

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALReUSE) Program**

**Meeting Date: July 23, 2008**

***Request Approval to Contract for Statewide Strategic Partner Services for the CALReUSE Remediation Program***

Prepared by: *Deana Carrillo, Program Manager*

<p><b>Proposed Statewide Strategic Partners</b> Center for Creative Land Recycling and National Brownfield Association</p>	<p><b>Amount Requested:</b> Not to Exceed \$1,000,000 per contract</p> <p><b>Contract Term:</b> A 2 year term upon execution of contracts (2008 to 2010)</p>
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**Summary:** The California Pollution Control Financing Authority (the “Authority” or “CPCFA”) has been working diligently to implement the CALReUSE Remediation Program (Program) funded by the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C).<sup>1</sup> A fundamental preliminary step in this process is the selection of Strategic Partners to assist the Authority in administering the Program. CPCFA undertook a competitive bidding process and ultimately selected the Center for Creative Land Recycling (CCLR or “see clear”) and the National Brownfield Association (NBA) to serve as Statewide Strategic Partners under the CALReUSE Remediation Program. A Statewide Strategic Partner’s compensation is based on fees for specific services provided, and ultimately rewards the Partner for successfully implementing the Program. The Authority will enter into a two year contract not to exceed \$1,000,000 with each entity.<sup>2</sup>

Within program guidelines established by CPCFA, a Statewide Strategic Partner will provide specific services to potential applicants across the State. Under the contract terms the Statewide Strategic Partner will: make applications available and accept applications for projects; evaluate and recommend Brownfield Infill Projects to CPCFA for financing; provide technical assistance to applicants, borrowers and grantees; facilitate the execution of Infill Grant Agreements and Infill Loan Agreements; review fund disbursement requests for eligible costs and consistency with the Cleanup Plan for the Brownfield Infill Project, and when appropriate recommend payment of fund disbursement requests; assist in administering and marketing the Program across the State; and provide reports to the Authority pursuant to the Regulations.

<sup>1</sup> The Housing and Emergency Shelter Trust Fund Act, Proposition 1C, was approved by California voters in November 2006. Of the total \$2.85 billion in general obligation bonds approved under Proposition 1C, \$850 million is slated for the *Regional Planning, Housing and Infill Incentives Account*, which includes a provision for *brownfield cleanup that promotes infill housing development and other related infill development consistent with regional and local plans*. In the most recent State budget, \$60 million of Proposition 1C funds were allocated to the CALReUSE program. The funds are for *loans or grants... for the purposes of brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans*.

<sup>2</sup> The Authority may extend a contract with private entities for a single year term.

**Background on Strategic Partner Selection Process:** As noted above, CPCFA has been working diligently to implement the CALReUSE Remediation Program funded by Proposition 1C. CPCFA determined that it would undertake a competitive bidding process to select Strategic Partners to assist the Authority in administering the Program. Given the distinct differences in the breadth of the scope of work between a Local Strategic Partner and a Statewide Strategic Partner, the Authority staff elected to advertise two separate Requests for Proposals (RFPs) with distinct compensation methods.

On June 18, 2008 the Authority advertised a RFP for Statewide Strategic Partner(s) to over 300 interested parties; the notice was sent to the Authority's electronic list serve, and advertised on the Authority's website as well as on the Department of General Services State Contracts Register. Over a dozen entities expressed interest in the Statewide Strategic Partner services and requested a copy of the RFP.

As of the proposal deadline, July 9, 2008, the Authority received three proposals from the following entities: the Center for Creative Land Recycling, the National Brownfield Association, and the Targhee Consulting Team.

