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September 8, 2008

Transmitted Via Email
kzwick@ahainc.org

Mr. Kevin Zwick
Affordable Housing Associates
1250 Addison Street, Suite G
Berkeley, CA 94702

RE: Phase I Environmental Site Assessment Update
160 14th Street, Oakland, California
ACC Project No. 6179-014.04

Dear Mr. Zwick:

This letter will serve as a report of the findings made during the Phase I Environmental Site Assessment (ESA) update conducted at the property located at 160 14th Street, Oakland, California (subject property). The subject property is located on the northwest corner of Madison and 14th Streets. The scope of work included conducting a site reconnaissance at the subject property, review of a regulatory database and file review at the appropriate government agencies. This report will address any sites of concern identified in the April 9, 2001 Phase I ESA and the June 12, 2006 Phase I ESA Update, both prepared by ACC Environmental Consultants, Inc. (ACC) and any new sites of concern. The purpose of this Phase I ESA Update is to identify any hazardous materials that may be used and/or stored at the subject property and to evaluate the potential for environmental impact from said usage.

According to the April 2001 Phase I ESA, the subject property was occupied by a public parking lot. During the June 2006 site reconnaissance, the subject property was vacant, asphalt-paved and fenced off in preparation for future site redevelopment.

SITE RECONAISSANCE

On Tuesday, July 1, 2008, Mr. Stephen Southern, ACC Senior Project Manager and California Registered Environmental Assessor, conducted a site reconnaissance of the subject property.

The subject property is occupied by a eight-story mixed-use building (the ground floor is occupied by a vacant retail space and garage, while the upper floors are occupied by residential apartment units). According to Mr. James Wong, property manager, construction on the building was completed in April 2008. The building footprint occupies the lot.

During the site reconnaissance, the following recognized environmental conditions were observed:

- Stained surfaces
- Suspect asbestos-containing building materials

Stained Surfaces

During the site reconnaissance, ACC observed slightly stained surfaces located in the parking garage. The stains were consistent with automotive fluid leaks. The concrete floor is in good condition and no cracks were observed in the area of the staining. It is ACC's opinion that the presence of the staining poses a very low potential to impact the environment.

Suspect Asbestos Containing Building Materials

During the site reconnaissance, ACC observed suspect asbestos-containing building materials at the subject property. The materials observed included exterior stucco, drywall with joint and texturing compounds, linoleum, composite roofing materials, exterior boiler insulation, ceramic tile grout. The suspect materials were observed to be new and in good condition. In accordance with Chapter 40, Code of Federal Regulations, Part 763 (40 CFR 763), suspect asbestos containing materials are assumed to contain asbestos unless those materials are sampled and verified not to contain asbestos. ACC was provided with a letter from the project architect (Leddy Maytum Stacy) stating that, "to the best of our knowledge, products of systems containing asbestos were not specified in the Project Specifications." The letter further states the architectural firm and their consultant team reviewed submittals for materials and systems received from the general contractor and that "to the best of our knowledge we did not approve any materials or systems that contain asbestos." Based on the letter provided to ACC and the age of the building (2008), there is a low possibility that the observed suspect materials actually contain asbestos.

Regulatory Agency File Review

In accordance with the scope of work, ACC compared the regulatory database from the June 2006 Phase I ESA Update and the June 2008 database. The review of the two databases did not identify any new sites of concern. The subject property continues to be listed on the Underground Storage Tank (UST) database and on the Leaking Underground Storage Tank (LUST) database, a change from the 2006 database. The following is a discussion of the June 2008 database:

RCRA Corrective Actions Database

The RCRA Corrective Actions database contains RCRA facilities that are undergoing "corrective action." A "corrective action" order is issued pursuant to RCRA Section 3008(h) when there has been a release of hazardous waster or constituents into the environment from a RCRA facility. Corrective actions may be required beyond the facility's boundary and can be required regardless of when the release occurred, even if it predates RCRA. This database is maintained by the US-EPA. There is one site listed on the RCRA Corrective Actions database that is located within 1.0 mile of the subject property. This site is not located within 0.125 mile of the subject property. Based on the distance and downgradient location of this site relative to the subject property, the potential to impact the subject property is considered to be low. In addition, because the responsible party has been identified, should constituents originating from this site have an impact on the subject property, it is unlikely that the owner of the subject property would be held responsible.

RCRA Large Quantity Generator Database

The RCRA Large Quantity Generator database contains sites that generate more than 1,000 kilograms of hazardous waste per month. This database is maintained by the US-EPA. In accordance with ASTM Standards (ASTM Standard Practice E 1527-05), ACC reviews the Large Quantity Generator database for only the subject property and adjoining properties. There are no sites listed on the Large Quantity Generator database that are located within 0.25 miles of the subject property, a change from the 2006 database. Neither the subject property nor any adjoining properties are identified on this database.

