

REQUEST FOR APPROVAL

To: **Howard Levenson**
Deputy Director, Materials Management and Local Assistance Division

From: **Michelle Martin**
Branch Chief, Financial Resources Management Branch

Request Date: October 27, 2015

Decision Subject: Eligibility Criteria and Evaluation Process for the Local Government Waste Tire Cleanup Grant Program (Tire Recycling Management Fund, Fiscal Year 2016–17)

Action By: November 17, 2015

Summary of Request

This memo seeks approval of the proposed eligibility criteria and evaluation process for the Local Government Waste Tire Cleanup (TCU) Grant Program for Fiscal Year (FY) 2016–17.

Staff proposes to conduct the FY 2016–17 cycle using the eligibility criteria and evaluation process applied in FY 2014–15, except as described under *Proposed Changes* and summarized below:

1. Revise the application ranking criteria from two to five ranks, primarily to foster coordination with Local Conservation Corps and to provide greater priority to certain eligible applicants, and change the order in which applications are funded.
2. Establish tie breaking criteria.

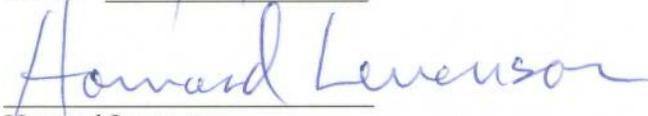
Recommendation

Staff recommends approval of the proposed eligibility criteria and evaluation process for the TCU Grant Program for FY 2016–17.

Deputy Director Action

On the basis of the information and analysis in this Request for Approval and the findings set out herein, I hereby approve the eligibility criteria and evaluation process for the Local Government Waste Tire Cleanup Grant Program for FY 2016–17.

Dated 11/17/15



Howard Levenson
Deputy Director

Background and Analysis

Statutory Authority

The Department of Resources Recycling and Recovery (CalRecycle) receives an annual appropriation from the California Tire Recycling Management Fund to administer the California Tire Recycling Act (Senate Bill 937, Vuich, Statutes of 1990, Chapter 35) (Public Resources Code (PRC) sections 42860 et seq.). PRC section 42872 authorizes CalRecycle to award grants to public entities who take actions to reduce illegally disposed waste tires. PRC section 42889(b)(5) specifically authorizes CalRecycle to pay the costs of cleanup, abatement, removal, or other remedial action related to tire stockpiles throughout the state, including all approved costs incurred by other public agencies involved in these activities by contract with CalRecycle.

The July 2015 edition of the *Five-Year Plan for the Waste Tire Recycling Management Program (Eighth Edition Covering Fiscal Years 2015/16-2019/20)* allocates \$1,800,000 for FY 2016–17 for this function.

Program Background

The TCU Grant Program is designed to pay for the cost of cleanup of illegally dumped waste tires. Funds are available for the collection, removal, transportation, recycling, and disposal of California waste tires from tire piles and areas where illegal dumping has occurred. Funds are limited to the removal of waste tires along public rights-of-way and on private property with either: (a) less than 500 tires on site, or (b) 500 to 4,999 tires if the property owner signs an affidavit stating that they did not bring the tires on site or allow others to bring the tires on site.

The table below summarizes previous grant awards.

Fiscal Year	Number of Awards	Amount Awarded
2006–07	20	\$ 845,867
2007–08	15	790,923
2008–09	20	834,943
2009–10	19	1,027,855
2010–11	21	1,081,559
2011–12*	0	0
2012–13	23	1,723,223
2013–14**	0	0
2014–15	23	1,715,882
2015–16**	0	0
Totals	141	\$8,020,252

* The TCU grant program was suspended for FY 2011–12 to transition to a two-year term.

** Funding was allocated (on an alternating-year basis) to the Local Government Waste Tire Amnesty Grant Program.

Proposed Process and Eligibility

Staff will review the applications for completeness and determine applicant and project eligibility. Eligible applicants will be ranked according to the proposed ranks described in *Proposed Changes* below.

