Bank Real Estate Loan Rejections Due to Criteria of CalEPA Soil Vapor Intrusion Guidance of February 2023

City	Property Type	Environmental Assessment Background	Denials of Loans Due to DVIG
Chino, CA	Industrial yard, truck storage and repair, recycling center	Previous Phase II completed in 1997. To obtain recent subsurface data, consultant advanced eight borings to 10' and developed a site specific attenuation factor (SSAF).	Using the SSAF and the 2011 DTSC Guidance AFs, benzene, ethylbenzene, and PCE passed the predicted indoor air health risk criteria easily with consideration of the highest and worst case. Bank still denied the loan because the soil vapor concentrations exceeded the 0.03 AF values. Before a loan can be issued, bank is now requiring agency closure.
Commerce, CA	Current industrial warehouse with former manufacturing operations including a clarifier and 2,000-gal above ground tank. There are multiple offsite potential responsible parties.	Multiple previous Phase IIs conducted in 2017 by two environmental consultants. There is one area where lead exists, which can be removed via excavation. One of the consultants ruled out PCE as a vapor concerns because soil vapor concentrations were less than 1,000 ug/m3. Two additional consultants recommended a soil management plan as sole remedy.	This site has been financed three times in the last five years. The bank will not proceed with a new loan because soil gas values exceed the 2023 SVIG 0.03 AF concentration of 67 ug/m3 (but are less than 1,000 ug/m3). In order to proceed with financing, the bank wants additional soil, soil vapor, and indoor air assessments. If the soil vapor continues to be in exceeds of the 0.03 AF criteria, the bank wants agency closure.
Los Angeles, CA	Two commercial office/warehouse buildings on two parcels. Prior machine shop.	Phase IIs conducted in previous years. Soil vapor and groundwater appear to be impacted by a regional release of volatile organic compounds. There is no indication of an onsite release.	Soil vapor results did not pass 0.03 AF but did pass 0.002 AF. Indoor air studies passed Los Angeles Regional Water Board criteria. The Small Business Administration approved the site for a loan, but because the soil vapor did not meet the 0.03 AF criteria, Chase Bank rejected the loan.
Los Angeles, CA	Two multi-unit commercial buildings constructed in between 1959 and 1982. Site sits above a Superfund plume, so there are regional soil vapor concentrations.	Prior Phase II conducted, but the old method of testing vapor used the outdated Method 8260 with high detection limits. Therefore, FR conducted a new Phase II.	The SSAF was 0.003, and the site PCE and TCE soil vapor concentrations were lower than this 0.003 AF. Soil matrix PCE and TCE concentrations were non-detectable. Chase bank rejected the loan strictly because PCE and TCE soil vapor concentrations exceeded the 0.03 AF DVIG criteria, notwithstanding the SSAF.
San Gabriel, CA	Former service station, auto repair facility, and machine shop. Site redeveloped into commercial/light industrial warehouse encompassing entire property. Site is also within San Gabriel Regional Superfund Area.	Consultant completed 5 borings/probes inside building and developed a SSAF.	Using the SSAF of 0.0013, benzene, ethylbenzene and PCE easily passed the predicted indoor air health risk criteria with consideration of the highest and worst case. Bank denied the loan because the site soil vapor concentrations were greater than 0.03 AF. Although the bank offered possible loan consideration if more soil vapor probes were installed, due to site improvements and occupied units there was no practical method to drill elsewhere.

Legend:

AF - Attenuation Factor, the proportion of indoor air vapors to subsurface vapors
SVIG - Soil Vapor Intrusion Guidance Document issued in Feb 2023 by CalEPA, DTSC, and SWRCB
PCE/TCE - Perchloroethylene/Trichloroethylene, industrial solvents
SSAF - Site Specific Attenuation Factor
ug/m3 - micrograms per cubic meter, a measure of contaminant mass in vapor

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