Leaking Underground Storage Tank (LUST) Database

LUST sites are those that have had unauthorized releases of hazardous materials from undergound storage tanks (USTs). The California Regional Water Quality Control Board (RWQCB) maintains this database. Based on the findings of the Lawrence Livermore Study, performed for the California State Resources Control Board to improve and streamline its Leaking Underground Storage Tank Guidelines, ACC does not consider petroleum hydrocarbon sites further than 0.125 mile (660 feet) from the subject property to be significant when assessing potential offsite impacts. Specifically, the Lawrence Livermore Study found that 90 percent of benzene (a carcinogenic and highly mobile constituent of gasoline) plumes extend no further than 250 feet from the source. Thus, it is ACC's practice to review only LUST sites located within 0.125 mile of the subject property. There are 42 sites listed on the LUST database that are located within 0.5 mile of the subject property. Of these, three are located within 0.125 mile of the subject property and the fourth site is identified as the subject property. Two of the sites have been granted case closure by the regulatory agency. The following is a discussion of the remaining two sites.

Subject Property

The subject property appears on the "target property search results" page of the EDR database as being listed on the LUST database, however, the subject property does not appear in the executive summary listing of all identified LUST sites. According to information available at the City of Oakland Office of Emergency Services (OES), one 10,000-gallon gasoline UST, one 6,000-gallon gasoline UST, and one 550-gallon waste oil UST were removed from the subject property in May 1986 in relation to the dismantling of a Mobil gasoline service station. A soil sampling report prepared by Blaine Tech Services on May 8, 1986 indicated that the soil samples collected from the excavation were below laboratory detection limits for total petroleum hydrocarbons as gasoline (TPHG) and waste oil. Based on the laboratory results, Mobil Corporation considered the issue to be closed, but no closure letter was issued.

At the Client's request, ACC performed a subsurface investigation on July 23, 2001 to evaluate residual soil contamination from the former gasoline service station and possible impacts from the adjacent dry cleaning establishment. The results of this investigation were reported in ACC's Soil *Boring investigation Report* dated August 2001. Results of the investigation reported residual petroleum hydrocarbons concentrations in soil are low, appear to be largely localized to fine-grained soils from 8 to 12 feet belowground surface, and do not warrant remediation or additional site investigation; minor tetrachloroethene (PCE) concentrations exist in groundwater at the subject property and likely originate from the dry cleaners immediately adjacent to the subject property; and recommended that the subject property be evaluated for regulatory case closure.

At the request of the client, ACC advanced six soil borings on the subject property in April 2006. The report concluded that relatively minor concentrations of total petroleum hydrocarbons as gasoline (TPHg), benzene, toluene, toluene, and ethylbenzene (BTEX), and methyl tert butyl ether (MTBE) are present in soil that is scheduled to be excavated as part of site redevelopment activities; elevated TPHG and BTEX concentrations exist in groundwater in the vicinity of the former UST excavation but attenuate rapidly with distance from this suspect soil source; elevated PCE concentrations exist in groundwater along the northwest end of the subject property and likely originate from the dry cleaners immediately adjacent to the subject property; dewatering, if required during site development, would serve the dual purpose of successfully lowering the groundwater table below the depth of scheduled soil excavation and removing residual petroleum hydrocarbon concentrations in the groundwater; based on anticipated source removal during site development and possible dewatering activities, the proposed foundation vapor barrier, and no future inhabited living space beginning on the ground story, there is no significant human health risk to future occupants following site development; and additional mitigation measures should not be required to proceed with approved site development.

The letter report, *"Summary of Soil Characterization Activities"* dated May 2007, prepared by ACC on behalf of the Client states that "Residual petroleum hydrocarbon concentrations in excavation sidewall soil samples were weathered, contained little or no BTEX and do not represent a human health risk."

The design of the existing structure called for the installation of a below-slab vapor barrier. According to information provided to ACC by the Client, a Stego® Wrap 15-mil Class A vapor barrier was installed prior to the installation of the slab-on-grade for the parking garage and the ground floor commercial spaces (there are no residential units on the ground floor). The barrier was installed at the suggestion of the City of Oakland Fire Department due to small amounts of dry cleaning solvents found in the soil at the site. At the beginning of the site development, approximately 6,528 tons of soil were excavated and removed from the site. The vapor barrier was installed following site preparation but prior to the installation of the slab. In addition, a bentonite waterproofing barrier (Volclay Voltex DS) was installed in the below grade parking garage lift area. On September 15, 2006, a representative from Applied Materials & Engineering, Inc. inspected the installation of the Voltex DS and determined that the installation was in compliance with manufacturer recommendations. It is ACC's opinion that in as much as the site has been redeveloped, a vapor barrier and bentonite waterproofing barrier have been properly utilized and installed and that over 6,528 tons of soil were removed from the site around the area of the USTs, the presence of the former USTs at this site are no longer an issue and that regulatory case closure should be granted. Oh behalf of AHA, ACC is preparing a letter requesting regulatory case closure for submission to the Alameda County Health Care Services Agency.

