



South Coast Air Quality Management District

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Draft Program Environmental Impact Report (DPEIR) for the Proposed Magnolia Tank Farms (SCH No. 2017101041)

South Coast Air Quality Management District (SCAQMD) staff appreciates the opportunity to comment on the above-mentioned document. The following comments are meant as guidance for the Lead Agency and should be incorporated into the Final PEIR.

SCAQMD Staff's Summary of Project Description

The Lead Agency proposes to construct 250 residential units, a 211,000-square-foot hotel containing 215 rooms, a 19,000-square-foot retail building, a 2.8-acre conservation area, and a 2.8-acre park on 28.9 acres (Proposed Project). The Proposed Project is located at 21845 Magnolia Street on the northwest corner of Magnolia Street and Banning Avenue. Based on a review of Exhibit 3-2, *Local Vicinity*, in the DPEIR and aerial photographs, SCAQMD staff found that the Proposed Project is located adjacent to multiple sources of air pollution, such as the American Energy Services (AES) power plant, the Ascon Landfill site, and State Route 1 (SR-1). Additionally, the Proposed Project was historically used as a fuel oil storage facility as well as other oil-related facilities including pipelines and ancillary buildings¹. Construction of the Proposed Project is expected to occur over five years from 2020 to 2025 and will become operational in 2026².

SCAQMD Staff's Summary of Air Quality Analysis

In the Air Quality Analysis Section, the Lead Agency quantified the Proposed Project's construction and operational emissions and compared those emissions to SCAQMD's recommended regional and localized air quality CEQA significance thresholds. The Lead Agency found that the Proposed Project's construction air quality impacts would be less than significant after the implementation of mitigation measure (MM) AQ-1³, which requires scrapers used during construction activities to meet Tier 3 or better off-road emissions standards⁴. Additionally, the Lead Agency quantified emissions resulting from an overlapping construction and partial operation scenario occurring in 2025⁵, in which 75% of residential units would be occupied and the remaining components of the Proposed Project would be fully operational, and then compared those combined emissions to SCAQMD's regional operational thresholds to find that the Proposed Project's air quality impacts would be less than significant.

SCAQMD Staff's General Comments

The Proposed Project is located in close proximity to power-generating facilities, landfill operations, and a freeway. These land uses have the potential to generate toxic air contaminants (TACs) and/or volatile

¹ DPEIR, Section 2.4.1, *Property History*, Page 2-15.

² DPEIR, Section 3.5.14, *Project Description: Phasing*, Page 3-20.

³ Construction emissions for 2021 were projected to be 104 pounds per day before implementing MM AQ-1 and 90 pounds per day after implementing MM AQ-1.

⁴ DPEIR, Section 4.2, *Air Quality*, Page 4.2-28 and 4.2-29.

⁵ *Ibid.* Page 4.2-31.

organic compounds (VOCs), and attract heavy-duty diesel-fueled trucks that emit diesel particulate matter (DPM), which the California Air Resources Board (CARB) has identified as a TAC based on its carcinogenic effects⁶. Therefore, the Lead Agency should analyze the potential health risks to residents who will live at the Proposed Project. The analysis will serve as substantial evidence to support the Lead Agency's finding that "the TAC impact to future residents and employees of the proposed Project or Alternative 1 and to off-site receptors would be less than significant⁷." Please see the attachment for more information. The attachment also includes recommended changes to existing MM AQ-1 that the Lead Agency should include in the Final PEIR.

Conclusion

Pursuant to California Public Resources Code Section 21092.5(a) and CEQA Guidelines Section 15088(b), SCAQMD staff requests that the Lead Agency provide SCAQMD staff with written responses to all comments contained herein prior to the certification of the Final PEIR. In addition, issues raised in the comments should be addressed in detail giving reasons why specific comments and suggestions are not accepted. There should be good faith, reasoned analysis in response. Conclusory statements unsupported by factual information will not suffice (CEQA Guidelines Section 15088(c)). Conclusory statements do not facilitate the purpose and goal of CEQA on public disclosure and are not meaningful, informative, or useful to decision makers and to the public who are interested in the Proposed Project.

SCAQMD staff is available to work with the Lead Agency to address any air quality questions that may arise from this comment letter. Please contact Robert Dalbeck, Assistant Air Quality Specialist, at RDalbeck@aqmd.gov or (909) 396-2139, should you have any questions.

