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OAKLAND

2009 APR -8 PM 7:59

CITY OF OAKLAND



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Office of the City Administrator
Dan Lindheim
City Administrator

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April 21, 2009

Oakland City Council
Oakland, California
Council President Brunner and Members of the Council:

Re: Report and Resolution Approving Applications for the Clean Water State Revolving Fund, State Coastal Conservancy, National Clean Diesel Funding, and Clean Cities Petroleum Reduction Program Grants from the American Recovery and Reinvestment Act (ARRA) of 2009

SUMMARY

A resolution has been prepared authorizing the City Administrator, on behalf of the City of Oakland, to apply for grants from the U.S. Environmental Protection Agency (Clean Water & Clean Diesel), U.S. Department of Commerce (Coastal & Marine Habitat Restoration), and the U.S. Department of Energy (Clean Cities).

The City of Oakland is not the lead agency on these four competitive state-wide and regional grant applications. The City of Oakland will be working collaboratively with other cities and local agencies to develop grant proposals that will be used to compete nationwide for the available ARRA funding. The City of Oakland is working closely with the lead agencies and other partners to determine the total grant amounts and the activities which best comply with the grant application guidelines.

FISCAL IMPACT

The City of Oakland has submitted a grant application to the U.S. Department of Commerce - National Oceanic and Atmospheric Administration (NOAA) through the State Coastal Conservancy in the amount of \$1.5M (million). The City of Oakland has determined a preliminary amount of \$12M for the Clean Water State Revolving Fund. The remaining three grant funding applications are in the planning stage and dollar amounts have not yet been determined.

Item: _____
City Council
April 21, 2009

KEY ISSUES AND IMPACTS

The American Reinvestment and Recovery Act (ARRA) includes approximately \$283 million in formula allocations directly to the State of California in grant and loan funding for wastewater infrastructure, through the existing Clean Water State Revolving Fund (CWSRF). The Department of Commerce National Oceanic and Atmospheric Administration (NOAA) through the ARRA made available \$170 million in competitive grant funding for restoration of coastal and marine habitats to the State Coastal Conservancy. Also, the ARRA made additional competitive grant funding available for projects designed to reduce diesel emissions, expand the use of alternative fueled vehicles and advanced technology vehicles that will substantially reduce the reliance on petroleum. Based upon the various federal and state grant guidelines, the City is proposing to apply for the following grants:

Clean Water State Revolving Fund (CWSRF)

The State Water Resources Control Board (SWRCB) administers the CWSRF on behalf of the state in cooperation with the U.S. Environmental Protection Agency. Under the ARRA guidelines, the SWRCB may use the CWSRF to implement the federal Clean Water Act and various state laws by providing financial assistance (grant or loan) to existing programs, largely for wastewater treatment upgrades:

While current state laws do not allow grants or loan forgiveness under the CWSRF program, the State of California Legislative Analyst Office is urgently proposing the passage of legislation to authorize the SWRCB to include these categories of financial assistance (grant or loan forgiveness) under the state's CWSRF program: Upon passage of such state legislation, the SWRCB may allow the grant funding to be used for construction activities of publicly-owned wastewater treatment facilities, local sewers, sewer interceptors, water recycling facilities, as well as expanded use projects, such as implementation of nonpoint source (NPS) projects or programs, development and implementation of estuary Comprehensive Conservation and Management Plans, and storm water treatment.

In response to the ARRA guidelines to federal and state agencies to move quickly in implementing program activities, the SWRCB established a deadline of **March 24, 2009** for local agencies to submit projects for the CWSRF Project Priority List to be used as a planning resource for the state-wide regional application.

The City of Oakland Community and Economic Development Agency (CEDA), Department of Engineering and Construction submitted the following projects, totaling \$12,056,160:

1. Project Title: Rehabilitation of Sanitary Sewers in Sub-basin 52-05 – \$5,418,000
Location: 20th Street, San Pablo Avenue, and Telegraph Avenue.
Project Scope: Rehabilitation of 27,200 lineal feet of sanitary sewer and structures
2. Project Title: Rehabilitation of Sanitary Sewers in Sub-basin 85-101 – \$3,840,000
Location: MacArthur Boulevard, 64th Avenue, Simson Street, 72nd Avenue
Project Scope: Rehabilitation of 25,000 lineal feet of sanitary sewer and structures

3. Project Title: Rehabilitation of Sanitary Sewers in Sub-basin 86-003 – \$1,770,960
Location: Jones, 98th, and Edes Avenues
Project Scope: Rehabilitation of 16,000 lineal feet of sanitary sewer and structures
4. Project Title: Rehabilitation of Sanitary Sewers in Sub-basin 84-104 – \$1,027,200
Location: San Leandro Boulevard, Edes Ave and 85th Avenue
Project Scope: Rehabilitation of 14,500 lineal feet of sanitary sewer and structures

The projects were selected based on the 25 year Regional Water Quality Control Board mandated Compliance Plan.

