

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
CALIFORNIA RECYCLE UNDERUTILIZED SITES ASSESSMENT PROGRAM
Meeting Date: March 19, 2013**

***Discussion of the Continuation of the California Recycle Underutilized (CALReUSE)
Sites Assessment Program***

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Issue. At the February 24, 2010 Board Meeting, staff informed the California Pollution Control Financing Authority (“CPCFA” or “Authority”) Board that it would evaluate programmatic and financial aspects of the CALReUSE Assessment Program (“Program”). Staff has completed a draft programmatic and the financial evaluation of the Assessment Program. Staff will continue to confer with key private and public stakeholders to determine the most beneficial ways to move forward with the Program and will return to the Board with recommendations later this year.

Background. In 2001, CPCFA implemented the CALReUSE Assessment Program. The CALReUSE Program’s primary goal is to spur the development of brownfields by providing pre-development dollars necessary to address the funding and information gaps associated with brownfield redevelopment. The Program may offer forgivable loans for up to \$300,000¹ to help finance the cost of brownfield site assessment and characterization, technical assistance, and remedial action planning.

The Program’s loan portfolio includes 43 projects: 20 loans have been repaid, 17 have been forgiven, and six are currently active. Of the 20 projects with repaid loans, 16 projects have moved forward into the development phase. The completed projects have resulted in affordable, market rate housing and mixed-use development units, and have allowed for the rehabilitation of various commercial and industrial properties throughout California.

The Program was administered exclusively through Strategic Partners (SP) until March 2010. From Program inception until March 2010 the the Authority’s role was to allocate and track program funds to each SP, and monitor regulatory and contractual compliance of SPs. Following a periodic review, statewide program administration was moved in-house and short-term interagency agreements were executed with the local SPs who chose to continue servicing the existing loans. Currently, the Cities of Oakland, San Diego, and Emeryville act as local SPs and continue operating the Program.

Next Steps. As staff considers administrative changes that occurred within the Program, the current availability and demand for assessment funds and the current economic environment, we are continuing our discussions with the Department of Toxic Substances Control, the United States Environmental Protection Agency, Environmental Attorneys, Environmental Underwriters and other stakeholders who are offering valuable input for program. Staff will review all alternatives, conduct a round table with key stakeholders and come up with recommendations that will further carry out the mission of the Program, CPCFA and the State of California.

¹ Loans can be up to \$500,000 if the proposed use of the Brownfield is for an Infill Development Project (Remediation Program).