Sincerely,

Lijin Sun

Lijin Sun, J.D.

Program Supervisor, CEQA IGR

Planning, Rule Development & Area Sources

Attachment
LS:RD
ORC181219-04
Control Number

⁶ California Air Resources Board. August 27, 1998. Resolution 98-35. Accessed at: <http://www.arb.ca.gov/regact/diesltac/diesltac.htm>.

⁷ DPEIR. Section 4.2, *Air Quality*, Page 4.2-40 through 4.2-41.

ATTACHMENT**Air Quality and Health Risk Assessment (HRA) Analyses***Health Risk Assessment Analysis from Freeways and Other Sources of Air Pollution*

1. Notwithstanding the court rulings, SCAQMD staff recognizes that Lead Agencies that approve CEQA documents retain the authority to include any additional information they deem relevant to assessing and mitigating the environmental impacts of a project. Because of SCAQMD's concern about the potential public health impacts of siting sensitive populations within a close proximity to major sources of air pollution, such as natural gas power plant facilities, landfills, and freeways, SCAQMD staff recommends that the Lead Agency review and consider the following comments when making local planning and land use decisions.

Sensitive receptors are people that have an increased sensitivity to air pollution or environmental contaminants. Sensitive receptors include schools, daycare centers, nursing homes, elderly care facilities, hospitals, and residential dwelling units. As stated above, the Proposed Project will include, among others, construction of 250 residential units. Based on a review of Exhibit 3-2, *Local Vicinity*, in the DPEIR and aerial photographs, SCAQMD staff found that the Proposed Project is located adjacent to multiple sources of air pollution, such as the AES power plant, the Ascon Landfill site, and State Route 1 (SR-1). Additionally, the Proposed Project was historically used as a fuel oil storage facility containing three above-ground, 25 million-gallon tanks, as well as other oil-related facilities including pipelines and ancillary buildings⁸. Residents living at the Proposed Project would likely be exposed to toxic air contaminants (TACs) such as DPM from the transportation and idling of heavy-duty, diesel-fueled trucks associated with the nearby land uses. Therefore, SCAQMD staff recommends that the Lead Agency consider health impacts on future residents living at the Proposed Project by performing a HRA analysis to disclose the potential health risks on future residents at the Proposed Project in the Final PEIR⁹. This will facilitate the purpose and goal of CEQA on public disclosure and provide decision-makers with meaningful information to make an informed decision on project approval. This will also foster informed public participation by providing the public with information that is needed to understand the potential health risks from living in close proximity to sources of air pollution.

Guidance on Siting Sensitive Receptors Near Freeways and Other Sources of Air Pollution

2. SCAQMD staff recognizes that there are many factors lead agencies must consider when making local planning and land use decisions. To facilitate stronger collaboration between lead agencies and SCAQMD to reduce community exposure to source-specific and cumulative air pollution impacts, SCAQMD adopted the *Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning* in 2005¹⁰. This Guidance document provides recommended policies that local governments can use in their General Plans or through local planning to prevent or reduce potential air pollution impacts and protect public health. In addition, guidance on siting incompatible land uses can be found in the California Air Resources Board's *Air Quality and Land Use Handbook: A*

⁸ DPEIR. Section 2.4.1. *Property History*. Page 2-15.

⁹ SCAQMD has developed the CEQA significance threshold of 10 in one million for cancer risk. When SCAQMD acts as the Lead Agency, SCAQMD staff conducts a HRA, compares the maximum cancer risk to the threshold of 10 in one million to determine the level of significance for health risk impacts, and identifies mitigation measures if the risk is found to be significant.

¹⁰ South Coast Air Quality Management District. May 2005. "Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning" Accessed at: <http://www.aqmd.gov/docs/default-source/planning/air-quality-guidance/complete-guidance-document.pdf>.

Community Health Perspective, which can be found at: <http://www.arb.ca.gov/ch/handbook.pdf>. CARB's Land Use Handbook is a general reference guide for evaluating and reducing air pollution impacts associated with new projects that go through the land use decision-making process.

