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OFFICE OF THE CITY CLERK
OAKLAND
2012 MAY 10 12:13

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: Strategic Partnership for CALReUSE

DATE: April 30, 2012

City Administrator
Approval

Deanna J. Santana

Date

5/7/12

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council adopt:

A Resolution To Authorize The City Administrator To Execute A Strategic Partnership Agreement With State Treasurer's Office, California Pollution Control Financing Authority, for the CALReUSE Environmental Assessment Loan Program

EXECUTIVE SUMMARY

Staff request that the City Council authorize the City Administrator to enter into a new Strategic Partnership with State Treasurer's Office, California Pollution Control Financing Authority (CPCFA) for the California Recycle Underutilized Sites ("CALReUSE") Program, for no cost, as per the attached Strategic Partner Agreement (*Attachment A*). The State's Partnership Agreements typically do not allocate new funds. The City has approximately \$147,000 in its existing allocation, including funds that are committed but not yet disbursed to committed borrowers.

Staff has worked with six borrowers using CALReUSE environmental assessment loan funds. The City is granted authority to receive applications and approve applications, and to administer the program, including review of disbursement requests. Staff review the requests, then forward the requests to the State's fiscal agent, Deutsche Bank. The Program has enabled the investigation of sites which were stagnant due to the unknown conditions of contamination, allowing for subsequent clean-up work to be conducted. The CALReUSE program is strictly used for assessment activities, not for clean-up.

Item: _____
CED Committee
May 22, 2012

OUTCOME

The approval of the CALReUSE Strategic Partnership agreement will allow the City to continue working with its current borrowers, and make an additional loan or loans with the remaining balance of its existing allocation. Staff also request permission to accept and receive additional allocations, should the State make additional funds available for the CALReUSE program, without returning to Council.

BACKGROUND/LEGISLATIVE HISTORY

Oakland was one of the original three jurisdictions to receive a Strategic Partnership with the State Treasurer's Office for the CALReUSE Program in 2001 (Resolution No. 01-78 C.M.S.). Council re-authorized the execution of a new partnership agreement for CALReUSE in 2006 (Resolution No. 80138 C.M.S.).

ANALYSIS

Land in the urban central city is often constrained by the presence or perception of contamination. Oakland has suffered the blight and decay of land and or underutilized buildings which cannot be redeveloped without the conduct of an environmental assessment and subsequent cleanup. The costs and uncertainty of costs for environmental cleanup cause disinvestment in Oakland's neighborhoods. Lenders are often reticent to lend on Brownfields. Lack of financing for assessment and cleanup are barriers to the cleanup and redevelopment of the properties. The availability of low-interest loan financing from the CALReUSE Environmental Assessment Program is therefore a valuable tool to advance the development of such properties.

PUBLIC OUTREACH/INTEREST

In 2007, staff published the free publication, *Oakland Brownfield Resource Guide*, which describes the CALReUSE and other financing programs, to educate the public and developers about Brownfield conditions, processes, and programs. Staff will continue to distribute the CALReUSE program flyer at meetings, through the Business Assistance Center and the public information counters of the Planning and Zoning and Building Services divisions.

COORDINATION

Staff works with the Oakland Fire Department's Hazardous Material Supervisor, and/or the Public Works Agency's Environmental Services Division for review and approval of the borrower's environmental assessment work programs. Staff works with the Oakland Business Development Corporation (OBDC) for the review of the financial aspects of loan applications, with OBDC underwriting costs borne by the applicant. There are no administrative funds for the CALReUSE program.

COST SUMMARY/IMPLICATIONS

1. COST ELEMENTS OF AGREEMENT/CONTRACT: none
2. TOTAL AGREEMENT/CONTRACT AMOUNT \$0.00
3. SOURCE OF FUNDING:

No City funds are used for this program. The CALReUSE Program provides no administrative funding. A 25% match is required of all borrowers, payable to the State's Fiscal Agent, Deutsche Bank, 10% of which may include City staff's administrative contribution.

4. FISCAL IMPACT:

The present action does not have any direct new fiscal impact on the City.

SUSTAINABLE OPPORTUNITIES

Economic: The continuing Strategic Partnership with the State will result in revitalization of currently blighted and contaminated property in Oakland.

Environmental: The project funds the assessment of contaminated soil in preparation for clean-up, and the revitalization of properties by private and non-profit developers.

Social Equity: The project benefits low-interest financing for the assessment of contaminated properties, which are typically found in the urban center and low income, mixed industrial and residential neighborhoods of Oakland.

