December 1, 2021

VIA GRANTS.GOV

Noemi Emeric-Ford  
Environmental Protection Agency, Region 9  
75 Hawthorne Street, SFD6-1  
San Francisco, California 94105

Re: Narrative Information Sheet – City of Tucson, FY2022 USEPA Brownfields Revolving Loan Fund Grant Application

Dear Ms. Emeric-Ford:

Please find below the City of Tucson, Environmental & General Services Department’s Narrative Information Sheet as part our FY2022 USEPA Brownfields Revolving Loan Fund Grant Application.

1. Applicant Identification
City of Tucson  
P.O. Box 27210  
Tucson, Arizona 85726-7210

2. Funding Requested
a. Grant Type: Individual RLF
b. Federal Funds Requested  
   i. $1,000,000  
   ii. 20% cost share waiver not requested

3. RLF Boundaries
The city limits of the City of Tucson, Arizona

4. Target Area and Priority Site Information
   • La Doce, Census Tracts: 002400; 002501; 003704; 003801; 003802; 003901; 003902
   ○ La Estrella III, 5736 South 12th Avenue, Tucson, Arizona
   ○ Pusch Ridge Christian Academy, 5951 South 12th Avenue, Tucson, Arizona
   • Thrive in the 05, Census Tracts: 000300; 000400; 001200; 001302; 001303; 001304; 004504
   ○ Oracle/Alturas Site, 2445 North Oracle Road, Tucson, Arizona
   • Barrio Centro/Julia Keen Neighborhood, Census Tracts: 002000; 002100
   ○ La Siembra, 3538 East Ellington Place, Tucson, Arizona
   • Downtown Tucson/Historic Barrios, Census Tracts: 000100; 000200; 000300; 000400; 000900; 001000; 002501; 004415
   ○ Ronstadt Transit Center, 215 East Congress Street, 225 East Pennington Street, 201 East Toole Avenue, Tucson, Arizona
5. Contacts
   a. Project Director
      Carlos A. De La Torre, P.E.
      (520) 791-3175
      Carlos.DeLaTorre@tucsonaz.gov
      PO Box 27210
      Tucson, Arizona 85726-7210
   b. Chief Executive
      Regina Romero, Mayor
      (520) 791-4201
      E-mail: Mayor.Romero@tucsonaz.gov
      PO Box 27210
      Tucson, Arizona 85726-7210

6. Population
   City of Tucson: 535,677

7. Other Factors Checklist

<table>
<thead>
<tr>
<th>Other Factors</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community population is 10,000 or less.</td>
<td></td>
</tr>
<tr>
<td>The applicant is, or will assist, a federally recognized Indian tribe or United States territory.</td>
<td></td>
</tr>
<tr>
<td>The priority site(s) is impacted by mine-scarred land.</td>
<td></td>
</tr>
<tr>
<td>The priority site(s) is adjacent to a body of water (i.e., the border of the priority site(s) is contiguous or partially contiguous to the body of water, or would be contiguous or partially contiguous with a body of water but for a street, road, or other public thoroughfare separating them).</td>
<td>2</td>
</tr>
<tr>
<td>The priority site(s) is in a federally designated flood plain.</td>
<td></td>
</tr>
<tr>
<td>The reuse of the priority site(s) will facilitate renewable energy from wind, solar, or geothermal energy.</td>
<td>2, 3</td>
</tr>
<tr>
<td>The reuse of the priority site(s) will incorporate energy efficiency measures.</td>
<td>2, 3</td>
</tr>
<tr>
<td>The target area(s) is located within a community in which a coal-fired power plant has recently closed (2011 or later) or is closing.</td>
<td></td>
</tr>
</tbody>
</table>

8. Letter from the State Environmental Authority
   Attached

9. Releasing Copies of Applications
   Not Applicable

   Please contact Rolanda Mazeika at (520) 668-4453 or by e-mail at rolanda.mazeika@tucsonaz.gov if you have any questions regarding this submittal.

Sincerely,

Carlos A. De La Torre, P.E.
Director

CT/FB/rm

Attachment:   Letter from the State Environmental Authority
November 30, 2021

Ms. Rolanda Mazeika  
Brownfields Coordinator  
City of Tucson, Environmental & General Services Department  
PO Box 27210  
Tucson, Arizona 85726-7210

Re: Brownfields Revolving Loan Fund Grant for the City of Tucson

Dear Ms. Mazeika,

The Arizona Department of Environmental Quality (ADEQ) Brownfields Program is pleased to provide a letter in support of the City of Tucson’s application to the Environmental Protection Agency (EPA) for a FY 2022 Brownfields Revolving Loan Fund (RLF) Grant.

