

US EPA ARCHIVE DOCUMENT

EPA Region 9 Brownfields Program RLF Success Stories

Townsend St, San Francisco, CA



Project Description

Property Address: 178 Townsend Street
San Francisco, CA 94107

Property Size: 22,000 square feet

Former Uses: Electric power plant; hay, grain and feed mill; drayage and storage facility; automobile repair shop; and parking lot

Contaminants Found: Lead

Current Use: Mixed-use residential project under construction

Planned Use: Residential development to provide 94 new units, including 19 affordable units

Current Owner: Arc Light Co. Affordable, LP

Property History

In 1888, the California Electric Light Company constructed a three-story brick electricity generating plant—the first in the world to operate and distribute light from a central station—at the property on the corner of Townsend Street and Clarence Place in San Francisco. The plant provided most of the city's electric lights, satisfying the burgeoning demand for electricity. The 1906 earthquake caused severe damage to the building and the demolished brick and concrete from the building was used as fill during post-earthquake reconstruction. The brick and concrete had been painted with lead-contaminated paint, which seeped into the soil and created the contamination. In the years since the earthquake reconstruction, the site has been utilized for a variety of functions by various owners: a hay, grain and feed mill; a general purpose warehouse and drayage facility; an automobile repair shop; and a parking lot.

Drivers for Redevelopment

Located between AT&T Park, home of the San Francisco Giants, and the city's financial district and waterfront, the site is an ideal place for a residential building. The mixed-use residential project is expected to help revitalize the property and the surrounding community. Cleaning up and redeveloping this lead-contaminated site realizes several benefits to the community: eliminating a blighted, underutilized site from the neighborhood, adding much needed affordable and market rate housing units, and providing neighborhood-serving retail. In addition, it will help revitalize the local economy by creating employment opportunities (100 construction jobs and 60 new permanent jobs), an increased tax

RLF Assistance

After receiving an EPA Revolving Loan Fund (RLF) grant in 2006, California's Department of Toxic Substances Control (DTSC) made three loans and ten subgrants to local governments, community development corporations, and school districts to address a range of petroleum and hazardous substance contamination issues. DTSC's RLF Program plays a critical role in moving cleanup forward by providing gap financing for cleanup activities, while leveraging other funding for project construction. With this funding, once troubled properties are successfully being reused for affordable housing and greenspace opportunities, education and community centers, community-serving retail, and civic uses in disadvantaged communities.



Project Highlights

- Remediating extensive lead contamination, obtaining project approvals on a historic building, and pulling together multiple financing sources all posed challenges
- Project partners collaborated to overcome the lead contamination and put together various funding sources, including federal and state grants and loans, to make the new use into a reality
- Strong community support from various groups, including: San Francisco Housing Action Coalition, Transportation for a Livable City, San Francisco Architectural Heritage, San Francisco Bicycle Coalition
- Converting an underutilized and contaminated site into residential mixed-use housing and retail represents an important development to this historic San Francisco neighborhood

Project Partners

- Environmental Protection Agency, Region 9
- California Department of Toxic Substances Control
- City of San Francisco
- Arc Light Co. Affordable, LP
- Architects: Ian Birchall Associates and HKS
- Contractor: James E. Roberts-Obayashi
- Department of Housing and Urban Development
- CBRE HMF, Inc. (HUD Lenders)

base of \$500,000, an increase in annual sales tax revenue, and a \$200,000 increase in annual property tax revenue.

Project Results

In September 2008, the Arc Light Co. project received initial approvals by the San Francisco Planning Commission for a mixed-use residential project on the site. In May 2009, the project received a commitment letter from DTSC for EPA Revolving Loan Fund (RLF) funding, which was a crucial milestone as it allowed the remediation to move forward and leveraged other funding that was needed for project construction, including a \$3.5 million Infill Infrastructure Grant from California Housing and Community Development (HCD) and a Department of Housing and Urban Development (HUD) loan. In October 2009, a \$1.25 million low-interest loan from the DTSC RLF (originating from EPA) was awarded to clean up lead-contaminated property at 178 Townsend Street. The loan has created about 100 construction jobs over two years.

Three thousand tons of lead-contaminated soil were excavated, removed and hauled to a disposal site; seven yards of non-Resource Conservation and Recovery Act (RCRA) hazardous waste from lead paint on the brick were also removed and hauled to a disposal site. Excavation activities removed excess fill from previous uses and debris from previous earthquake material that was buried beneath the building. Further in August 2010, the California Tax Credit Allocation Committee (TCAC) awarded an American Recovery and Reinvestment Act (ARRA) Gap



Project Timeline

Sept 2008	Phase I Environmental Site Assessment (ESA)
Oct 2008	Phase II ESA
Sept 2008	San Francisco Planning Commission approves redevelopment of site into mixed-use residential project
May 2009	DTSC RLF commitment letter received
Oct 2009	DTSC RLF awarded
Aug 2010	HUD construction loan awarded Arc Light Co Affordable, LP ownership TCAC ARRA gap financing awarded
2012	Construction completed

Financing grant of \$312,000 to the project as a gap in financing for the market for low income housing tax credits for which the project had a reservation.

Completed in early 2012, this residential development provides both 94 new residential units (75 market rate and 19 affordable) and 3,540 square feet of retail space consisting of a restaurant, daycare and underground parking garage. To date, there are 10 occupied units and 11 signed leases for market rate apartments. Finally, the structure meets today's gold standard for "green" construction under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certification.

For additional information, please contact:

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