



## Legislation Text

File #: 2022-967, Version: 1

### Report to Mayor and City Council

Tuesday, December 06, 2022

Consent

#### **SUBJECT:**

**CONSIDER AN UPDATE TO THE CITY'S EQUITABLE COMMUNITY REVITALIZATION GRANT (ECRG) GRANT APPLICATION AND RATIFYING THE ECRG GRANT AGREEMENT 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. 22-239 AMENDING THE FISCAL YEAR 2022-23 CITY BUDGET TO ACCEPT THE ECRG GRANT AND AUTHORIZE RELATED EXPENDITURES (CITY COUNCIL)**

#### **I. SUMMARY**

This item provides an update to the May 3, 2022, City Council agenda item when Council authorized the submittal of an Equitable Community Revitalization Grant (ECRG) application to the California Environmental Protection Agency's Department of Toxic Substances Control (DTSC). City Council also authorized the City Manager to execute all necessary documents related to the ECRG program, including the grant agreement approved as to form by the City Attorney.

In June 2022, the City was notified that it had been awarded a grant in the amount of \$315,000 for the environmental site investigation of Sywest Development project at 20151 S. Main Street. On July 1, 2022, the City and DTSC signed the Grant Agreement ("Agreement") (Exhibit No. 1) in connection with the award. For formality and transparency purposes, staff is requesting Council ratify the Agreement. Staff is also recommending the adoption of Resolution No. 22-239 (Exhibit No. 2) to amend the City's budget to accept the awarded grant and authorize its related expenditures.

#### **II. RECOMMENDATION**

- 1. RATIFY and APPROVE** the ECRG Grant Agreement, dated July 1, 2022, and the City Manager's execution of the Agreement; and

2. **WAIVE** further reading and **ADOPT** Resolution No. 22-239, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, AMENDING THE FISCAL YEAR 2022-2023 BUDGET TO ACCEPT A GRANT IN THE AMOUNT OF \$315,000 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

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 DTSC’s ECRG Program.

DTSC published ECRG Program guidelines for Round 1 funding earlier this year and provided eligible applicants (i.e., non-profits and local governments) a narrow deadline to file their ECRG application for competitive funding. In response to the tight application timeframe, the City reached out to several owners of “project ready” environmentally challenged properties and was able to submit one ECRG application (environmental site investigation) for the Sywest Development by the filing deadline of April 4.

DTSC has indicated that ECRG funding for Round 2 will be available soon with guidelines being published as early as mid- to late-December. To prepare for Round 2 funding, City staff have reached out to several property owners of brownfield sites and have consulted with DTSC’s technical assistance provider for the ECRG program. Staff will continue to work with the Carson property owners, including Sywest, to prepare grant applications for Round 2.

#### DTSC ECRG Program

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. DTSC expects \$100 million to be awarded in Round 2 and the remaining \$100 million to be awarded in a future Round 3.

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 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 \$80,000 to \$3 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 \$80,000 to \$7 million.

#### Past and Current Outreach Efforts

For Round 1, staff reached out to several owners of several “project ready” environmentally challenged properties to gauge their interest in the ECRG Program. The outreach resulted in discussions with three owners and DTSC representatives. Due to the tight application timeframe, two of the owners who contemplated pursuing the Site Specific Environmental Clean Up application ultimately declined to apply for this funding cycle partly due to the given the time constraint associated with preparing the required submittal documents. Staff reached out to the same two owners regarding Round 2, but the owners are now no longer interested.

The third owner, Sywest Development, was interested in the ECRG program and agreed to partner with the City for the application. Given Sywest’s project development timeline, for Round 1, an Environmental Investigation application was deemed more competitive than an Environmental Site Clean-up application. On April 4, 2022, the City filed a grant application for the Sywest Development site for environmental investigation and requested funding amounting to \$750,000. DTSC awarded the lesser amount of \$315,000 because it would only fund the CEQA clearance documents for just the remediation efforts and not the larger development project. Sywest Development will partner with the City for the future ECRG Round 2 application for the Site Specific Environmental Clean scope.

For Round 2, staff have reached out to additional owners of brownfield sites, including

those with no current development plans, for possible ECRG funding. Staff has also reviewed 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.

### City's Priority Policy and ECRG Authorization

On April 19, 2022, the City adopted Resolution No. 22-068 formally declaring the City's policy of prioritizing: 1) the remediation and development of environmentally challenged properties within the City, 2) Economic Development Programs facilitating such remediation and development, and 3) City cooperation with the property owners of environmentally challenged sites. To further the City's policy of prioritizing remediation and development of environmentally challenged properties within the city, the City has applied for funding under the ECRG Program and intends to apply for additional funding in subsequent rounds.

### Resolution No. 22-239

Resolution No. 22-239 would amend the City's budget to include the \$315,000 grant allocation amount and authorize its expenditures. The budget breakdown for the \$315,000 grant amount is anticipated to be as follows:

- \$15,000 - City Project Management relating to the administration of the grant.
- \$194,500 - First Carbon Solutions subcontract with Kleinfelder for the Preliminary Endangerment Assessment (PEA) Workplan to assess the landfill cover thickness and landfill material thickness across the development site. The Workplan proposes the collection of both geotechnical data (to provide future foundation design recommendations) and environmental data (to characterize the landfill materials for waste handling and disposal and provide data for human health risk assessment).
- Up to \$96,536 - DTSC oversight is required to oversee environmental investigation efforts. The Oversight Agreement with DTSC designated a budget \$96,536 for this grant, however, staff believes this amount can be reduced subject to DTSC approval.
- Remaining portion (\$8,964 or more) - Any remaining funds for the grant would be utilized by First Carbon Solutions work on CEQA clearance documents and/or other efforts relating to the environmental investigation and remediation.

## **V. FISCAL IMPACT**

Adoption of Resolution No. 22-239 will amend the City's budget to include the \$315,000 grant allocation amount to the City for Sywest Development site investigation and authorizes related expenditures. Specifically, *Professional Services Account No. 206-70-*

500-100-6004 will increase by \$300,000, and *Salaries and Benefits* Account No. 206-70-500-100-5002 will increase by \$15,000.

## **VI. EXHIBITS**

1. DTSC ECRG Grant Agreement (Sywest Development) (pgs. 6-51)
2. Resolution No. 22-239 (pgs. 52-53)

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