

Request for Approval

To: Rachel Machi Wagoner
Director, Department of Resources Recycling and Recovery

From: Matt Henigan
Deputy Director, Materials Management and Local Assistance Division

Request Date: March 9, 2021

Decision Subject: Awards for the Pilot Cycle of the Reuse Grant Program (Greenhouse Gas Reduction Fund, Fiscal Year 2019–20)

Action By: March 16, 2021

Summary of Request

Staff requests approval of grant awards for the pilot cycle of the Reuse Grant Program for fiscal year (FY) 2019–20. Table 1 lists the top scoring applications from three of the four eligible project types that received passing scores, and the top scoring application from the remaining passing applications, totaling \$1,983,435. The Department of Resources Recycling and Recovery (CalRecycle) received 32 eligible applications requesting a total of \$14,267,287 for this competitive grant program. The remaining passing applications, reflected in rank order in Table 2, may be funded if additional funds are allocated to this program. No applications in the transport packaging project type received a passing score.

Recommendation

Staff recommends approval of the four grant awards listed in Table 1 for \$1,983,435.

Table 1. Recommended Awards - A List

Applicant	Project Type	Award Amount
Sudbusters, Inc.	Food Service Ware	\$494,800
American Refuse Inc.	Food Service Ware	\$500,000
Habitat for Humanity East Bay/Silicon Valley, Inc.	Wood	\$488,635
Conscious Container	Refillables	\$500,000
		Total Award Amount: \$1,983,435

Table 2. Recommended Awards if Additional Funds Become Available - B List

Applicant	Project Type	Recommended Amount
Nielsen/Aire Corporation	Wood	\$500,000
City and County of San Francisco	Wood	\$496,500
Madison Materials, Inc.	Wood	\$500,000
Architectural Reuse Council	Wood	\$499,338
Sebastopol Cultural Community Center	Food Service Ware	\$490,463
Re Up	Refillables	\$300,000
		Total Recommended Amount: \$2,786,301

Funding

The Fiscal Year (FY) 2019–20 Budget allocated \$25,000,000 to CalRecycle for its Greenhouse Gas Reduction Fund Grant Programs, with \$1,250,000 allocated for administrative costs. The Department of Finance reduced CalRecycle’s allowable expenditures by \$3,633,603, pursuant to CS 15.14 (b) of the 2019 Budget Act. As a result, CalRecycle’s FY 2019–20 allocation now totals \$21,366,397 with \$1,068,320 reserved for administrative costs. In March 2020, \$2,487,247 was awarded to the Organics Grant Program, and in June 2020, \$1,350,000 was awarded to the Community Composting for Green Spaces Grant Program. As a result, \$16,460,830 is available in local assistance funding. CalRecycle allocated \$2,000,000 from FY 2019–20 funds for the Reuse Grant Program. Staff proposes to fully fund four grant awards totaling \$1,983,435, with the remaining balance of \$16,565 in unused funding to be allocated to another Greenhouse Gas Reduction Fund Grant Program via a Request for Approval at a future CalRecycle Public Meeting.

Table 3. Funding

Fund Source	Amount Available	Amount to Fund Item	Amount Remaining	Line Item
Greenhouse Gas Reduction Fund (FY 2019-20)	\$16,460,830	\$1,983,435	\$14,477,395	Local Assistance/Grants

Director Action

On the basis of the information and analysis in this Request for Approval and the findings set out herein, I hereby conditionally approve the grant awards for the Reuse Grant Program as listed in Table 1. Each proposed grantee's award is subject to two conditions:

1. The recommended grantee must pay all outstanding debts due to CalRecycle, or bring current any outstanding payments owed to CalRecycle by April 20, 2021.
2. The recommended grantee's Signature Authority (or where delegation is authorized, his or her Designee) must sign and return the Grant Agreement to CalRecycle. The signed Grant Agreement must be received by April 20, 2021.

Rachel Machi Wagoner
Director

Dated

Background and Findings

Statutory Authority

Public Resources Code section 42995 et seq., added to statute by the enactment of Senate Bill (SB) 862 (Chapter 36, Statutes of 2014) and revised by SB 859 (Chapter 386, Statutes of 2016), authorizes the California Department of Resources Recycling and Recovery (CalRecycle) to award grants and loans for capital investments that expand waste management infrastructure, resulting in greenhouse gas (GHG) emission reductions, with a priority for projects that benefit priority populations.

Program Background

The purpose of the grant program is to further the goals of the California Global Warming Solutions Act (Assembly Bill (AB) 32) and facilitate reductions greenhouse (GHG) emissions by expanding and improving landfill diversion and recycling in California through source reduction (i.e., reuse).

