

Request for Approval

To: **Zoe Heller**
Acting Deputy Director, Materials Management and Local Assistance
Division

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

Request Date: April 29, 2022

Decision Subject: Eligibility Criteria and Evaluation Process for the Tire-Derived Aggregate Grant Program (Tire Recycling Management Fund, Fiscal Years 2022–23 and 2023–24)

Action By: May 17, 2022

Summary of Request

Staff seeks approval of the proposed eligibility criteria and evaluation process for the Tire-Derived Aggregate Grant Program (Program) for fiscal years (FYs) 2022–23 and 2023–24. Staff proposes to use the same eligibility criteria and evaluation process used in FY 2021–22, except as described under the Proposed Changes section and summarized below.

- Increase maximum grant award from \$350,000 to \$375,000.

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 sections 42872 and 42873 allow for the awarding and funding of grants for activities and applications that result in reduced landfill disposal or stockpiling of waste tires. The Program meets the statutory requirements of PRC sections 42872 and 42873.

The draft *Five-Year Plan for the Waste Tire Recycling Management Program* (Eleventh Edition Covering Fiscal Years 2021–22 to 2025–26) Report to the Legislature allocates \$750,000 to the Program for each of the FYs 2022–23 and 2023–24.

Program Background

The fundamental goal of the Program is to promote the development of long-term, sustainable, and diversified markets for California's tire-derived products. Tire-derived aggregate (TDA) which is produced from shredded tires, is a significant use of recycled tires in the United States and provides a cost-effective alternative to conventional aggregate for

use in various civil engineering projects. These uses include retaining wall backfill, lightweight embankment fill, landslide stabilization, vibration mitigation, low impact development, and various landfill applications. The Program assists civil engineers in solving a variety of engineering challenges.

CalRecycle funded TDA research and pilot projects for several years prior to the inception of the Program in an effort to ensure a solid base from which to expand TDA usage.

Proposed Process and Eligibility

Staff will review all applications for completeness and eligibility. Complete applications will be evaluated to confirm project eligibility. Staff will determine if appropriate costs are directly related to the purchase and transportation of the TDA material, purchase of geosynthetic material, TDA installation, and engineering/design work for the project.

Eligible applicants include:

- Local governments (cities, counties, or cities and counties) as defined in PRC section 48617.
- Joint Powers Authorities (JPA) as an eligible entity (where all of the participating entities are otherwise eligible).
- Special districts (including transportation districts).
- Qualifying Tribal Entities.
- Private, for-profit entities.
- Nonprofit organizations.
- State agencies (including offices, departments, bureaus, and boards).
- Public school districts.
- University of California campuses, California State University campuses, and California Community Colleges.

Eligible project categories include:

- Mechanically stabilized TDA
- Low impact development (storm water mitigation including infiltration galleries).
- Lightweight fill (slope stabilization, embankment fill, landslide repair, and retaining walls).
- Vibration mitigation (under rail lines).
- Landfill application (aggregate replacement projects such as leachate and gas collection systems, drainage layers, leachate injection).
 - **Note:** Landfill application projects receive the lowest funding priority. Projects that are underway or that have been completed at the same location within the same facility within three years of application are not eligible.

Project Requirements:

- Only California-generated waste tires, processed in California, must be used in the TDA portion of the project(s).
- The project(s) must be located in California.
- A combined minimum of 500 tons of TDA must be used in the project(s), with the exception of Low Impact Development projects, which must use a minimum of 200 tons of TDA in the project(s).

- Plans and specifications must be reviewed by CalRecycle staff and its contractor(s) during the application review process and prior to commencement of work. The project design plans must be at a minimum 50 percent complete at the time of application submission and 100 percent design prior to the start of the project.
- Each project must incorporate technical assistance/training provided by CalRecycle contractors and/or staff.
- The real property on which the project will be located must be owned by the applicant (or by a member of an applicant JPA). If not, appropriate access rights must be obtained.
- Construction of the TDA portion of any project must commence on or after receipt of the Notice to Proceed and be completed by the end of the grant term.
- Landfill projects will not be reimbursed for use of more than 0.75 cubic yards (0.5 tons) of TDA per lineal foot of landfill gas collection or leachate injection line.

The maximum grant award is \$375,000 (see Proposed Changes).

All eligible applications shall be funded on a continual basis with two application due dates until initially allocated monies are exhausted. If all initially allocated monies are exhausted, CalRecycle will continue to accept applications and consider funding if additional monies become available. CalRecycle may also consider using FY 2023–24 allocations for unfunded FY 2022–23 requests.

If there are more eligible applications received by a due date than available monies, CalRecycle will fund one eligible application from each project category using the greatest appropriate amount of TDA material within each category, with the exception of applications for landfill projects. Landfill projects represent the lowest priority and will be funded only after all other eligible projects are funded, within each of the two cycles. The remaining applications will be ranked starting with project(s) that use the greatest appropriate amount of TDA material in all categories except landfill projects, which will be funded only after all other eligible projects.

Proposed Changes

Staff is proposing changes from the past grant cycle as indicated below.

- **Increase maximum grant award from \$350,000 to \$375,000.**
Based on staff's historical experience, TDA is a less accepted technology in the engineering world than other Tire Derived Products like rubberized asphalt concrete (RAC). However, when awarded, TDA grantees utilize larger amounts of material that result in a significant number of waste tires (passenger tire equivalents) diverted. Typically, staff receive one to two viable applications per fiscal year. In an effort to maximize funding efforts and continue to divert significant amounts of waste tires, staff is recommending to increase the maximum grant award from \$350,000 to \$375,000.

Tentative Timeline for Fiscal Years 2022–23 and 2023–24

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

June 2022: Post Notice of Funds Available, application, and related instructions and documents on the website

August 17, 2022 and December 7, 2022: Applications due

September 2022 and January 2023: Conduct application evaluation/review process and determine funding for eligible applicants

November 2022 and March 2023: Grant Agreements distributed and executed

April 1, 2025: Grant term ends

The FY 2023–24 grant cycle timeline will be similar to the tentative FY 2022–23 grant cycle.

Please refer to [CalRecycle’s website](https://calrecycle.ca.gov/Tires/Grants/TDA/), (<https://calrecycle.ca.gov/Tires/Grants/TDA/>) for more information.

Recommendation

Staff recommends approval of the proposed eligibility criteria and evaluation process for the Tire-Derived Aggregate Grant Program for FYs 2022–23 and 2023–24.

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 Tire-Derived Aggregate Grant Program for FYs 2022–23 and 2023–24.

Zoe Heller
Acting Deputy Director

Dated