

October 13, 2023

Governor's Office of Planning & Research

Oct 13 2023

STATE CLEARINGHOUSE

Elizabeth White
Senior Environmental Planner
City of San Francisco
49 South Van Ness Avenue
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Sent via email

Dear Elizabeth White:

Thank you for providing the California Air Resources Board (CARB) with the opportunity to comment on the San Francisco Gateway Project (Project) Draft Environmental Impact Report (DEIR), State Clearinghouse No. 2022030286. The Project proposes the demolition of four existing single-story production, distribution, and repair (PDR) buildings on the project site (448,000 square feet) and replacing those facilities with construction of two new three-story buildings. The two new buildings would total approximately 2,160,000 gross square feet and would result in 1,712,000 gross square feet of net new PDR and PDR support space on site. The Project allows that up to 25% of manufacturing and maker space, 46% of parcel and last mile delivery use, and 45% of wholesale and storage use would include refrigeration and would have the potential to require refrigerated trucks. The proposed Project would result in a net increase of 6,008 daily vehicle trips along local roadways, including a net increase of 412 single unit diesel powered trucks, and 168 tractor trailer diesel powered trucks.¹ The Project is proposed within the City of San Francisco (City), California, which is the lead agency for California Environmental Quality Act (CEQA) purposes.

CARB submitted a comment letter, which is attached to this letter, on the Notice of Preparation (NOP) for the DEIR released in March 2022. CARB's comments dated April 7, 2022, highlighted the need to prepare a health risk assessment (HRA) for the Project and encouraged the City and applicant to implement all existing and emerging zero-emission technologies to minimize exposure to diesel particulate matter (diesel PM) and nitrogen oxides (NOx) emissions for all neighboring communities, and to minimize the greenhouse gases that contribute to climate change. Due to the Project's proximity to residences already disproportionately burdened by multiple sources of pollution, CARB's

¹ City of San Francisco. San Francisco Gateway Project Draft Environmental Impact Report. Table 3.B-11. Page 5.14-6. Accessible at https://files.ceqanet.opr.ca.gov/277021-2/attachment/fYSuZMT6LYZDm6vu94ETIQepSGaJwT5JhVUbwY0s77FXthRmOm_0o1Efjg6PC4VJfArJKMsCb tGZd9u0

comments on the NOP expressed concerns with the potential cumulative health risks associated with the construction and operation of the Project.

CARB staff are concerned that the Project will expose nearby communities in the Bayview-Hunters Point/Southeast San Francisco community to elevated levels of air pollution beyond the existing baseline emissions at the Project site. Residences are located northeast, southeast, and south of the Project site, with the closest residence located approximately 1,310 feet southeast of the Project site. In addition to residences, Leonard R. Flynn Elementary, Bryant Elementary, and Starr King Elementary School are all located within a mile from the Project site. These communities are surrounded by existing toxic diesel PM emission sources, which include the many warehouse facilities surrounding the Project site, rail traffic along the Union Pacific rail line, and vehicular traffic along Interstate 280 and State Route 101. Due to the Project's proximity to residences and schools already burdened by multiple sources of air pollution, CARB is concerned with the potential cumulative health impacts associated with the construction and operation of the Project.

Industrial facilities, like the facilities described in the Project, can result in high volumes of heavy-duty diesel truck traffic, and operation of on-site equipment (e.g., forklifts and yard tractors) that emit toxic diesel emissions, and contribute to regional air pollution and global climate change.² To better address regional air pollution and global climate change, Governor Gavin Newsom signed Executive Order N-79-20 on September 23, 2020. The Executive Order states: "It shall be a goal of the State that 100% of in-state sales of new passenger cars and trucks will be zero-emission by 2035. It shall be a further goal of the State that 100% of medium and heavy-duty vehicles in the State be zero-emission by 2045 for all operations where feasible and by 2035 for drayage trucks. It shall be further a goal of the State to transition to 100% zero-emission off-road vehicles and equipment by 2035 where feasible." The Executive Order further directs the development of regulations to help meet these goals. CARB also has regulations that require increasing use of zero-emission trucks, such as the Advanced Clean Trucks Regulation and Advanced Clean Fleets Regulation, which are describe in greater detail below. To ensure that lead agencies, like the Project, stay in step with evolving scientific knowledge to protect public health from adverse air quality and greenhouse gas impacts from the transportation sector, which serves as the basis of the Governor's Executive Order N-79-20, CARB staff urges the City to plan for the use of zero-emission technologies within the Project area as recommended in this letter.

² With regard to greenhouse gas emissions from this project, CARB has been clear that local governments and project proponents have a responsibility to properly mitigate these impacts. CARB's guidance, set out in detail in the Scoping Plan issued in 2017, makes clear that in CARB's expert view, local mitigation is critical to achieving climate goals and reducing greenhouse gases below levels of significance.

