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**Title:** CONSIDER AN UPDATE TO THE CITY'S EQUITABLE COMMUNITY REVITALIZATION GRANT (ECRG) GRANT APPLICATIONS AND RATIFYING ECRG GRANT AGREEMENTS AND RELATED DOCUMENTS WITH THE STATE OF CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC) ALREADY ENTERED INTO BETWEEN THE CITY OF CARSON AND DTSC, AND CONSIDER ADOPTING RESOLUTION NO. 24-051 AMENDING THE FISCAL YEAR 2023-24 CITY BUDGET TO ACCEPT THE ECRG GRANTS AND AUTHORIZE RELATED EXPENDITURES (CITY COUNCIL)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Exhibit No. 1 - Grant Agreement Sywest Development Site, 2. Exhibit No. 2 - Grant Agreement Housing Authority Site, 3. Exhibit No. 3 - Grant Agreement Community Wide Assessment, 4. Exhibit No. 4 - Standard Voluntary Agreement (Housing Authority), 5. Exhibit No. 5 - Budget Resolution No. 24-051v2

Date	Ver.	Action By	Action	Result
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**Report to Mayor and City Council**

Tuesday, June 04, 2024

Consent

**SUBJECT:**

**CONSIDER AN UPDATE TO THE CITY'S EQUITABLE COMMUNITY REVITALIZATION GRANT (ECRG) GRANT APPLICATIONS AND RATIFYING ECRG GRANT AGREEMENTS AND RELATED DOCUMENTS WITH THE STATE OF CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC) ALREADY ENTERED INTO BETWEEN THE CITY OF CARSON AND DTSC, AND CONSIDER ADOPTING RESOLUTION NO. 24-051 AMENDING THE FISCAL YEAR 2023-24 CITY BUDGET TO ACCEPT THE ECRG GRANTS AND AUTHORIZE RELATED EXPENDITURES (CITY COUNCIL)**

**I. SUMMARY**

The City submitted three (3) grant applications for the Equitable Community Revitalization Grant (ECRG) Round 2 funding and was awarded grant funds for all three (3) applications for a total amount of \$875,000 from the State of California Environmental Protection

Agency's Department of Toxic Substances Control (DTSC). The grant funds will be used for environmental site investigation of the Carson Housing Authority property at the southeast corner of Carson Street and Figueroa Street, additional environmental site investigation of Sywest development project at 20151 S. Main Street, and a community-wide brownfield assessment are eligible to be used at the following locations: Carson Community Center parking lot, City of Carson property at the southeast corner lot of Main and Torrance at 20820 S. Main Street, 20331 S. Main St (GS Nursery), 24219 Avalon Blvd (Domenick's Pizza Parking), and the Carriage Crest Park Expansion area. The community-wide assessment grant can also be used to assess environmental conditions on other eligible properties including privately owned properties with prior DTSC approval.

In March 2024, the City and DTSC executed the three (3) Round 2 Grant Agreements ("Agreements") (Exhibit Nos. 1-3) in connection with the awards. For formality and transparency purposes, staff is requesting Council ratify and approve the Agreements. Additionally, as part of any site investigation grant submittal, a Standard Voluntary Agreement must be entered into with a regulatory agency as a requirement of ECRG funding. The City has already entered into a Standard Voluntary Agreement with DTSC for the Sywest site in 2022 in Round 1 and has subsequently entered into the Standard Voluntary Agreement with DTSC for the Housing Authority site at the southeast corner of Carson Street and Figueroa Street in 2023. The Standard Voluntary Agreement for the Housing Authority site (Exhibit No. 4) has not yet been ratified and approved, and staff is now recommending its ratification and approval. Lastly, staff is also recommending the adoption of Resolution No. 24-051 (Exhibit No. 5) to amend the City's budget for this fiscal year to accept the awarded grants and authorize its related expenditures.

## II. RECOMMENDATION

1. **RATIFY** and **APPROVE** the three ECRG Grant Agreements, dated March 29, 2024, and the City Manager's execution of the Agreements; **AND**
2. **RATIFY** and **APPROVE** the Standard Voluntary Agreement, dated October 6, 2023, and the City Manager's execution of the Standard Voluntary Agreement; **AND**
3. **WAIVE** further reading and **ADOPT** Resolution No. 24-051, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, AMENDING THE FISCAL YEAR 2023 -2024 BUDGET TO ACCEPT THREE GRANTS IN THE AMOUNT OF \$875,000 IN CONNECTION WITH THE STATE OF CALIFORNIA EQUITABLE COMMUNITY REVITALIZATION GRANT (ECRG) PROGRAM."