Criteria and Process

The Eligibility Criteria and Evaluation Process was discussed at the March 17, 2020 CalRecycle monthly public meeting and subsequently approved by the Acting Director. The Notice of Funds Available was placed on the CalRecycle website on August 4, 2020, with an appropriate notice sent to stakeholders.

Applications were due September 10, 2020, with a secondary due date of September 24, 2020 for Resolution submissions. CalRecycle received 38 applications requesting a total of \$16,915,265. Nine were Refillable projects, 16 were Food Service Ware projects, 6 were Transport Packaging projects, and 7 were Wood projects. Of these, six applications were incomplete and disqualified. Staff reviewed the remaining 32 applications in accordance with the approved evaluation and scoring criteria. Ten applications received a passing score and 22 applications were ineligible for funding because the projects did not receive a passing score.

CalRecycle is able to fund four of the ten applicants who received passing scores, for a maximum grant award of \$500,000 per project. Applications that received the highest passing score of each of the four project types listed below were prioritized for funding. Since there were no applications that received a passing score in the Transport Packaging project type, the next highest overall application with a passing score was recommended for an award. If additional monies become available, staff recommends funding the remaining six projects that received passing scores.

The eligible project types are as follows:

- **Refillables:** Replacement of single-use containers with refillables, including, but not limited to beverage, food, or personal care product containers.
- **Food Service Ware:** Replacement of single-use food service ware (e.g., plates, cups, utensils) with durable alternatives that can be reused.
- **Transport Packaging:** Replacement of single-use packaging with reusable packaging used to transport or distribute goods (e.g., crates, pallets).
- **Wood:** Recovery of lumber, wood flooring, or wood furniture from landfills or through deconstruction projects for reuse.

Project Summaries for Recommended Awards

The projects with proposed grant awards are briefly summarized below:

Applicant: **Sudbusters, Inc.**

Project Type: Food Service Ware

County: Contra Costa

Grant Funds Recommended for Approval: \$494,800

The Sudbusters Reusable Food Service Ware Program is a service that delivers reusable bins stocked with clean cups and food serviceware for events and venues, and collects the used service ware for washing and reuse. Grant funds would be used to expand on existing activities and develop a turn-key program that provides an alternative to disposable food and drink wares used across many waste-generating events, venues, and other businesses including farmers markets, community events, festivals, and other entertainment companies. Primary operations for the washing and storage of The Sudbusters Reusable Food Service Ware Program will be located at UC Berkeley's Richmond Field Station in Richmond, California.

Applicant: **American Refuse, Inc.**

Project Type: Food Service Ware

County: Kern, Kings, Tulare

Grant Funds Recommended for Approval: \$500,000

American Refuse, Inc. is a waste hauler in the southern San Joaquin Valley that works to create more recycling and sustainability programs throughout its operating area in the region. Grant funds would be used to provide reusable cafeteria supplies including cutlery, bowls, cups, and dishwashers for fifteen schools, health organizations, churches, and youth centers in disadvantaged communities of Kern, Kings, and Tulare Counties. These cafeterias have limited financial resources, yet have recurring costs associated with the purchase and disposal of single-use food service ware.

Applicant: **Habitat for Humanity East Bay/Silicon Valley, Inc.**

Project Type: Wood

County: Alameda, Contra Costa, Santa Clara

Grant Funds Recommended for Approval: \$488,635

Habitat for Humanity East Bay/Silicon Valley, Inc. is a nonprofit donation-based collection and resale operation with three sites in Oakland, Concord, and San Jose, serving six Bay Area counties. The purpose of this enterprise is to extend the life cycle of an array of products such as furniture, doors, windows, lumber, flooring, and other home improvement products, and to provide these quality items for reuse to Bay Area residents. Grant funds would be used to increase diversion of wood products from landfills to the stores for reuse by the community. This will include conducting public education and outreach to businesses and residents, increasing store visibility and traffic with directional signage, and purchasing essential equipment such as flatbed trucks and forklifts to facilitate wood and lumber donation pick-ups and storage.

Applicant: **Conscious Container**

Project Type: Refillables

County: Sonoma

Grant Funds Recommended for Approval: \$500,000

Conscious Container is proposing to develop and operate a new reusable/refillable glass bottle program that includes collection, washing, and resale of glass beverage containers in Northern California. The objective of this project is to reduce GHG emissions, advance local jobs, and support established local distribution infrastructure. Grant funds would be used to implement the third phase of their Reuse Glass Bottle Program, which is to establish a Pilot Reuse Wine Bottle Program in Napa and Sonoma Counties.