The Project Will Increase Exposure to Air Pollution for Residences Located Within the Bayview-Hunters Point Environmental Justice Neighborhoods Community

The Project will increase air pollution exposure on the people living and working in the Bayview-Hunters Point/Southeast San Francisco (BVHP) Community who are already affected by a high cumulative exposure burden. The BVHP Community includes the neighborhoods of Bayview-Hunters Point and portions of adjacent areas - Potrero Hill, the site of the former Terrace Housing project and Visitacion Valley, known for the Sunnydale Housing projects. The BVHP Community has a high density of sensitive populations including children and the elderly; these populations are at schools, hospitals, and daycare centers located near mobile and stationary emissions sources of concern, including roadways. These sensitive receptors have been burdened with disproportionate health impacts from chronic and acute pollution. Health impacts from existent air pollution include increased illness, premature death from asthma, bronchitis, emphysema, pneumonia, coronary heart disease, abnormal heart rhythms, congestive heart failure, cancer, and stroke.

The BVHP community experiences some of the highest rates of asthma, poverty, and unemployment in the region. The BVHP Community air pollution sources include legacy pollution from the Naval Shipyard, dust and asbestos from on-going large-scale redevelopment, odors and emissions from a wastewater treatment facility, diesel truck idling, industrial rendering plants, freight operations, local industrial facilities such as metal recyclers, welding shops, auto body repair and paint shops, and rail traffic along local rail lines. Two busy freeways (Interstate-280 and Interstate-101) also bring significant freight trucks and high-volume commuter traffic adding to the mobile source pollution burdens.

Residents of BVHP have lower life expectancies and higher mortality rates from lung diseases, which can be partially attributed to constant exposure to air pollution. To protect the people living and working near the Project, the City should implement all feasible mitigation measures into the Project's final design. The following three pieces of legislation need to be seriously considered when developing a project like this near a disadvantaged community:

Senate Bill 535 (De León, 2012); Disadvantaged Communities

Senate Bill 535 (De León, Chapter 830, 2012)³ recognizes the potential vulnerability of low-income and disadvantaged communities to poor air quality and requires funds to be spent to benefit disadvantaged communities. The California Environmental Protection

³ Senate Bill 535, De León, K., Chapter 800, Statutes of 2012, modified the California Health and Safety Code, adding § 39711, § 39713, § 39715, § 39721 and § 39723.

Agency (CalEPA) is charged with the duty to identify disadvantaged communities. CalEPA bases its identification of these communities on geographic, socioeconomic, public health, and environmental hazard criteria (Health and Safety Code, section 39711, subsection (a)).

In this capacity, CalEPA currently defines a disadvantaged community, from an environmental hazard and socioeconomic standpoint, as a community that scores within the top 25% of the census tracts, as analyzed by the California Communities Environmental Health Screening Tool Version 4.0 (CalEnviroScreen).⁴ The Project is located within the boundary of the BVHP Community which has a CalEnviroScreen 4.0 overall score of 94% and a diesel particulate matter score of 99%⁵. The BVHP Community is located in census tracts within a maximum score in the top 10%, indicating that the area is home to some of the most vulnerable neighborhoods in the State. The air pollution levels in this community routinely exceed state and federal air quality standards.

The City must ensure the implementation of all feasible mitigation, including utilization of zero emission technologies, to limit the Project's air quality and public health impact disadvantaged communities.

Senate Bill 1000 (Leyva, 2016); Environmental Justice Element for Land Use Planning

Senate Bill (SB) 1000 (Leyva, Chapter 587, Statutes of 2016)⁶ amended California's Planning and Zoning Law. SB 1000 requires local governments that have identified disadvantaged communities to incorporate the addition of an environmental justice element into their general plans upon the adoption or next revision of two or more elements concurrently on or after January 1, 2018. SB 1000 requires environmental justice elements to identify objectives and policies to reduce unique or compounded health risks in disadvantaged communities. Generally, environmental justice elements will include policies to reduce the community's exposure to pollution through air quality improvement. SB 1000 affirms the need to integrate environmental justice principles into the planning process to prioritize improvements and programs that address the needs of disadvantaged communities, like BVHP.

⁴ "CalEnviroScreen 4.0." Oehha.ca.gov, California Office of Environmental Health Hazard Assessment, June 2018, <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>

⁵ Data retrieved from the CARB Fifth Annual Community Air Protection Program Recommendations Staff Report, January 2023. Accessed here: <https://ww2.arb.ca.gov/sites/default/files/2023-01/23%2001%2019%20Fifth%20Annual%20CAPP%20RECs%20Staff%20Report.pdf>

⁶ Senate Bill 1000, Leyva, S., Chapter 587, Statutes of 2016, amended the California Health and Safety Code, § 65302.

Assembly Bill 617 (Garcia, 2017); Community Air Protection

The State of California has emphasized protecting local communities from the harmful effects of cumulative air pollution through the passage of Assembly Bill (AB) 617 (Garcia, Chapter 136, Statutes of 2017).⁷ To translate AB 617 into action, CARB established the Community Air Protection Program (Program). The Program is administered by CARB's Office of Community Air Protection (OCAP) and implemented by CARB and air districts. The Program works with communities affected by a high cumulative exposure burden to develop actions to reduce air pollution exposure and emissions of toxic air contaminants and criteria air pollutants.⁸

As part of its role in implementing AB 617, CARB must annually consider the selection of communities for development and implementation of community air monitoring plans and/or community emission reduction programs. In February 2023, the Bayview-Hunters Point/Southeast San Francisco Community was supported by the Bay Area Air Quality Management District (BAAQMD) and selected by CARB to develop a community emissions reduction program (CERP).⁹ OCAP supports the BVHP Community that has expressed significant opposition to the Project. CARB is concerned the operation of the proposed Project would increase the levels of diesel PM emissions in the BVHP area and add to the cumulative high exposure burden already faced by this community.