The Authority developed an evaluation process that included an internal Staff Evaluation Committee, which also took into account recommended scores from an external Technical Advisory Committee. The Technical Advisory Committee included representatives from the Department of Housing and Community Development, Department of Toxic Substances Control, and the State Water Resources Control Board. The selection criteria for Local Strategic Partners were based on the following characteristics:

- Understanding of the economic and real estate development processes specifically as applied to proposed Brownfield Infill Projects and Infill Development Projects;
- Understanding of environmental assessment and remediation requirements, and Brownfield regulatory and reporting requirements;
- Experience in evaluating the economic viability of proposed Brownfield Infill Projects and Infill Development Projects;
- Ability to provide Technical Assistance to a development entity;
- Experience in grant/loan administration;
- Marketing strategy;
- Demonstrated partnership experience; and
- Fee Schedule

**Analysis on Selected Statewide Strategic Partner:** Of the three entities that applied, the Staff Evaluation Committee determined that both the National Brownfield Association and the Center for Creative Land Recycling were responsive to all areas and requirements of the RFP; their individual proposals achieved a score of 100 and 99 out of a total of 115 points respectively. The organizations' qualifications and experience, ability to fulfill the unique scope of services required of a Statewide Strategic Partner, and costs to the State were the most significant factors in determining scores.

Below is a brief summary of the selected Statewide Strategic Partners.

**The National Brownfield Association**, headquartered in Chicago, is a nonprofit association for government, businesses, and individuals dedicated to promoting sustainable development and encouraging green building on brownfield sites. The NBA has compiled a strong team to assist in administering the CALReUSE Remediation Program that includes: Peter Hollingworth, founder of California Environmental Redevelopment Fund, LLC (CERF); SCS Engineers, Inc., an environmental services firm; Robert Doty of Cox, Castle, Nicholson, LLP; Richard Opper of Opper & Varco; and Robert Colangelo, President of the NBA. The team's operations will be based out of a local office of SCS Engineers in the City of Sacramento.

**The Center for Creative Land Recycling** is a nonprofit organization focused on creating sustainable communities by identifying and implementing responsible patterns of land use and development. CCLR's mission is to encourage and facilitate land recycling in ways that revitalize urban areas, discourage urban sprawl, and conserve greenspace. CCLR was founded in 1996 as a project of The Trust for Public Land (TPL), a national, nonprofit land conservation organization with seed funding from The James Irvine Foundation. CCLR became an independent 501(c)(3) organization in 1999. CCLR promotes the reuse and recycling of brownfields. CCLR's work is accomplished through training, technical assistance, and small grants for communities that are attempting to revitalize vacant or environmentally distressed properties. CCLR's office is located in the City of San Francisco.

The Authority has an effective relationship with CCLR as the current statewide Strategic Partner under the CALReUSE Assessment Program, which has proved to be an invaluable partner in the program.

**Contract Terms:** Each contract shall be for a two-year period with an option to extend for an additional year. A Statewide Strategic Partner will be compensated on a quarterly basis subsequent to providing services. The compensation amount shall not exceed \$1,000,000 for the term of each contract.

The Authority will manage expenditures and compensate Statewide Strategic Partners through *task orders*. A task order is a contracting term that is broadly used by an entity that wishes to enter into contracts to acquire services when the exact quantities of future deliveries are not known at the time of contract award. A task order for the CALReUSE Remediation Program will identify a "not to exceed" amount of compensation for specific types of services over a period of time. Statewide Strategic Partners will submit invoices toward a specific task order. If needed, a task order may be amended as services or costs change, or new task orders can be created to incorporate additional specific services. The hourly rates and compensation schedules used in a task order will utilize the rate and fee schedule the Authority accepted in the submitted Cost Proposals.

To further explain, staff anticipates that initial task orders (task order #A) will be created in consultation with the Statewide Strategic Partners that will cover initial administrative costs for a period of time (the first 6 to 12 months of the contract). Task order #A would likely describe the Strategic Partners' specific services and estimated costs for general program administration activities, such as: fielding inquiries from potential applicants, reviewing applications, and basic marketing efforts. When a Statewide Strategic Partner determines that it will recommend funding of a specific Brownfield Infill Project, the Statewide Strategic Partner will submit an

estimate of the hours and type of service and the cost of administering the particular Infill Loan or Infill Grant. This estimate would become the basis of an additional task order (task order #B). To continue, a different task order (task order #C) may be initiated for additional Program marketing efforts and costs, given the unknown amount of marketing that will ultimately be needed.

