INFORMATIONAL MEMORANDUM

TO: Agency Commissioners

FROM: Fred Blackwell, Executive Director

SUBJECT: To inform the Commission of staff's intent to apply for a Brownfields Assessment

Grant through the Environmental Protection Agency for up to \$400,000 to analyze existing site contamination conditions in India Basin; Bayview Hunters

Point Survey Area C

EXECUTIVE SUMMARY

The U.S. Environmental Protection Agency ("EPA") is required to empower states, communities, tribes, and nonprofits to prevent, inventory, assess, clean up, and reuse brownfield sites. Toward that end, the EPA has funds available to assess environmental contamination throughout a community. Agency staff is moving forward with the preparation of a grant application for a community-wide assessment grant through EPA to analyze parcels in India Basin, also known as Area C. The exact sites have not been determined.

In recent years, the Agency has invested heavily in the planning of Area C. Staff is aware that contaminated land likely exists, but the degree and location of such contamination is unknown. If the Agency is awarded these funds, they could be used to assist to help identify the scope and extent of contamination, and to begin the planning process for the remediation of some of the Area C properties.

The Agency will seek the maximum funding available for this grant, in the amounts of \$200,000 for hazardous materials contamination, and \$200,000 for petroleum contamination, for a total of \$400,000. The EPA may award the total request or only a portion.

Agency staff believes that this grant application is a timely opportunity to dedicate specialized funding to Area C. While this funding alone cannot be used for cleanup, it can be used to inform the community and staff of the contamination history in the area, as well as the potential and extent of subsequent clean-up activities. This is a necessary step to redevelop sites under any development scenario. Agency staff is working with the community to assemble letters of support in order to meet the October 16, 2009 application deadline.

DISCUSSION

EPA Funding Requirements

The U.S. Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") was amended in 2002 by the U.S. Small Business Liability Relief and Brownfields

Act to include a provision of federal financial assistance for brownfield revitalization, including grants for specific sites or community-wide assessments. The EPA defines a brownfield as "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of hazardous substances, pollutants, contaminants, controlled substances, petroleum or petroleum products, or is mine-scarred land."

Assessment grants provide funding for creating inventories of brownfields, prioritizing clean-up, conducting community education workshops, performing site assessments, and planning for future remediation of brownfield sites. Assessment funding cannot be used for actual clean-up of the sites. The EPA recommends applying for community-wide assessment proposals when a specific site is not identified and plans include spending grant funds on more than one brownfield in the community.

For community-wide proposals, applicants can request up to \$200,000 for hazardous substance contamination (as defined by CERCLA), and up to \$200,000 for petroleum sites, and can combine these requests into one proposal for a total not to exceed \$400,000.

Area C Land Use History

The San Francisco Planning Department and the Agency are in the midst of a collaborative planning process to create new land use controls, design guidelines, and a redevelopment program for Area C (the "Plan"). The current vision for the Plan area includes new mixed-use development along Innes Avenue, water-oriented and recreational activities, integration of San Francisco Housing Authority residential development on Hunters Point Hill, and improved pedestrian waterfront access.

Area C has a history of varied land uses, which includes light industrial, heavy industrial, small-scale residential, sparse commercial uses, and open space. The Hunters Point Power Plant ("PG&E site") was historically the largest industrial use, located in the northern portion of the Plan area, however the power plant is currently being dismantled and the PG&E site will undergo clean-up and remediation to residential standards. There are smaller industrial uses located in other portions of the Plan area, including on Innes Avenue and adjacent to the shoreline in India Basin Cove. Residential uses and several ground floor commercial spaces can be found primarily on Innes Avenue. Currently, the only retail establishment within the Plan area is a corner store, located on Innes Avenue. There are also several vacant retail spaces along Innes, and several office uses.

Much of the land in Area C is currently undeveloped, and some areas have become attractive nuisances for illegal dumping and various other informal uses that may or may not have left contaminating materials or petroleum in the area. As such, the community and the Agency are concerned about the potential for hazardous materials and petroleum contamination in the area.

EPA Assessment Grant Opportunity for Area C

Agency staff believes that these grant funds are a positive opportunity to address some of the contamination issues in Area C. As stated above, EPA evaluates proposals based on:

- Economic and environmental needs of the community: Area C has a significant population of residents receiving incomes far below the City's median income and a long contamination history.
- A vision for reuse and redevelopment of the brownfield sites: Area C has an existing planning process underway, and staff is amending the existing Bayview Hunters Point Redevelopment Plan to include Area C.
- Partnerships and leveraged resources necessary to complete the project: The Agency is investing financially in Area C, and the City and Agency are partnering in adjacent communities to leverage funding. Private and public funding is also being leveraged through various sources to catalyze redevelopment through the Bayview Hunters Point neighborhood.
- Economic, environmental, health, and social benefits associated with the reuse and redevelopment of brownfield sites: the vision for the community includes many amenities for open space and economic and social revitalization.

In addition, staff is consulting with several community groups, such as the Bayview Hunters Point Project Area Committee, Literacy for Environmental Justice, the India Basin Neighborhood Association, the Audubon Society, and the Bayview Merchants Association, for letters of support for this funding.

The EPA community-wide assessment grant would enable staff to conduct a basic geotechnical assessment of all of Area C to identify which sites would need more specific assessment, and then move forward with these assessments, most likely through a personal services contract. The scope of work under a future contract would be developed pending the Agency's receipt of the grant, and the total amount of funding granted, as the EPA does not have to fund the entire amount requested.

As a preliminary estimate, Agency staff anticipates that a \$400,000 grant would cover the expenses to do a community-wide Phase I environmental site assessment, and to target at least three or four specific sites with a Phase II environmental site assessment, depending on the size of the site and level of contamination. Staff will update the Commission when the status of the application and level of award is better defined. The EPA estimates notifying successful applicants by Spring 2010. Staff will update the Commission at that time, or when additional information becomes available.

Originated by Licínia McMorrow, Assistant Project Manager, Bayview Hunters Point

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