee to ensure that the remediation project complies with the EPA RLF and state regulatory criteria. It will also include site oversight activities, tracking of the administrative record, and expenses billed by the lead regulatory agency.