Task orders are designed to provide both the accountability and flexibility that is required within this Program. The Authority and Statewide Strategic Partners may enter into as many task orders as necessary at one time to assist the Authority in tracking overall administrative costs, marketing costs, and those for specific Brownfield Infill Projects.

**Anticipated Timeline:**

- July 23, 2008 Board Approval of Statewide Strategic Partners Selection.
- August 13, 2008 Contracts due from selected entities; CPCFA executes contracts.
- September 1, 2008 DGS approval of contracts; contracts commencement.
- September 1, 2008 Notice to Interested Parties of funding availability.
- September 24, 2008 Potential first project for Board consideration.

**Recommendation:**

Staff recommends approval of a resolution to authorize execution of a contract with 1) the Center for Creative Land Recycling, and 2) the National Brownfield Association to provide Statewide Strategic Partner services for the CALReUSE Remediation Program in an amount not to exceed \$1,000,000 per contract.

**A RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
AUTHORIZING EXECUTION OF CONTRACTS TO RETAIN STATEWIDE STRATEGIC  
PARTNERS UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALREUSE)  
REMEDIATION PROGRAM**

July 23, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) was created under the provisions of the California Pollution Control Financing Act as contained in Section 44500, et seq., of the Health and Safety Code; and

WHEREAS, the Authority is vested with all powers necessary to carry out the powers and responsibilities of the California Pollution Control Financing Act pursuant to Health and Safety Code Sections 44517 and 53545.14; and

WHEREAS, the Authority has determined that it is necessary to execute contracts in order to retain entities to provide Strategic Partner services as defined by Article 9 of the Authority’s regulations (the “Regulations”) for the California Recycle Underutilized Sites Remediation Program (the “Program”); and

WHEREAS, Section 8102.11 of Title 4, Division 11, Article 9 of the California Code of Regulations states that a governmental agency or public or private entity shall be eligible to participate as a Strategic Partner, and Strategic Partners will be selected by the Authority based upon the following eligibility and selection criteria:

- (1) Demonstrated ability to provide Technical Assistance to a Development Entity;
- (2) Demonstrated understanding of the economic and real estate development processes;
- (3) Demonstrated understanding of environmental assessment and remediation requirements;
- (4) Demonstrated understanding of Brownfield regulatory and reporting requirements;
- (5) Demonstrated partnership experience; and

WHEREAS, the Authority has identified the Center for Creative Land Recycling (“CCLR”) and the National Brownfield Association (“NBA”) to serve as Statewide Strategic Partners for the CALReUSE Remediation Program, and that both entities meet the eligibility and selection criteria of Section 8102.11 of Title 4, Division 11, Article 9 of the California Code of Regulations to assist in the financing of loans and grants as specified in Section 53545.14 of the Health and Safety Code pursuant to the Housing and Emergency Shelter Trust Fund Act of 2006;

WHEREAS, the Authority proposes to execute contracts to retain CCLR and NBA to provide Statewide Strategic Partner services and other actions related to the Program.

NOW, THEREFORE BE IT RESOLVED, the Authority selects CCLR and NBA to serve as Statewide Strategic Partners for an amount not to exceed \$1,000,000 each for the term of each contract.

Section 1. The Authority hereby authorizes the execution of contracts to retain CCLR and NBA to provide Statewide Strategic Partner services and other actions related to the Program as more fully described in the Regulations.

**Agenda Item 4.F.1.**

Section 2. The term of the contract(s) will commence upon execution of the contract(s) and will continue for two years with an option to extend for a period of one-year unless earlier terminated by the Authority.

Section 3. The amount of each contract shall not exceed \$1,000,000 for the term of each contract.

Section 4. The Chair and Executive Director are hereby authorized for and on behalf of the Authority to execute contracts to retain Statewide Strategic Partners to provide Strategic Partner services, with the form and substance of said contracts to be reviewed and approved by legal counsel to the Authority.

Section 5. This resolution shall take effect immediately upon its approval.