Enhanced Filtration Units and Limitations

3. Many strategies are available to reduce exposure, including, but not limited to, building filtration systems with Minimum Efficiency Reporting Value (MERV) 13 or better, or in some cases, MERV 15 or better is recommended; building design, orientation, location; vegetation barriers or landscaping screening, etc. Because of the potential adverse health risks involved with siting sensitive receptors near land uses that emit TACs and/or attract or generate heavy-duty, diesel-fueled truck trips, such as landfills and power-generating facilities, it is essential that any proposed strategy must be carefully evaluated before implementation. SCAQMD staff recommends that the Lead Agency require the installation of MERV 13 filters or better at the Proposed Project and incorporate the following comments in the Final PEIR.

SCAQMD staff also recommends that the Lead Agency consider the limitations of the enhanced filtration. For example, in a study that SCAQMD conducted to investigate filters¹¹, a cost burden is expected to be within the range of \$120 to \$240 per year to replace each filter. The initial start-up cost could substantially increase if an HVAC system needs to be installed. In addition, because the filters would not have any effectiveness unless the HVAC system is running, there may be increased energy costs to the residents. It is typically assumed that the filters operate 100 percent of the time while residents are indoors, and the environmental analysis does not generally account for the times when the residents have their windows or doors open or are in common space areas of the project. Moreover, these filters have no ability to filter out any toxic gases from vehicle exhaust. Therefore, the presumed effectiveness and feasibility of any filtration units should be carefully evaluated in more detail prior to assuming that they will sufficiently alleviate TAC exposures.

Enforceability of Enhanced Filtration Units

4. If enhanced filtration units are required for the Proposed Project, and to ensure that they are enforceable throughout the lifetime of the Proposed Project and effective in reducing exposures to TACs, SCAQMD staff recommends that the Lead Agency make the installation of enhanced filtration units a project design feature and provide additional details regarding the ongoing, regular maintenance, and monitoring of filters in the Final PEIR. To facilitate a good-faith effort at full disclosure and provide useful information to future residents at the Proposed Project, at a minimum, the Final PEIR should include the following information:
 - a) Disclose the potential health impacts to prospective residents from living in a close proximity to sources of air pollution (e.g., power plant, landfill, SR-1 etc.) and the reduced effectiveness of the air filtration system when windows are open and/or when residents are outdoors (e.g., in the common usable open space areas);
 - b) Identify the responsible implementing and enforcement agency such as the Lead Agency to ensure that enhanced filtration units are installed on-site at the Proposed Project before a permit of occupancy is issued;
 - c) Identify the responsible implementing and enforcement agency such as the Lead Agency to ensure that enhanced filtration units are inspected and maintained regularly;

¹¹ This study evaluated filters rated MERV 13 or better. Accessed at: <http://www.aqmd.gov/docs/default-source/ceqa/handbook/aqmdpilotstudyfinalreport.pdf>. Also see 2012 Peer Review Journal article by SCAQMD: <https://www.iqair.cn/sites/default/files/documents/Polidori-et-al-2012.pdf>.

- d) Disclose the potential increase in energy costs for running the HVAC system to prospective residents;
- e) Provide information to residents on where the MERV filters can be purchased;
- f) Provide recommended schedules (e.g., every year or every six months) for replacing the enhanced filtration units;
- g) Identify the responsible entity such as residents themselves, Homeowner's Association, or property management for ensuring enhanced filtration units are replaced on time, if appropriate and feasible (if residents should be responsible for the periodic and regular purchase and replacement of the enhanced filtration units, the Lead Agency should include this information in the disclosure form);
- h) Identify, provide, and disclose ongoing cost-sharing strategies, if any, for replacing the enhanced filtration units;
- i) Set City-wide or Proposed Project-specific criteria for assessing progress in installing and replacing the enhanced filtration units; and
- j) Develop a City-wide or Proposed Project-specific process for evaluating the effectiveness of the enhanced filtration units.

Recommended Changes to Existing Mitigation Measure (MM) AQ-1

5. In the Air Quality Analysis, the Lead Agency found that implementation of four Tier 3 scrapers during site preparation of the construction phase would likely reduce the air quality impacts resulting from the Proposed Project's construction emissions. As currently written in the DPEIR, MM AQ-1 proposes that diesel-powered scrapers would be powered with CARB certified Tier 3 engines. To further reduce the Proposed Project's construction emissions, SCAQMD staff recommends that the Lead Agency revise MM AQ-1 to require the use of Tier 4 off-road equipment for all units of construction equipment of 50 horsepower (hp) or greater, where available. An example of potential changes are provided below.