## III. ALTERNATIVES

**TAKE** another action the City Council deems appropriate.

## IV. BACKGROUND

### DTSC ECRG Program

In 2021, Governor Newsom signed the Cleanup in Vulnerable Communities Initiative (CVCI), allocating \$500 million to expedite the cleanup and beneficial reuse of contaminated properties with priority given to properties in historically vulnerable and disadvantaged communities. A majority of the CVCI funding (\$270.5 million) was allocated to the California Environmental Protection Agency's Department of Toxic Substances Control (DTSC)'s Equitable Community Revitalization Grant (ECRG) Program.

The ECRG program helps California communities address historic environmental injustices and sets a new path for land use that will have immediate and long-term benefits, such as recreational uses, commercial enterprises, and affordable housing. ECRG funding is available to help local governments, qualified 501(c)(3) nonprofit organizations, and Tribes conduct the following activities:

- a. Community-Wide Assessments (CWA)** to obtain information about environmental conditions at four or more sites within a study area. Recipients of CWA grants may use the funds for preliminary environmental planning, including All Appropriate Inquiries (AAI) or Phase I Environmental Site Assessments, Phase II Environmental Site Assessments, as well as for public engagement activities meant to elicit community input on cleanup and reuse of the sites. The possible funding amount for CWA is \$350,000.
- b. Site-specific Environmental Investigation** and/or cleanup planning at a specific site that is slated for reuse. Work includes All Appropriate Inquiries (AAI) or Phase I Environmental Site Assessments, Phase II Environmental Site Assessments, Preliminary Endangerment Assessments (PEA), supplemental or other necessary site investigations, health and ecological risk assessments, work to evaluate different cleanup methods, pilot tests to assess a potential remedial technology, and preparation of a cleanup plan. The funding range for environmental investigation is \$150,000 to \$7 million.
- c. Site-specific Environmental Cleanups.** This includes planning, implementation and reporting costs for the environmental cleanup, pilot tests and sampling/ analysis to design the cleanup, public engagement, and cleanup-related California Environmental Quality Act (CEQA) activities. A regulatory-approved cleanup plan is highly recommended for a Site-specific Cleanup Application. The funding range for environmental clean-up is \$300,000 to \$10 million.

On May 3, 2022, City Council authorized the submittal of ECRG applications to the DTSC. In addition, the City Council authorized the City Manager to execute all necessary documents related to the ECRG program as approved as to form by the City Attorney.

*ECRG Round 1 (Sywest)*

In June 2022, the City was notified that it had been awarded the ECRG Round 1 funding in the amount of \$315,000 for the environmental site investigation of the Sywest Development project at 20151 S. Main Street. The site was formerly known as the South Bay Six Drive-In and prior to that the site was known as the former Southwest Conservation Landfill. All \$315,000 of the grant was spent one year ahead of schedule on site work and investigation for the purpose of producing a Preliminary Endangerment Assessment (PEA) report as required by DTSC. After review of the PEA Report, DTSC determined that the following would be required prior to moving forward with development: a Supplemental Site Investigation Workplan and Report, a Removal Action Workplan (RAW), and a Human Health Risk Assessment (HHRA). Funding for these required next steps is included in the ECRG Round 2 Grant Agreement for the site. Additionally, staff has applied for additional funding through a separate ECRG Round 1 amendment process to ensure adequate funding is obtained to complete the investigation.

*ECRG Round 2 (Swest, Housing Authority, City-wide)*

DTSC published ECRG Program guidelines for Round 2 funding in 2023. The City submitted three (3) grant applications and was awarded grant funds for all three (3) applications. The detail of each grant is as follows:

- **Swest Development:** \$375,000 was granted for additional environmental assessment mentioned in the preceding section for the Swest Property at 20151 Main Street.
- **Housing Authority Properties:** \$150,000 was granted for an initial environmental assessment of Carson Housing Authority properties at the Southeast Corner of Carson Street and Figueroa Street. The City recently adopted resolution No. 23-146 supporting the development of veterans housing on properties owned by the City and Carson Housing Authority. As such, this site will be environmentally assessed for a potential reuse as an affordable housing development.
- **Community-Wide Assessment:** A \$350,000 grant was awarded for this application that can be used to study environmental conditions of various sites throughout the city, facilitate community outreach, and to develop a city-wide brownfield inventory.

