

STATE OF CALIFORNIA
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

STAFF SUMMARY REPORT – Cheryl Prowell
and Alec Naugle
MEETING DATE: May 8, 2019

ITEM: 7

SUBJECT: **Impacts of Bay Area Development Boom on Board’s Cleanup Programs and Our Proposed Responses – Status Report**

DISCUSSION: Over the past decade, Water Board staff has increasingly been involved with site investigation and cleanup affected by, and in many cases driven by, redevelopment projects. Due to economic growth in the Bay Area, redevelopers are targeting available land within urban centers and near transportation corridors. This urban infill often involves changing land use from commercial/industrial to residential or mixed uses. The sheer number and pace of redevelopment projects in our region is stretching our site-cleanup resources. This trend has impacted all our cleanup programs including Site Cleanup Program, Underground Storage Tanks, Department of Defense, and Land Disposal. Nonetheless, it is vital that we oversee this work to ensure that cleanup protects public health, safety, and the environment while supporting the new uses. As a result, we are developing prioritization and resource-utilization strategies to address these challenges.

Staff in our cleanup programs become involved in redevelopment projects in a variety of ways:

- *New releases discovered during due diligence:* Often, spills or releases are newly identified as part of due diligence evaluations conducted as properties are sold. Lenders and local building departments rely on regulatory agency oversight by the Water Board, our sister agency (Department of Toxic Substances Control), or County Environmental Health Departments to ensure that cleanup and mitigation actions are protective. In the Site Cleanup Program, we take on about 15 new cases per year, mostly identified during land transfers tied to redevelopment.
- *Military Base Privatization:* The major goal of cleanup of former military land is safe conversion to civilian reuse. This has resulted in large-scale land transfers to cities and their redevelopment partners at several former military bases, including Alameda Naval Air Station, Camp Parks Reserve Forces Training Area in Dublin, Concord Naval Weapons Station, Hamilton Army Air Field, Hunters Point Ship Yard, Mare Island Ship Yard, Presidio of San Francisco, and Treasure Island Naval Station. These bases are being converted to highly-visible commercial and residential land uses with high public interest and socio-economic value. In addition, these redevelopment projects are being fast-tracked to take advantage of

market conditions, which requires committed agency oversight and responsiveness.

- *New development on existing cases:* Sometimes, redevelopment is proposed for a property where we have already made cleanup decisions tied to future land use. In most of these cases a new owner requests a change in cleanup strategy to support redevelopment to meet the demands of the real estate market or local government. For example, several closed Bay Area landfills have been redeveloped for commercial projects and we are presently reviewing a proposal for a multi-use (i.e., commercial and residential) redevelopment over the Santa Clara landfill. The project poses threats to the underlying groundwater and potential landfill gas risks to future occupants of new overlying buildings if not properly abated. This demands staff to evaluate the multiple jurisdictional issues posed by such complex landfill redevelopment.

The projects described above bring opportunities and challenges. For example, developers are usually willing to propose, fund, and implement investigation and cleanup actions, and provide cost recovery for our regulatory oversight. But these projects also bring challenges.

- *Quick pace:* Many cleanup projects take years to decades to adequately investigate and cleanup. This timeframe doesn't fit well with the redevelopment timeframe, and developers often ask our staff for expedited reviews of many submittals. We have limited resources to provide oversight, so we often cannot provide expedited review without stopping work on other cleanup cases.
- *Increased human-health threats:* Redevelopment-driven land use changes can bring more workers and residents onto properties with residual risks that require long-term mitigation measures such as vapor intrusion mitigation systems (VIMS) and site management plans that may require ongoing operation, maintenance, and monitoring. While development can provide opportunities on the property being redeveloped, it can leave gaps in overall cleanup if the contamination extends across multiple properties.
- *Need for robust mitigation:* Over half of our active Site Cleanup Program cases involve releases of chlorinated solvents. At these cases, when redevelopment proceeds faster than long term cleanup, vapor intrusion is typically the main threat to human health. To protect current and future occupants, buildings are designed and constructed (or retrofitted) with VIMS. Board staff work directly with property owners and developers to evaluate appropriate vapor intrusion mitigation actions and ensure that deed restrictions are recorded as necessary. These ongoing actions include the need for operation, maintenance, and monitoring plans, and financial assurance, particularly when developers transfer operational responsibilities to residential homeowners. As our approach to evaluating vapor intrusion evolves, we are requiring increasingly more robust systems and ongoing monitoring for an extended period. This increases the amount of staff oversight needed per case and may commit us to

extended involvement at sites where we previously had no role or a more limited role.

In our Site Cleanup Program, approximately one third of our 610 active cleanup cases involve redevelopment. To address redevelopment-related challenges, we are focusing on four areas:

- *Prioritization:* We have actively prioritized our caseload to help staff set realistic expectations for developers, balancing these projects without losing focus on other cases, especially those with unmitigated threats to existing receptors.
- *Guidance:* We are updating guidance to explain our new expectations regarding vapor intrusion evaluation, mitigation, and long-term monitoring. This will help developers plan and avoid costly last-minute changes or schedule impacts.
- *Balancing:* We are increasingly placing a focus on long-term cleanup, so that mitigation measures act as short-term measures to prevent exposure while a long-term cleanup is underway.
- *Additional resources:* In the last two years, we have added three limited-term staff positions to address the growing demand for cleanup oversight at redevelopment projects. We are currently considering whether additional staff resources are needed and obtainable.

While fast-track redevelopment schedules are burdensome to Water Board staff, redevelopment also provides an opportunity to obtain rapid cleanup. Water Board staff play an important role in assisting with the redevelopment process while protect human health and the environment. This meets the mission of our agency, while simultaneously helping to address the region's needs for new housing.

RECOMMEN-
DATION:

This is an information item only and no action is necessary.

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