The grant guidelines are posted at: <http://epa.gov/otaq/eparecovery>

State Coastal Conservancy

The U.S. Department of Commerce – National Oceanic and Atmospheric Administration (NOAA) made available through the competitive grant process up to \$170 million for the restoration of coastal and marine habitats. The State Coastal Conservancy Board (SCCB) serves as the lead agency and has coordinated a collaborative grant proposal for the State of California which included the City of Los Angeles, City and County of San Francisco, City of San Cruz, City of Santa Monica, and the City of Oakland. The application deadline was *April 6, 2009* and the total amount requested was \$8.66 million. The City of Oakland portion of this funding application was \$1.5 million.

The City of Oakland Community and Economic Development Agency, Department of Engineering and Construction proposes to use the funds for Water Shed Management projects to eliminate trash in local waterways including installation of a storm water separator at the Rotary Nature Center, replacement of the sea curtain at the Coliseum Slough (in partnership with Alameda County), installation of 200 inlet inserts throughout the City, and a public outreach campaign.

The grant guidelines are posted at: <http://www.grants.gov/applicants/recovery.jsp>

National Clean Diesel Funding Assistance Program

The U.S. Environmental Protection Agency – National Clean Diesel Campaign will be funding projects in collaboration with EPA Regional offices. The funding will be awarded on a competitive basis (ranging between \$250K up to \$10M) to support various projects focused on reducing diesel emissions, i.e., verified emission control technologies, including retrofit devices, cleaner fuels and engine upgrades; verified idle reduction technologies, certified engine repowers; and/or vehicle or equipment replacement. The closing date for receipt of grant applications is *April 28, 2009*. The project period is for fifteen (15) months between June 2009 and September 2010. EPA Regional Office 9 is the lead agency for this grant and is coordinating a host of grant information activities with local governmental agencies including the Air Resources Board (ARB).

Under the National Clean Diesel Funding Assistance Program grant guidelines, funds may not be used to fund the costs of emissions reductions activities that are currently mandated under federal and state law. As such, the City's on-road heavy-duty diesel program, which is currently under state mandate, does not qualify for this program. However, the City's in-use off-road diesel vehicles may qualify for funding under this program.

The City of Oakland Public Works Agency anticipates applying for the replacement of 15 off-road diesel vehicles (e.g., tri-plex mowers, flail mower, and tractors).

The grant guidelines are posted at: <http://epa.gov/otaq/eparecovery/progmerge.htm>

Clean Cities – FY 09 Petroleum Reduction Technologies Projects

The U.S. Department of Energy – National Energy Technology Laboratory will make available \$300M in funding opportunities under the Clean Cities FY 09 Petroleum Reduction Technologies Projects for the Transportation Sector. The ARRA authorized the establishment of a competitive grant pilot program to be administered through the Clean Cities Program that will provide 30 geographically dispersed project grants to state governments, local governments, and/or metropolitan transportation authorities, in partnership with an active designated Clean Cities Coalition. The grant is comprised of four areas of interest: (1) Refueling Infrastructure for Alternative Fuels; (2) Incremental Cost of dedicated Alternative Fuel Vehicles; (3) Education and Outreach Workshops for Petroleum Reduction Fuels and Technologies; and (4) Alternative Fuel and Advanced Technology Vehicle Pilot Program. The grant application is due on **May 29, 2009** with a project period of four (4) years.

The Bay Area Air Quality Management District (BAAQMD) will serve as the Region's lead agency for this grant application and will assist with the preparation, coordination and development of the various components of the grant application and proposals as provided by each of the separate municipal jurisdictions. The City and County of San Francisco, City of San Jose and the City of Oakland will serve as the "anchor" partners within this collaborative project. The "anchor" partners will develop the overall project description and submit to BAAQMD. The BAAQMD will invite other cities and counties in the Bay Area, as well as transit agencies, to participate in this regional grant process as outlined in the guidelines developed by the "anchor" cities. Also, the BAAQMD has agreed to provide the 50% matching funds as required by the grant.

The City of Oakland Public Works Agency (PWA) and the Community and Economic Development Agency (CEDA) contributions to this regional project include applying for hybrid electric vehicles, plug-in electric vehicle kits, and installation of electric vehicle charging stations at various locations within the City of Oakland.