These funds will be used to conduct initial site investigations on various properties around the city, develop a city-wide brownfield inventory and interactive map, and increase community outreach and engagement efforts relating to brownfield cleanup. The sites to be assessed include the Carson Community Center parking lot, the Southeast corner of Main and Torrance, 20331 S. Main St, 24219 Avalon Blvd., and Carriage Crest Park. Additional assessment is needed at the Carson Community Center site to complement an environmental assessment completed in

2015 as part of the City Hall Renovation Project and to confirm viability of an Economic Development Strategic Plan (EDSP) goal to accommodate a hotel in the parking lot. Additional environmental assessment will be conducted, as needed, for the Carriage Crest Park expansion project.

A required community engagement component is required and will be an important component for each of the grants listed above. Staff will seek input from community members on inventory development and the potential reuse of properties receiving brownfield funding from the City. A webpage has been created on the City's website where residents can learn about the City's new Brownfield Program and provide input. An interactive map detailing ongoing Brownfield Funding efforts is in the early stages of being developed.

### ECRG Round 3 Future Funding

DTSC's ECRG Program provides approximately \$270.5 million in competitive grant funding to incentivize cleanup and investment in disadvantaged areas of California. Of the \$270.5 million, \$70.5 million of funding was awarded in Round 1 and \$41 million was awarded in Round 2. It was expected that the remaining \$159 million will be awarded in future funding rounds; although in the latest draft budget from the Governor's Office indicates that there may be a reduction in funding.

DTSC is expected to publish ECRG program guidelines for Round 3 in early 2025. To prepare for Round 3 funding, City staff will continue communicating with and reaching out to property owners of brownfield sites around the city, including existing owners of properties that received Round 2 funding. It is currently expected that Sywest will partner with the City for Round 3 of the ECRG grant to apply for a Site-Specific Cleanup Grant to carry out tasks required for the environmental cleanup that will be required prior to development.

Staff has also reviewed additional city-owned or city-affiliated properties for possible ECRG funding. In particular, the 157 Acre Carson Reclamation Authority property was evaluated for funding and unfortunately did not qualify for funding under the ECRG Program guidelines as it is being remediated under a consent decree pursuant to regulatory action against previous owners.

### Resolution No. 24-051

Resolution No. 24-051 would amend the City's budget to include the \$875,000 grant allocation amount and authorize expenditure for a portion of the awarded grant for this fiscal year. The budget breakdown for the \$875,000 grant amount for City budget purposes is described in the Fiscal Impact section. For grant implementation purposes, the anticipated breakdown is as follows:

- \$152,500 - Sywest Supplemental Site Investigation (SSI)
- \$52,500 - Sywest Removal Action Workplan (RAW)
- \$134,000 - DTSC Regulatory Oversight

- \$77,500 - Housing Authority Lot Environmental Assessments
- \$240,000 - Environmental Assessment for properties city-wide
- \$30,000 - Brownfield Inventory Development
- \$120,000 - Community Engagement / Story Map Development
- \$41,250 - Grant Administration
- \$2,500 - Brownfields Conference Travel

## **V. FISCAL IMPACT**

Adoption of Resolution No. 24-051 will amend the City's FY 23-24 budget to include a small portion of grant allocation amount (\$82,500) to the City for Sywest Development site investigation, Carson Housing Authority site investigation, and Community-Wide Brownfields Assessment and authorizes related expenditures for this fiscal year. The remaining \$792,500 will be included in future FY 24-25 and FY 25-26 City budgets.

Specifically, for this fiscal year, *Professional Services* Account No. 206-70-500-100-6004 will increase by \$75,000, *Salaries and Benefits* Account No. 206-70-500-100-5002 will increase by \$7,500. Some positive fiscal impacts to the General Fund are anticipated as these funds would reduce the cost of environmental assessment and investigation on city-owned property and pay for staff time that would have otherwise been paid by General Fund.

## **VI. EXHIBITS**

1. Round 2 DTSC ECRG Grant Agreement (Sywest Development)(pgs. 7-22)
2. Round 2 DTSC ECRG Grant Agreement (Carson Housing Authority Site)(pgs. 23-38)
3. Round 2 DTSC ECRG Grant Agreement (Community Wide Assessment)(pgs. 39-55)
4. Standard Voluntary Agreement (Carson Housing Authority Site)(pgs. 56-79)
5. Resolution No. 24-051(pgs. 80-82)

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