MM AQ-1: All off-road diesel-powered equipment of 50 horsepower or greater Scrapers used for construction of the proposed Project or Alternative 1 after January 1, 2020 shall meet Tier 3 or better off-road emissions standards, where available. To ensure that Tier 4 Final construction equipment or better will be used during construction activities, this requirement shall be included in applicable bid documents, purchase orders, and contracts. Successful contractor(s) must demonstrate the ability to supply the compliant construction equipment for use prior to any ground disturbing and construction activities. The Construction Contractor shall provide a copy of each unit's certified Tier and/or engine specification to the City of Huntington Beach at the time of mobilization of each applicable unit of equipment. In the event that construction equipment cannot meet the Tier 4 Final engine certification, the Construction Contractor must demonstrate through future study with written findings supported by substantial evidence that is approved by the City of Huntington Beach before using Tier 4 Interim emissions standards compliant construction equipment and/or other technologies/strategies. Alternative applicable strategies may include, but would not be limited to, use of Tier 3 engines, reduction in the number and/or horsepower rating of construction equipment, using cleaner vehicle fuel, and/or limiting the number of individual construction project phases occurring simultaneously.

Additional Recommended Mitigation Measures

6. CEQA requires that all feasible mitigation measures that go beyond what is required by law be utilized to minimize or eliminate any significant adverse air quality impacts. In the Air Quality Analysis, the Lead Agency estimated 104 lbs/day of NOx emissions during construction before the implementation of MM AQ-1, and 90 lbs/day of NOx emissions after the implementation of MM

AQ-1. To further reduce the Proposed Project's construction and operational emissions, SCAQMD staff recommends that the Lead Agency review and incorporate the following mitigation measures in the Final PEIR. For more information on potential mitigation measures as guidance to the Lead Agency, please visit SCAQMD's CEQA Air Quality Handbook website¹².

Construction-Related Mitigation Measures

- a) Maintain vehicle and equipment maintenance records for the construction portion of the Proposed Project. All construction equipment and vehicles must be tuned and maintained in compliance with the manufacturer's recommended maintenance schedule and specifications. All maintenance records for each vehicle and equipment and their construction contractor(s) should be made available for inspection and remain on-site for a period of at least two years from completion of construction.
- b) Enter into a contract that notifies all construction vendors and contractors that vehicle idling time will be limited to no longer than five minutes or another time-frame as allowed by the California Code of Regulations, Title 13 section 2485 - CARB's Airborne Toxic Control Measure to Limit Diesel-Fueled Commercial Motor Vehicle Idling. For any vehicle delivery that is expected to take longer than five minutes, each project applicant, project sponsor, or public agency will require the vehicle's operator to shut off the engine. Notify the vendors of these idling requirements at the time that the purchase order is issued and again when vehicles enter the gates of the facility. To further ensure that drivers and operators understand the idling requirement, post signs at the entry of the construction site and throughout the Proposed Project site stating that idling longer than five minutes is not permitted.
- c) Encourage construction contractors to apply for SCAQMD "SOON" funds. The "SOON" program provides funds to applicable fleets for the purchase of commercially-available low-emission heavy-duty engines to achieve near-term reduction of NO_x emissions from in-use off-road diesel vehicles. More information on this program can be found at SCAQMD's website: <http://www.aqmd.gov/home/programs/business/business-detail?title=off-road-diesel-engines>.
- d) Require the use of zero-emission or near-zero emission heavy-duty trucks during construction, such as trucks with natural gas engines that meet CARB's adopted optional NO_x emissions standard of 0.02 grams per brake horsepower-hour (g/bhp-hr). At a minimum, require that operators of heavy-duty trucks visiting the Proposed Project during construction commit to using 2010 model year or newer engines that meet CARB's 2010 engine emission standards of 0.01 g/bhp-hr for particulate matter (PM) and 0.20 g/bhp-hr of NO_x emissions or newer, cleaner trucks. Operators shall maintain records of all trucks associated with project construction to document that each truck used meets these emission standards. The Lead Agency should include this requirement in applicable bid documents, purchase orders, and contracts. Operators shall maintain records of all trucks associated with project construction to document that each truck used meets these emission standards, and make the records available for inspection. The Lead Agency should conduct regular inspections to the maximum extent feasible to ensure and enforce compliance.
- e) Require that 240-Volt electrical outlets or Level 2 chargers be installed in parking lots that would enable charging of NEVs and/or battery powered vehicles. Vehicles that can operate at least partially on electricity have the ability to substantially reduce the significant NO_x and ROG