The City Incorrectly Concludes in the DEIR that the Project Would Result in a Less Than Significant Air Quality Impact After Mitigation

In Chapter 3.D (Air Quality) of the DEIR, the City concluded that the Project's operational unmitigated NO_x emissions would exceed the BAAQMD significance threshold. Consequently, the City concluded that the operation of the Project would result in a potentially significant impact on air quality.

To mitigate the Project's operational emissions, the City included nine mitigation measures (Mitigation Measure M-AQ-3a through M-AQ-3i). These mitigation measures included requiring the use of electric yard equipment, requiring electric transportation refrigeration units (TRU), limiting truck idling to two minutes, limiting the model year of trucks serving the

⁷ Assembly Bill 617, Garcia, C., Chapter 136, Statutes of 2017, modified the California Health and Safety Code, amending § 40920.6, § 42400, and § 42402, and adding § 39607.1, § 40920.8, § 42411, § 42705.5, and § 44391.2.

⁸ CARB, 2018. Community Air Protection Blueprint. Available at https://ww2.arb.ca.gov/sites/default/files/2020-03/final_community_air_protection_blueprint_october_2018_acc.pdf

⁹ CARB, 2023. AB 617 Community Air Protection Program Fifth Annual Community Recommendations. Available at https://ww2.arb.ca.gov/sites/default/files/2023-02/2023%2001%20ComRec%20Fact%20Sheet_ENG%20Final.pdf.pdf

proposed industrial/warehouse facilities to no more than nine years, requiring onsite diesel backup generators to meet or exceed Tier 4 final engine standards, developing a construction emissions minimization plan, and developing an operational emission management plan. After the implementation of these mitigation measures, the City concluded in the DEIR that the Project's operational air quality emissions would be reduced to less than significant.

CARB applauds the City for including mitigation measures that promote the use of zero-emission on-site equipment, specifically Mitigation Measure M-AQ-3a and Mitigation Measure M-AQ-3b, which require the use of electric yard equipment and zero-emission TRUs to access the Project site. However, the City's conclusion that the Project's operational air quality impacts would be reduced to a less than significant level after mitigation remains unsupported by evidence, and therefore, the DEIR should be revised to reflect the potentially significant impact and recirculated in accordance CEQA Guidelines section 15088.5.

In determining whether mitigation reduces the severity of an effect to below significance, CEQA requires the following: "The lead agency shall determine whether a project may have a significant effect on the environment based on substantial evidence in light of the whole record" (Public Resources Code, section 21082.2(a)). Here, the City does not provide substantial evidence demonstrating that the mitigation measures (including Measure M-AQ-3i) would reduce the Project's operational emissions of NO_x to below the BAAQMD's significance thresholds to support the less than significant after mitigation conclusion. On the contrary, the City includes a table showing the Project's operational NO_x emissions would remain significant after mitigation.¹⁰ Due to the lack of commitment to using zero-emission trucks in the DEIR and the lack of substantial evidence showing how the mitigation measure would reduce impacts to a less than significant level, the City should recirculate the EIR to properly reflect the conclusion that the proposed industrial/warehouse development would create NO_x emissions that would result in a significant impact. This impact conclusion will ensure that the public and decision-makers are fully aware of the Project's potential significant impact before approving the Project.

The Project's Air Quality Mitigation Measures Improperly Defer Mitigation

As previously discussed, the City concluded in the DEIR that the Project's operational NO_x emissions would exceed the BAAQMD's significance threshold, but ultimately concluded that the Project would result in a less than significant impact after mitigation on air quality.

¹⁰ Table 3.D-12 (titled *Net Change in Daily Operational Emissions from Proposed Project in Year 2025 with Mitigation Measures M-AQ-3a through M-AQ-3f (pounds per day)*) shows the Project's operational NO_x emissions remain above the BAAQMD's significance thresholds.

To mitigate the Project's operational emissions of NO_x, the City included Mitigation Measure M-AQ-3i to the DEIR, which would require the City and future tenants of the proposed industrial/warehouse facility to develop an Operational Emissions Management Plan (OEMP). Specifically, the OEMP requires that the "project sponsor shall develop and implement an Operational Emissions Management Plan (OEMP) that shall demonstrate that the project's net operational NO_x emissions do not exceed the performance standard of 54 pounds per day and 10 tons per year."¹¹

CEQA only allows deferral of mitigation in certain circumstances and with important safeguards. Specifically, the CEQA Guidelines provide:

Formulation of mitigation measures shall not be deferred until some future time. The specific details of a mitigation measure, however, may be developed after project approval when it is impractical or infeasible to include those details during the project's environmental review, provided that the agency (1) commits itself to the mitigation, (2) adopts specific performance standards the mitigation will achieve, and (3) identifies the type(s) of potential action(s) that can feasibly achieve that performance standard that will be considered, analyzed, and potentially incorporated in the mitigation measure.

(Title 14 CCR § 15126.4(a)(1)(B).)