The grant guidelines are posted at: <http://www.grants.gov/applicants/recovery.jsp>

Transportation Electrification

In addition to the ARRA funding opportunity issued through the Clean Cities program, the U.S. Department of Energy – National Energy Technology Laboratory has issued approximately \$400M in additional funding opportunities within the Transportation Electrification Competitive Grant. Similar to the Clean Cities Program funding opportunities, it is likely that the BAAQMD will serve as the Region's lead agency for this project. Currently, the BAAQMD is assessing how to best proceed with using Bay Area cities' collaborative teams and partnerships, program linkages, and the opportunities to leverage funds between the various ARRA grant funding opportunities. The grant application is due on *May 13, 2009*.

The City of Oakland Public Works Agency anticipates applying for electric vehicle (EV) related projects or leveraging funds for Clean Natural Gas (CNG) related projects.

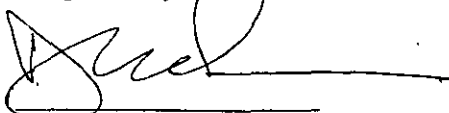
The grant guidelines are posted at: <http://www.grants.gov/applicants/recovery.jsp>

RECOMMENDATIONS

It is recommended that the City Council adopt the resolution to apply for the following grants:

1. Clean Water State Revolving Fund (CWSRF) in the amount of \$12,056,160.
2. State Coastal Conservancy in the amount of \$1,500,000.
3. National Clean Diesel Funding Assistance Program in an amount to be determined.
4. Clean Cities – FY 09 Petroleum Reduction Technologies Projects in an amount to be determined.
5. Transportation Electrification in an amount to be determined.

Respectfully submitted,



Dan Lindheim
City Administrator

OAKLAND CITY COUNCIL

DRAFT
City Attorney

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OAKLAND

RESOLUTION No. _____ C.M.S.

2009 APR -8 PM 7:59

Introduced by Councilmember _____

Resolution Authorizing the City Administrator, On Behalf Of the City of Oakland, To Apply For Grant Funds From the American Recovery and Reinvestment Act of 2009 (Federal Government's "Stimulus Package") For Clean Water State Revolving Fund, State Coastal Conservancy, National Clean Diesel Funding, Clean Cities Petroleum Reduction Program; and the Transportation Electrification Program Grants

WHEREAS, it is anticipated that the U.S. Government will award grant funds in the amount of approximately \$ 787 billion dollars from the American Recovery and Reinvestment Act of 2009 (Federal Government's "Stimulus Package") to state and local governments to stimulate the economy by creating and preserving jobs; and

WHEREAS, the City of Oakland may be eligible to receive a portion of the grants funds; and

WHEREAS, due the urgent economic conditions, the federal government is releasing information on an ongoing basis regarding application deadlines and the criteria for funding and the types of programs, projects that will qualify for the funding and the Mayor, City Administrator and the City Council wish to be in the best posture (1) to be apprised of and updated regarding developments regarding the Stimulus Package and the City's options; (2) to prepare complete, and revise as necessary, timely grant applications; and (3) to obtain the maximum amount of grant funds for which the City of Oakland may be eligible; and

WHEREAS, the City learned that funds are available for the Clean Water State Revolving Fund; State Coastal Conservancy; National Clean Diesel Funding Assistance Program; Clean Cities – FY 09 Petroleum Reduction Technologies Projects; and the Transportation Electrification Grants and the City wishes to apply for a grant from the Stimulus Package for said purpose; and

WHEREAS, the City has learned that the deadline for the applications and major planning activities are March 24, 2009; April 6, 2009; April 28, 2009; May 29, 2009; and May 13, 2009 respectively; now, therefore be it

RESOLVED: That the City Council hereby authorizes the City Administrator or his designee to apply for grant funds from the American Recovery and Investment Act of 2009 (Federal "Stimulus Package") for the Clean Water State Revolving Fund, for certain sanitary sewer rehabilitation projects; State Coastal Conservancy, for various Water Shed Management projects; National Clean Diesel Funding Assistance Program, to purchase replacements for overaged off-road diesel vehicles used in the City's Public Works Agency; Clean Cities – FY 09 Petroleum Reduction Technologies Projects, for hybrid electric vehicles, installation of electric charging stations, and related equipment; and the Transportation Electrification, for electric vehicle (EV) related projects or to leverage funds for Clean Natural Gas (CNG) related projects; and be it

FURTHER RESOLVED: That the City Administrator shall return to the City Council for authorization to accept and appropriate any funds awarded to the City as a result of the individual grant applications.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

DRAFT

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California