¹² South Coast Air Quality Management District. Accessed at: <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook>.

impacts from this project. It is important to make this electrical infrastructure available when the project is built so that it is ready when this technology becomes commercially available. The cost of installing electrical charging equipment onsite is significantly cheaper if completed when the project is built compared to retrofitting an existing building. Therefore, SCAQMD staff recommends that the Lead Agency require the Proposed Project to provide the appropriate infrastructure to facilitate sufficient electric charging for vehicles to plug-in.

- f) Maximize use of solar energy including solar panels; installing the maximum possible number of solar energy arrays on the building roofs throughout the Proposed Project to generate solar energy for the respective building.

Operation-Related Mitigation Measures

- g) Require the use of zero-emission or near-zero emission heavy-duty vendor trucks that service the hotel during operation, such as trucks with natural gas engines that meet CARB's adopted optional NOx emissions standard of 0.02 g/bhp-hr. At a minimum, require that operators of heavy-duty trucks during operation commit to using 2010 model year or newer engines that meet CARB's 2010 engine emission standards of 0.01 g/bhp-hr for PM and 0.20 g/bhp-hr of NOx emissions or newer, cleaner trucks. The Lead Agency should conduct regular inspections to the maximum extent feasible to ensure and enforce compliance.
- h) Provide incentives for employees in order to encourage the use of public transportation or carpooling, such as discounted transit passes or carpool rebates.
- i) Implement a rideshare program for employees and set a goal to achieve a certain participation rate over a period of time.
- j) Require the use of electric landscaping equipment, such as lawn mowers and leaf blowers.
- k) Require use of electric or alternatively fueled sweepers with HEPA filters.
- l) Maximize the planting of trees in landscaping and parking lots.
- m) Use light colored paving and roofing materials.
- n) Utilize only Energy Star heating, cooling, and lighting devices, and appliances.
- o) Use of water-based or low VOC cleaning products that go beyond the requirements under SCAQMD Rule 1113.

Compliance with SCAQMD Rules

- 7. As stated above, the Proposed Project was historically used as a fuel oil storage facility containing three above-ground, 25 million-gallon tanks, as well as other oil-related facilities including pipelines and ancillary buildings¹³. While the Proposed Project site has been remediated, and in the event that during soil disturbance activities such as grading, petroleum hydrocarbons are encountered that may cause residual VOCs to become airborne, the Lead Agency should include a discussion to demonstrate compliance with SCAQMD Rule 1166 – Volatile Organic Compound Emissions from

¹³ DPEIR. Section 2.4.1. *Property History*. Page 2-15.

Decontamination of Soil¹⁴ and Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants¹⁵ in the Air Quality Section of the Final PEIR.

Other Comment Regarding the Remedial Status of the Ascon Landfill

8. SCAQMD staff found multiple inconsistencies regarding the remedial status of the Ascon Landfill site in the DPEIR. For example, the Lead Agency identified the status of the Ascon Landfill site as “Planning” in Table 4-1¹⁶, then stated “the cleanup status of the ASCON Landfill is currently listed “active” on Envirostor”¹⁷, and that there would be future “remediation activities at Ascon Landfill to the north”¹⁸. Therefore, SCAQMD staff recommends that the Lead Agency provide additional information to clarify the remedial status consistently throughout the Final PEIR.

¹⁴ South Coast Air Quality Management District. Rule 1166 – Volatile Organic Compound Emissions from Decontamination of Soil. Accessed at: <http://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1166.pdf>.

¹⁵ South Coast Air Quality Management District. Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants. Accessed at: <https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-1466.pdf>.

¹⁶ DPEIR. Table 4-1, *Approved And Pending Projects In The Cities Of Huntington Beach, Newport Beach, And Costa Mesa*, Page 4-6.

¹⁷ DPEIR. Section 4.7, *Hazards and Hazardous Materials*, Page 4.7-14.

¹⁸ DPEIR. Section 4.1.6, *Cumulative Impacts*, Page 4.1-22.