While Mitigation Measure M-AQ-3i specifies the air district's air pollutant thresholds as its performance standards, it nevertheless improperly defers mitigation for air quality impacts associated with the Project by failing to specify clear methodologies for determining the Project's emissions or for gauging the effectiveness of whatever mitigation measures are ultimately selected, ultimately delegating responsibility for establishing those methodologies to the City of San Francisco Planning Department's environmental review officer (ERO). (See *Communities for a Better Environment v. City of Richmond* (2010) 184 CA4th 70, 93-95). Mitigation Measure M-AQ-3i requires the future tenants to "submit an OEMP to the [environmental review officer] or designee for review and approval prior to one or more tenants in the project site occupying a combined total of 500,000 square feet of floor area."¹² The OEMP required under Mitigation Measure M-AQ-3i would be developed after project approval to determine the extent of air pollutant emissions, the associated air quality impacts, and mitigation. Furthermore, this plan would be subject to

¹¹ City of San Francisco. San Francisco Gateway Project Draft Environmental Impact Report. Page 3.D-49. Accessible at https://files.ceqanet.opr.ca.gov/277021-2/attachment/fYSuZMT6LYZDm6vu94ETIQepSGaJwT5JhVUbwY0s77FXthRmOm_0o1Efjg6PC4VJFfArJKMsCb tGZd9u0

¹² City of San Francisco. San Francisco Gateway Project Draft Environmental Impact Report. Page 3.D-50. Accessible at https://files.ceqanet.opr.ca.gov/277021-2/attachment/fYSuZMT6LYZDm6vu94ETIQepSGaJwT5JhVUbwY0s77FXthRmOm_0o1Efjg6PC4VJFfArJKMsCb tGZd9u0

the discretion of a sole Planning Department employee (or their yet-unspecified designee), frequently based on discretionary standards such as substantial evidence as determined by the ERO/designee, or “to the satisfaction” of the ERO/designee. This type of deferred impact analysis and mitigation development, particularly when combined with subjective approval criteria, bypasses the public decision-making process and amounts to post-hoc rationalization of the City’s actions. (See *Sundstrom v. County of Mendocino* (1988) 202 Cal. App. 3d 296, 307.) Notably, Mitigation Measure M-AQ-3i does not cite to existing criteria air pollutant data and impacts that the City, the lead agency for CEQA, has identified in the DEIR for operational activities associated with the Project, but leaves it up to the applicant to determine the extent of air quality impacts from the Project.

Mitigation Measure M-AQ-3i, as written in the DEIR, is also not enforceable. (Title 14 CCR § 15126.4, subdivision (a)(1)(B) and (a)(2).) Although the applicant could potentially include measures that could reduce the Project’s operational emissions in the OEMP required under Mitigation Measure M-AQ-3i, Mitigation Measure M-AQ-3i does not commit the agency to implement feasible mitigation for the Project’s air quality impacts. Mitigation Measure M-AQ-3i includes a list of briefly-described potential operational emission reduction measures such as modification of project operations, implementation of specific fleet performance metrics, and reductions in onsite or offsite work vehicle trips to reduce onsite emissions of NOx. However, the lead agency (the San Francisco Planning Commission) is the entity that must identify potential actions that will feasibly achieve a performance standard to mitigate air quality impacts. Allowing the ERO to make feasibility determinations related to mitigation measures after project approval is improper, because the feasibility of the measures must be established prior to the time of project approval. (Title 14 CCR § 15126.4(a)(1)(B).)

Furthermore, the DEIR lacks any guarantee that any necessary obligations under Mitigation Measure M-AQ-3i will be incorporated into the leases with individual tenants. The measure simply provides: “To the extent that required emissions reduction and reporting measures are applicable to individual tenants, the OEMP shall provide that these measures be incorporated into lease terms for individual tenants of the project.” Absent a guarantee that such obligations will be incorporated into individual leases where necessary (for example, by delaying lease execution until obligations under the mitigation measure are fully understood and developed), the measure is not enforceable. This is because, without ensuring the City has full leverage to incorporate the mitigation into all individual leases whenever necessary, there is no evidence showing why tenants who have already executed lease agreements with the applicant would have any reason to agree to amending their leases to incorporate further mitigation requirements that may be later identified through the deferred elements of Mitigation Measure M-AQ-3i.

CARB urges the City to adequately identify the operational air quality impacts of the project and to prepare adequate, enforceable, and feasible mitigation measures in the Draft EIR to

provide adequate disclosure to the public and the City's decision-making body before the City approves the Project, as required under CEQA. Where several feasible measures are available to mitigate an impact, CEQA requires each measure to be discussed in the EIR (see Title 14 CCR § 15126.4(a)(1)(B).)

The City Should Include a Mitigation Measure Requiring the use of Zero-Emission Trucks

To mitigate the Project operational NO_x emissions to a less than significant level after mitigation, CARB staff urges the City to remove Mitigation Measure M-AQ-3i and replace it with a mitigation measure or project design feature that requires all heavy-duty trucks to be zero-emission and to install on-site infrastructure to support those zero-emission trucks. As presented below, CARB has many regulations that promote and eventually require the use of zero-emission trucks at freight facilities, such as the proposed Project. Specifically, the Advanced Clean Fleet Regulation would require all drayage trucks in California to be zero-emission by 2035. To support trucks serving the Project that are already complying with the Advanced Clean Fleets regulation, CARB urges the City to modify Mitigation Measure to require the infrastructure to support on-site zero-emission trucks at the start of Project operations. A list of commercially-available zero-emission trucks can be obtained from the Hybrid and Zero-emission Truck and Bus Voucher Incentive Project (HVIP).¹³ The HVIP is a part of California Climate Investments to incentivize the purchase of zero-emission trucks. Based on CARB's review of the zero-emission trucks listed in the HVIP, there are commercially available electric trucks that can meet the cargo transportation needs of individual industrial uses proposed in the City today. CARB has implemented or is developing regulations that will require the use of zero-emission trucks.