Eligible applicants include cities, counties, special districts, Qualifying Indian Tribes, and other political subdivisions and jurisdiction joined together for formal agreements. Applicants may apply either individually or as a regional. Cities or counties may submit a regional application with authorization from other cities and counties participating in the regional application. Sites that are zoned agricultural are ineligible for this grant program until they have first attempted to obtain a grant through CalRecycle's Farm and Ranch Solid Waste Cleanup and Abatement Grant Program. Priority will be given to applicants that demonstrate coordination with a Local Conservation Corps (LCC). Grants will not be awarded to two agencies within the same jurisdiction (example: City of Sacramento Public Works Department and City of Sacramento Health Department).

Applications will be disqualified if their cost per tire is greater than \$8.00 or have sites with 5,000 tires or more.

The maximum grant award is:

- \$100,000 for individual grant awards
- \$250,000 for regional grant awards

If oversubscribed, the unfunded eligible applicants may be funded if additional funding becomes available.

Proposed Changes

1. Add three application ranking criteria (changed from two to five ranks) and sort applications within each rank from lowest to highest cost per tire. Funding will be provided to eligible applicants in Rank One, then in Rank Two, etc. until funding is exhausted. Where funding is exhausted within a rank, funding will be provided to applicants with the lowest cost per tire.
 - a. *Rank One - Serious threat to public health and safety and the environment (No Change):*
Projects that propose to remediate waste tire piles within 1,000 feet of residential homes, schools, recreational areas, waterways, public walkways, airports, commercial or industrial centers, electrical transmission lines or an environmentally sensitive area.
 - b. *Rank Two – Coordination with LCCs (Proposed Additional Rank):*
Applicant must provide documentation showing coordination between the jurisdiction and the LCC for services related to this program. Example activities might include coordination with the LCCs to assist with additional staff, tire hauling, and servicing surrounding areas. Costs covered by an LCC will be shown on the Budget as a separate column denoted as "LCC" and will not be included in the calculation of the cost per tire.

The proposed rank two criterion is designed to encourage local jurisdictions to work with their LCCs. The LCCs were allocated \$2,500,000 from the Tire Recycling Management Fund in the FY 2014–15 Governor's Budget and an additional \$5,000,000 per year in subsequent years. Leveraging these resources so that LCCs perform some of the work could potentially free up TCU funding and enable additional jurisdictions to receive TCU grants.

- c. *Rank Three - Cities with less than 20,000 residents, counties with less than 50,000 residents, special districts, or Qualifying Indian Tribes (Proposed Additional Rank):*
Applicant is a city with less than 20,000 residents, a county with less than 50,000 residents, a special district, or a Qualifying Indian Tribe. This change will provide resources to those applicants who typically have higher transportation costs and may be at a disadvantage compared to applicants whose program costs are well under \$8.00 or less per tire.

- d. *Rank Four – Applicants that do not fall into the above ranks (No Change, equivalent to previous Rank Two)*
- e. *Rank Five – Applicants that have previously withdrawn or spent less than 50 percent of the grant award (Proposed Additional Rank):*
 Notwithstanding the above, and excluding applicants who meet Rank One criteria, applicants that were awarded any TCU grants in the previous three FYs (2014–15, 2012–13 and 2010–11) but either withdrew their grant award or used less than 50 percent of their grant award will be considered only after all other eligible applicants have been awarded. This change is proposed to enhance fuller utilization of grant awards.
2. Establish tie breaking criteria. In the event of a tie within any of the ranks, the following criteria will be applied.
- Tie Breaking Criteria 1* - Existing tire pile(s) identified, with at least one existing pile with 10 or more tires.
 - Tie Breaking Criteria 2* - Applicant did not receive a grant for the previous FY 2014–15 cycle.

Tentative Timeline for FY 2016–17

Staff will post a Notice of Funds Available on CalRecycle’s website informing potential applicants of the funding, eligibility requirements, deadlines, and other important information. Notices will also be distributed through CalRecycle’s Local Assistance and Market Development staff to inform their local jurisdictions, the Grants Management System database, applicable listservs, outreach presentations, and newsletters.

Tentative Dates	Activity
December 2015	Post Notice of Funds Available, application, related instructions, and documents on the web site
February 5, 2016	Question and Answer Period – due date is approximately three weeks after the release of the application
March 3, 2016	Applications due
March/April 2016	Conduct application evaluation/review process; determine funding for eligible applicants
April 5, 2016	Secondary due date for Resolution
June 2016	Grant awards presented at CalRecycle’s Public Meeting
July 2016	Grant Agreements distributed and executed
June 30, 2018	Grant term ends