AlcoPark Garage

AlcoPark Garage located at 165 13th Street, is located to the southwest of the subject property. According to information available at ACHCSA, two 10,000-gallon USTs were closed in place in 1994 in the northeast corner of 12th and Jackson Streets. Soil and groundwater samples collected in support of in-place closure indicated low concentrations of petroleum hydrocarbons in soil and measurable concentrations of petroleum hydrocarbons in the groundwater. ACHCSA requested additional investigation at this site. The investigation was performed in January 1999 and revealed limited petroleum hydrocarbon contamination. In the southeast corner of 13th and Jackson Street, two 10,000-gallon gasoline USTs are actively in use to fuel county vehicles. Three groundwater monitoring wells were installed at the site in March 1989 to assess the environmental condition subsequent to the repair of a line leak. Initial sample results indicated the presence of benzene, toluene, ethylbenzene and xylenes (BTEX) in the groundwater. Subsequent sampling results indicated the presence of total petroleum hydrocarbons as gasoline (TPHg). Well sampling resumed in 1997. Additional wells were installed in 1998 and 1999. According to an April 2006 semi-annual monitoring report prepared by Professional Services Industry (PSI), detectable concentrations of benzene, MTBE and VOCs are still present at the site. The groundwater flow direction was to the east. Based on the crossgradient location of this site relative to the subject property, the potential to impact the subject property is considered to be low.

<u>Spills, Leaks, Investigations and Cleanup (SLIC) Database</u>

The SLIC database deals with site investigations and corrective actions involving sites not overseen by the UST program. The SLIC program is designed to cleanup impacts of current or historic unauthorized discharges, primarily to groundwater, but in some cases, also to surface waters or sediments. This database is maintained by the RWQCB. There are seven sites listed on this database located within 0.5 mile of the subject property. None of these sites are located within 0.125 mile of the subject property. Based on the distance of these sites relative to the subject property, the potential to impact the subject property is considered to be low. In addition, because the responsible parties have been identified, should constituents originating from these sites have an impact on the subject property, it is unlikely that the owner of the subject property would be held responsible.

Underground Storage Tank (UST) Database

The UST database contains sites with registered USTs. The California State Water Resources Control Water Board (SWRCB) maintains this database. In accordance with ASTM standards (ASTM E-1527-05), only the subject property and adjoining properties are required to be reviewed. According to the 2008 EDR report, there is one UST site listed on the database; AlcoPark Garage, located at 165 13th Street. A discussion of this site can be found in the LUST section of this letter.

Other Sites of Potential Environmental Concern

During the site reconnaissance, ACC observed a dry cleaning business located adjacent to the subject property at 190 14th Street. The dry cleaning business has occupied the property since circa 1963. This property is also appears on the DRYCLEANERS listing on the EDR database. The DRYCLEANERS database is a listing of drycleaner related businesses that have US-EPA identification numbers. The two sites listed on the database are actually the same site. Based on subsurface investigations performed on the subject property in April 2006, elevated concentrations of VOCs commonly used in dry cleaning establishments were detected in the groundwater beneath the subject property. Results from this investigation have been reported to the Oakland Fire Department and are addressed in ACC's *Soil and Groundwater Management Plan* for the subject property. ACC believes the elevated concentrations of VOCs originates from an unauthorized release from the adjacent dry cleaning business. In addition, because 160 14th Street was redeveloped with a 15-mil below slab vapor barrier, and that over 6,528 tons of soil were excavated and removed from the site during redevelopment and that no residential units are located on the ground floor, it is unlikely that VOCs originating from an off-site release would have an impact on the subject property.

CONCLUSIONS

ACC has performed this Phase I ESA Update in conformance with the scope of services and within the scope and limitations of ASTM Standard Practice E 1527-05, for the property located at 160 14th Street, Oakland, California.

Based on visual observations made during the site reconnaissance and information obtained during regulatory agency file review, it is ACC's opinion that the current use of the subject property has not had a negative impact on the environment.

Thank you for choosing ACC to assist you with this project. If you have any questions, please contact me at (510) 638-8400, extension 108.

Sincerely,

Stephen Southern, REA I, CAC
Senior Project Manager

Reviewed By:

REGISTERED GEOLOGIST JAMES E. GRIBI No. 5843 STATE OF CALIFORNIA

James E. Gribi
Professional Geologist
California No. 5843

Attachments

cc: Mr. Jim Wilson, Vice President