The list below details the CARB regulations that will result in the reduction of diesel PM and NO_x emissions from trucks within California:

- **Drayage Truck Regulation:** The existing Drayage Truck Regulation requires all drayage trucks to operate with an engine that is a 2007 model year or newer.
- **Truck and Bus Regulation:** The Truck and Bus Regulation requires all trucks, including drayage, to have 2010 or newer model year engines by January 1, 2023.
- **Heavy-Duty Low-NO_x Omnibus Rule:** The Heavy-Duty Low-NO_x Omnibus Rule that requires truck emission standards to be reduced from 0.20 to 0.05 grams per brake horsepower-hour (g/bhp-hr) from 2024 to 2026, and to 0.02 g/bhp-hr in 2027.
- **Advanced Clean Trucks Regulation:** The Advanced Clean Trucks Regulation, approved by CARB on June 25, 2020, requires manufacturers to start the transition from diesel trucks and vans to zero-emission trucks beginning in 2024. The rule is

¹³ Zero-Emission Truck and Bus Voucher Incentive Project. Accessible at: <https://californiahvip.org/>

expected to result in about 100,000 zero-emission trucks in California by the end of 2030 and about 300,000 by 2035. The Advanced Clean Trucks regulation is part of CARB's overall approach to accelerate a large-scale transition to zero-emission medium- and heavy-duty vehicles. CARB approved amendments to the Advanced Clean Trucks regulation in March 2021; the amendments help ensure that more zero-emission vehicles are brought to market. CARB directed staff to ensure that fleets, businesses, and public entities that own or direct the operation of medium- and heavy-duty vehicles in California purchase and operate ZEVs to achieve a smooth transition to ZEV fleets by 2045 everywhere feasible, and specifically to reach:

- 100% zero-emission drayage trucks, last mile delivery, and government fleets by 2035
 - 100% zero-emission refuse trucks and local buses by 2040
 - 100% zero-emission capable utility fleets by 2040
- **Advanced Clean Fleets Regulation:** The Advanced Clean Fleets Regulation is part of CARB's overall strategy to accelerate a large-scale transition to zero-emission medium- and heavy-duty vehicles. This regulation works in conjunction with the Advanced Clean Trucks regulation. The regulation applies to trucks performing drayage operations at seaports and railyards, fleets owned by State, local, and federal government agencies, and high priority fleets. High priority fleets are those entities that own, operate, or direct at least one vehicle in California, and that have either \$50 million or more in gross annual revenue, or that own, operate, or have common ownership or control of a total of 50 or more vehicles. The regulation affects medium- and heavy-duty on-road vehicles with a gross vehicle weight rating greater than 8,500 pounds, off-road yard tractors, and light-duty mail and package delivery vehicles. All drayage trucks entering seaports and intermodal railyards would be required to be zero-emission by 2035.

With the implementation of the regulations listed above, specifically the Advanced Clean Trucks Regulation, tenants at the proposed industrial/warehouse development must begin the transition from diesel trucks and vans to zero-emission trucks. To protect the air quality the residences of the BVHP Community breathe, CARB urges the City to include contractual language in tenant lease agreements that require future tenants to use zero-emission trucks during their operation in the Final Environmental Impact Report.

Conclusion

Although CARB applauds the City for including mitigation measures that promote the use of electric yard equipment and electric or alternative fuel TRUs to access the Project site, CARB is concerned the operation of the Project may negatively impact the air quality in the surrounding BVHP Community. As previously discussed in this letter, the BVHP community is heavily impacted by air pollution from nearby existing facilities and roadways. The operation

of the Project will undoubtedly contribute the existing air pollution in the community. With the construction of a new industrial/warehouse facility like the one proposed on the Project, the City has a unique opportunity to showcase a state-of-the-art zero-emission facility that limits its air quality impacts on the BVHP community.

CARB urges the City to either provide substantial evidence in the DEIR demonstrating that the Project's operational emissions of NO_x would not exceed the BAAQMD's significance threshold or to conclude in the DEIR that the Project would result in a significant and unavoidable impact on air quality. Lastly, CARB urges the City to replace Mitigation Measure M-AQ-3i, which defers mitigation to a later date after the FEIR has been certified, and replace it with a measure that requires only zero-emission trucks to serve the Project.

Given the breadth and scope of projects subject to CEQA review throughout California that have air quality and greenhouse gas impacts, coupled with CARB's limited staff resources to substantively respond to all issues associated with a project, CARB must prioritize its substantive comments here based on staff time, resources, and its assessment of impacts. CARB's deliberate decision to substantively comment on some issues does not constitute an admission or concession that it substantively agrees with the lead agency's findings and conclusions on any issues on which CARB does not substantively submit comments.