CEQA

The recommended action is exempt from CEQA pursuant to Section 15061(b)(3) (general rule) of the CEQA guidelines.

For questions regarding this report, please contact Margot Lederer Prado, Office of Economic & Workforce Development, (510) 238-6766.

Respectfully submitted,



Fred Blackwell
Assistant City Administrator

Reviewed by: Aliza Gallo,
Economic Development Manager
Office of Economic & Workforce Development

Prepared by: Margot Lederer Prado,
Economic Development Specialist
Office of Economic & Workforce Development

Attachments

A: Strategic Partnership Agreement, State of California Treasurer's Office, California Pollution Control Financing Authority.

STATE OF CALIFORNIA
STANDARD AGREEMENT

STD 213 (Rev 06/03)

AGREEMENT NUMBER CPCFA08-11
REGISTRATION NUMBER

- This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME California Pollution Control Financing Authority
CONTRACTOR'S NAME City of Oakland
- The term of this Agreement is: May 1, 2012 through April 30, 2013
At its discretion, CPCFA may extend the term of the Contract one additional year
- The maximum amount of this Agreement is: **\$0.00**
Zero dollars and no cents
- The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	9 pages
Exhibit B – CALReUSE Program Regulations	19 pages
Exhibit C* – General Terms and Conditions	GTC 610
<input checked="" type="checkbox"/> Exhibit D - Special Terms and Conditions (Attached hereto as part of this agreement)	7 pages
Exhibit E – Additional Provisions	3 pages

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at [www.ols.dgs.ca.gov/standard contract language](http://www.ols.dgs.ca.gov/standard_contract_language)

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		California Department Of General Services Use Only
CONTRACTOR'S NAME (If other than an Individual, state whether a corporation, partnership, etc.) City of Oakland		
BY (Authorized Signature)	DATE SIGNED(Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Fred Blackwell, Assistant City Administrator		
ADDRESS One Frank Ogawa Plaza, 3 rd Floor, Oakland, California 94612		
STATE OF CALIFORNIA		
AGENCY NAME California Pollution Control Financing Authority		
BY (Authorized Signature)	DATE SIGNED(Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Michael Papanian, Executive Director		
ADDRESS 915 Capitol Mall, Room 457, Sacramento, California 95814		

Exempt per: SCM Vol.1
Ch. 4.04:5.b

K Jain
City Attorney

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.
Introduced by Councilmember _____

2012 MAY 10 12:13

RESOLUTION TO AUTHORIZE THE CITY ADMINISTRATOR TO EXECUTE A STRATEGIC PARTNERSHIP AGREEMENT WITH STATE TREASURER'S OFFICE, CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY, FOR THE CALREUSE ENVIRONMENTAL ASSESSMENT LOAN PROGRAM

WHEREAS, Oakland has an abundance of brownfields sites, defined as sites which are blighted, vacant or underutilized sites due to the real or perceived presence of contaminants; and

WHEREAS, the high cost of environmental site assessment is a major barrier in the cleanup and redevelopment of these sites; and

WHEREAS, the CALReUSE Program was established by the State of California in 2000 (SB1986, Ch 915, Stats. 2000) to target brownfields sites located in distressed urban and rural communities and urban in-fill areas with a demonstrated need for redevelopment; and

WHEREAS, to encourage development of brownfields sites, the State of California Treasurer's Office, California Pollution Control Financing Authority, operates a program providing loans for environmental assessment of such sites and designates strategic partners throughout the State to administer the California Reutilized Sites Brownfields Loan (CALReUSE) Program; and

WHEREAS, the City Council approved a Resolution No. 80138 C.M.S. and executed a Strategic Partnership with the State of California, California Pollution Control Financing Authority in 2006, which expired in February, 2012; and

WHEREAS, the California Pollution Control Financing Authority seeks to authorize a new Strategic Partnership agreement to market, package and award low-interest loans for environmental site assessments for the CALReUSE loan program; now, therefore be it

RESOLVED: That the City of hereby authorizes the City Administrator to execute a Strategic Partner Agreement with the State of California, CPCFA, for the CALReUSE program; and be it

FURTHER RESOLVED: that the City of Oakland has independently reviewed and considered this environmental determination, and the Council finds and determines that this action complies with CEQA because this action on the part of the City is exempt from CEQA pursuant to Section 15061(b)(3) (general rule) of the CEQA guidelines.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California