Elizabeth White
October 13, 2023
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CARB appreciates the opportunity to comment on the DEIR for the Project and can provide assistance on zero-emission technologies and emission reduction strategies, as needed. Please include CARB on your list of selected State agencies that will receive the FEIR. If you have questions, please contact Stanley Armstrong, Air Pollution Specialist via email at stanley.armstrong@arb.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Richard Boyd". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Richard Boyd, Assistant Division Chief, Transportation and Toxics Division

Attachment

cc: State Clearinghouse
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Stanley Armstrong, Air Pollution Specialist, Risk Reduction Branch

April 7, 2022

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Dear Elizabeth White:

Thank you for providing the California Air Resources Board (CARB) with the opportunity to comment on the Notice of Preparation (NOP) for the San Francisco Gateway (Project) Draft Environmental Impact Report (DEIR), State Clearinghouse No. 2022030286. The Project proposes the demolition of four existing buildings totaling 448,000 square feet and the construction of two industrial buildings totaling 2,160,000 square feet. The Project site is located within the City of San Francisco (City), California, which is the lead agency for California Environmental Quality Act (CEQA) purposes.

Industrial development, such as the proposed Project, can result in high daily volumes of heavy-duty diesel truck traffic and operation of on-site equipment (e.g., forklifts and yard tractors) that emit toxic diesel emissions, and contribute to regional air pollution and global climate change.¹ The Project will expose nearby communities to elevated levels of air pollution. Residences are located south of the Project with the closest residences located approximately 640 feet from the Project's southwestern boundary. In addition to residences, the Thurgood Marshall Academic High School, Willie L. Brown Jr. Middle School, and Dr. Charles R. Drew Elementary School are located within a mile of the Project. According to the California Communities Environmental Health Screening Tool Version 4.0 (CalEnviroScreen),² these communities are located in census tracts that score within the top 13 percent of State's most impacted from air pollution from an environmental hazard and socioeconomic standpoint. Based on this CalEnviroScreen score, the area surrounding the Project is home to some of the most vulnerable neighborhoods in the State. Due to the Project's proximity to residences and schools already burdened by multiple sources of air pollution, CARB is concerned with the potential cumulative health impacts associated with the construction and operation of the Project.

1. With regard to greenhouse gas emissions from this project, CARB has been clear that local governments and project proponents have a responsibility to properly mitigate these impacts. CARB's guidance, set out in detail in the Scoping Plan issued in 2017, makes clear that in CARB's expert view, local mitigation is critical to achieving climate goals and reducing greenhouse gases below levels of significance.

2. "CalEnviroScreen 4.0." Oehha.ca.gov, California Office of Environmental Health Hazard Assessment, October 2021, <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>

Due to the Project's proximity to residences and schools, CARB is concerned with the potential cumulative health impacts associated with the construction and operation of the Project. CARB has reviewed the NOP and is concerned about the air pollution and health risk impacts that would result from the proposed Project.

The DEIR Should Quantify and Discuss the Potential Cancer Risks from Project Operation

Since the Project is near residences and a school, the City and applicant must prepare a health risk assessment (HRA) for the Project. The HRA should account for all potential operational health risks from Project-related diesel PM emission sources, including, but not limited to, back-up generators, on-site diesel-powered equipment, and heavy-duty trucks. The HRA should also determine if the operation of the Project in conjunction with past, present, and reasonably foreseeable future projects or activities would result in a cumulative cancer risk impact on nearby residences. To reduce diesel PM exposure and associated cancer risks, the City and applicant should include all applicable air pollution reduction measures listed in Attachment A of this letter.

Since the Project description provided in the NOP does not explicitly state that the proposed industrial land would not be used for cold storage, there is a possibility that trucks and trailers visiting the Project-site would be equipped with Transport Refrigeration Units (TRUs).³ TRUs on trucks and trailers can emit large quantities of diesel exhaust while operating within the Project-site. Residences and other sensitive receptors (e.g., daycare facilities, senior care facilities, and schools) located near where these TRUs could be operating would be exposed to diesel exhaust emissions that would result in a significant cancer risk impact to the nearby community. If the Project would be used for cold storage, the City must model air pollutant emissions from on-site TRUs in the DEIR, as well as include potential cancer risks from on-site TRUs in the Project's HRA. If the Project will not be used for cold storage, the City and applicant should include one of the following design measures in the DEIR:

- A Project design measure requiring contractual language in tenant lease agreements that prohibits tenants from operating TRUs within the Project-site; or
- A condition requiring a restrictive covenant over the parcel that prohibits the applicant's use of TRUs on the property unless the applicant seeks and receives an amendment to its conditional use permit allowing such use.

The HRA prepared in support of the Project should be based on the latest Office of Environmental Health Hazard Assessment's (OEHHA) guidance (2015 Air Toxics Hot Spots Program Guidance Manual for Preparation of Health Risk Assessments),⁴ and CARB's Hot

3. TRUs are refrigeration systems powered by integral diesel engines that protect perishable goods during transport in an insulated truck and trailer vans, rail cars, and domestic shipping containers.

4. Office of Environmental Health Hazard Assessment (OEHHA). Air Toxics Hot Spots Program Guidance Manual for Preparation of Health Risk Assessments. February 2015. Accessed at: <https://oehha.ca.gov/media/downloads/cnr/2015guidancemanual.pdf>.

Spots Analysis and Reporting Program (HARP2 model). The Project's mobile diesel PM emissions used to estimate the Project's cancer risk impacts should be based on CARB's latest 2021 Emission Factors model (EMFAC2021). Mobile emission factors can be easily obtained by running the EMFAC2021 Web Database: <https://arb.ca.gov/emfac/>.

The HRA should evaluate and present the existing baseline (current conditions), future baseline (full build-out year, without the Project), and future year with the Project. The health risks modeled under both the existing and the future baselines should reflect all applicable federal, state, and local rules and regulations. By evaluating health risks using both baselines, the public and planners will have a complete understanding of the potential health impacts that would result from the Project.

The DEIR Should Quantify and Discuss the Potential Cancer Risks from Project Construction

In addition to the health risks associated with operational diesel PM emissions, health risks associated with construction diesel PM emissions should also be included in the air quality section of the DEIR and the Project's HRA. Construction of the Project would result in short-term diesel PM emissions from the use of both on-road and off-road diesel equipment. The OEHHA guidance recommends assessing cancer risks for construction projects lasting longer than two months. Since construction would very likely occur over a period lasting longer than two months, the HRA prepared for the Project should include health risks for existing residences near the Project-site during construction.

The HRA should account for all diesel PM emission sources related to Project construction, including, but not limited to, off-road mobile equipment, diesel generators, and on-road heavy-duty trucks. As previously stated in Section I of this letter, the cancer risks evaluated in the construction HRA should be based on the latest OEHHA guidance, and CARB's HARP2 model. The cancer risks reported in the HRA should be calculated using the latest emission factors obtained from CARB's latest EMFAC (currently EMFAC 2021) and off-road models.

Conclusion

To reduce the exposure of toxic diesel PM emissions in disadvantaged communities already impacted by air pollution, the final design of the Project should include all existing and emerging zero-emission technologies to minimize diesel PM and NO_x emissions, as well as the greenhouse gases that contribute to climate change. CARB encourages the City and applicant to implement the applicable measures listed in Attachment A of this letter.

Given the breadth and scope of projects subject to CEQA review throughout California that have air quality and greenhouse gas impacts, coupled with CARB's limited staff resources to substantively respond to all issues associated with a project, CARB must prioritize its substantive comments here based on staff time, resources, and its assessment of impacts. CARB's deliberate decision to substantively comment on some issues does not constitute an

admission or concession that it substantively agrees with the lead agency's findings and conclusions on any issues on which CARB does not substantively submit comments.

CARB appreciates the opportunity to comment on the NOP for the Project and can provide assistance on zero-emission technologies and emission reduction strategies, as needed. Please include CARB on your State Clearinghouse list of selected State agencies that will receive the DEIR as part of the comment period. If you have questions, please contact Stanley Armstrong, Air Pollution Specialist via email at stanley.armstrong@arb.ca.gov.

Sincerely,



Robert Krieger, Branch Chief, Risk Reduction Branch

Attachment

cc: State Clearinghouse
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Attachment A

Recommended Air Pollution Emission Reduction Measures for Warehouses and Distribution Centers

The California Air Resources Board (CARB) recommends developers and government planners use all existing and emerging zero to near-zero emission technologies during project construction and operation to minimize public exposure to air pollution. Below are some measures, currently recommended by CARB, specific to warehouse and distribution center projects. These recommendations are subject to change as new zero-emission technologies become available.

Recommended Construction Measures

1. Ensure the cleanest possible construction practices and equipment are used. This includes eliminating the idling of diesel-powered equipment and providing the necessary infrastructure (e.g., electrical hookups) to support zero and near-zero equipment and tools.
2. Implement, and plan accordingly for, the necessary infrastructure to support the zero and near-zero emission technology vehicles and equipment that will be operating on site. Necessary infrastructure may include the physical (e.g., needed footprint), energy, and fueling infrastructure for construction equipment, on-site vehicles and equipment, and medium-heavy and heavy-heavy duty trucks.
3. In construction contracts, include language that requires all off-road diesel-powered equipment used during construction to be equipped with Tier 4 or cleaner engines, except for specialized construction equipment in which Tier 4 engines are not available. In place of Tier 4 engines, off-road equipment can incorporate retrofits, such that, emission reductions achieved are equal to or exceed that of a Tier 4 engine.
4. In construction contracts, include language that requires all off-road equipment with a power rating below 19 kilowatts (e.g., plate compactors, pressure washers) used during project construction be battery powered.
5. In construction contracts, include language that requires all heavy-duty trucks entering the construction site during the grading and building construction phases be model

year 2014 or later. All heavy-duty haul trucks should also meet CARB's lowest optional low-oxides of nitrogen (NO_x) standard starting in the year 2022.¹

6. In construction contracts, include language that requires all construction equipment and fleets to be in compliance with all current air quality regulations. CARB is available to assist in implementing this recommendation.

Recommended Operation Measures

1. Include contractual language in tenant lease agreements that requires tenants to use the cleanest technologies available, and to provide the necessary infrastructure to support zero-emission vehicles and equipment that will be operating on site.
2. Include contractual language in tenant lease agreements that requires all loading/unloading docks and trailer spaces be equipped with electrical hookups for trucks with transport refrigeration units (TRUs) or auxiliary power units. This requirement will substantially decrease the amount of time that a TRU powered by a fossil-fueled internal combustion engine can operate at the project site. Use of zero-emission all-electric plug-in TRUs, hydrogen fuel cell transport refrigeration, and cryogenic transport refrigeration are encouraged and can also be included in lease agreements.²
3. Include contractual language in tenant lease agreements that requires all TRUs entering the project-site be plug-in capable.
4. Include contractual language in tenant lease agreements that requires future tenants to exclusively use zero-emission light and medium-duty delivery trucks and vans.
5. Include contractual language in tenant lease agreements that requires all service equipment (e.g., yard hostlers, yard equipment, forklifts, and pallet jacks) used within the project site to be zero-emission. This equipment is widely available and can be purchased using incentive funding from CARB's Clean Off-Road Equipment Voucher Incentive Project (CORE).³
6. Include contractual language in tenant lease agreements that requires all heavy-duty trucks entering or on the project site to be model year 2014 or later, expedite a transition to zero-emission vehicles, and be fully zero-emission beginning in 2023. A list of commercially available zero-emission trucks can be obtained from the Hybrid

1. In 2013, CARB adopted optional low-NO_x emission standards for on-road heavy-duty engines. CARB encourages engine manufacturers to introduce new technologies to reduce NO_x emissions below the current mandatory on-road heavy-duty diesel engine emission standards for model-year 2010 and later. CARB's optional low-NO_x emission standard is available at: <https://ww2.arb.ca.gov/our-work/programs/optional-reduced-nox-standards>

2. CARB's technology assessment for transport refrigerators provides information on the current and projected development of TRUs, including current and anticipated costs. The assessment is available at: https://www.arb.ca.gov/msprog/tech/techreport/tru_07292015.pdf

3. Clean Off-Road Equipment Voucher Incentive Project. Accessible at: <https://californiacore.org/how-to-participate/>

and Zero-emission Truck and Bus Voucher Incentive Project (HVIP).⁴ Additional incentive funds can be obtained from the Carl Moyer Program and Voucher Incentive Program.⁵

7. Include contractual language in tenant lease agreements that requires the tenant to be in, and monitor compliance with, all current air quality regulations for on-road trucks including CARB's Heavy-Duty (Tractor-Trailer) Greenhouse Gas Regulation,⁶ Advanced Clean Trucks Regulation,⁷ Periodic Smoke Inspection Program (PSIP),⁸ and the Statewide Truck and Bus Regulation.⁹
8. Include contractual language in tenant lease agreements restricting trucks and support equipment from idling longer than two minutes while on site.
9. Include rooftop solar panels for each proposed warehouse to the extent feasible, with a capacity that matches the maximum allowed for distributed solar connections to the grid.
10. Include contractual language in tenant lease agreements, requiring the installing of vegetative walls¹⁰ or other effective barriers that separate loading docks and people living or working nearby.
11. Include contractual language in tenant lease agreements, requiring all emergency generators to be powered by a non-diesel fuel.
12. The project should be constructed to meet CalGreen Tier 2 green building standards, including all provisions related to designated parking for clean air vehicles, electric vehicle charging, and bicycle parking, and achieve a certification of compliance with LEED green building standards.

4. Zero-Emission Truck and Bus Voucher Incentive Project. Accessible at: <https://californiahvip.org/>

5. Carl Moyer Program and Voucher Incentive Program. <https://ww2.arb.ca.gov/carl-moyer-program-apply>

6. In December 2008, CARB adopted a regulation to reduce greenhouse gas emissions by improving the fuel efficiency of heavy-duty tractors that pull 53-foot or longer box-type trailers. The regulation applies primarily to owners of 53-foot or longer box-type trailers, including both dry-van and refrigerated-van trailers, and owners of the heavy-duty tractors that pull them on California highways. CARB's Heavy-Duty (Tractor-Trailer) Greenhouse Gas Regulation is available at: <https://ww2.arb.ca.gov/our-work/programs/ttghg>

7. On June 25, 2020, CARB approved the Advanced Clean Trucks Regulation. The regulation requires manufacturers to start the transition from diesel trucks and vans to zero-emission trucks beginning in 2024. The rule is expected to result in about 100,000 electric trucks in California by the end of 2030 and about 300,000 by 2035. CARB is expected to consider a fleet regulation in 2021 that would be compatible with the Advanced Clean Trucks regulation, requiring fleets to purchase a certain percentage of zero-emission trucks and vans for their fleet operations. <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-trucks>

8. The PSIP program requires that diesel and bus fleet owners conduct annual smoke opacity inspections of their vehicles and repair those with excessive smoke emissions to ensure compliance. CARB's PSIP program is available at: <https://www.arb.ca.gov/enf/hdvp/hdvp.htm>

9. The regulation requires that newer heavier trucks and buses must meet particulate matter filter requirements beginning January 1, 2012. Lighter and older heavier trucks must be replaced starting January 1, 2015. By January 1, 2023, nearly all trucks and buses will need to have 2010 model-year engines or equivalent. CARB's Statewide Truck and Bus Regulation is available at: <https://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm>

10. Effectiveness of Sound Wall-Vegetation Combination Barriers as Near-Roadway Pollutant Mitigation Strategies (2017) is available at: <https://ww2.arb.ca.gov/sites/default/files/classic/research/apr/past/13-306.pdf>