ADEQ believes that the FY 2022 Brownfields RLF Grant will assist the City of Tucson to prioritize investment and support of disadvantaged communities. Tucson continues to achieve a path to creating a vibrant and inclusive community, focused on quality of life through programs like its Brownfields Assessment grant program and Connect Tucson economic development incentives and support; initiatives like the Equitable Transit-Oriented Development (eTOD) and Housing Affordability Strategy for Tucson. The RLF grant will provide cleanup assistance to target areas; La Doce, Thrive in the 05, Barrio Centro/Julia Keen Neighborhood, and Downtown Tucson/Historic Barrios. ADEQ understands City of Tucson will focus on the following commonalities through the Brownfields RLF program; 1) Economic and cultural significance to the community; 2) Redevelopment Potential; 3) Need; and 4) Identified Brownfields. The RLF will provide assessment and cleanup funding for the sites, allowing the sites to be available for productive reuse.

It is our pleasure to support the City of Tucson, we look forward to continued success with the program. ADEQ fully supports the City of Tucson and stakeholders with the important Brownfields projects and we look forward to providing the communities and stakeholders with additional services and funding opportunities.

Sincerely,

Travis Barnum  
Brownfields Coordinator  
Waste Program Division
1. PROJECT AREA DESCRIPTION AND PLANS FOR REVITALIZATION

a. Target Area and Brownfields

i. Background and Description of Target Area

Located in the scenic Sonoran Desert about 70 miles north of the US/Mexico border, Tucson’s community dates back to ancient Indigenous cultures. Tucson is one of the oldest permanently settled US communities with its name derived from the O’odham “S-cuk Son”, At the Base of the Black Hill. In 1775, the Tucson Presidio was established under Spanish rule and today, the City of Tucson is the second largest city in Arizona, encompassing approximately 242 square miles, with a diverse population of over half a million residents.

Tucson was once Arizona’s largest city and commercial center supporting industries such as mining, railroads, and agriculture. After World War I, Tucson became home to Davis-Monthan Air Force Base (DMAFB) and later welcomed aerospace and other high-tech industries to the region. After over two decades of Brownfields programming, Tucson has identified significant impacts from these historic activities including soil, soil vapor, and groundwater contamination, which complicate and hinder investment in property redevelopment and revitalization.

Like many cities, Tucson’s economy struggled to return to pre-Great Recession levels, particularly its small and Legacy (independent, long-term, community-centric) businesses, and economic and social impacts of the COVID-19 pandemic still reverberate in the community. The City continues to prioritize investment and support of economic development programs to address recent and historic environmental, economic, and health challenges in a holistic and sustainable manner. Tucson is committed to a vibrant and inclusive community focused on quality of life for all through its Brownfields grant program, Connect Tucson economic development incentives and support; initiatives like the Equitable Transit-Oriented Development (eTOD) and Housing Affordability Strategy for Tucson; and by leading and collaborating in environmental stewardship and sustainability through its Water and Energy programs.

Tucson’s Revolving Loan Fund (RLF) grant will provide cleanup assistance in its Target Area, which encompasses the City of Tucson’s city limits, with four high-priority, Focus Areas: La Doce; Thrive in the 05; Barrio Centro/Julia Keen Neighborhood; and Downtown Tucson/Historic Barrios. Focus Area commonalities include: 1) Economic and cultural significance to the community; 2) Redevelopment Potential; 3) Need; and 4) Identified Brownfields.

Brownfields redevelopment is vital to reclaim land for businesses, infrastructure improvements, and housing/amenities to attract businesses and support employment opportunities for the unemployed/underemployed. The RLF will provide tools to overcome environmental challenges in the Focus Areas and provide long-term investment to residential, retail, and commercial redevelopment, especially in historically underserved communities. It will provide opportunities to develop amenities like community gardens and healthy and affordable food markets, which contribute to improved community health outcomes. Cleanup creates opportunities for business development, increased home ownership, and equitable growth that enhance the community’s tax base to allow for re-investment in schools, healthcare, infrastructure, employment training, and recreation. Employers attracted to the area will provide workers with meaningful employment, thereby retaining residents and their cultures.

ii. Description of the Priority Brownfields Sites

Tucson’s priority Brownfields sites are located within the Focus Areas and include projects where the City was approached for redevelopment assistance; however, due to the extent of remediation necessary and a lack of gap or grant funding, redevelopment of these sites is stalled. Brownfields assessments revealed the presence of petroleum products and hazardous substances such as volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), polynuclear aromatic hydrocarbons (PAHs), heavy metals, which were found in soil, soil vapor,
and/or groundwater, and asbestos and lead paint.

**La Doce** – A culturally rich corridor along South 12th Avenue (and surrounding areas), includes eight low-income Census Tracts. Approximately 60 Brownfields sites exist in La Doce, mostly impacted by historic automotive or fueling activities and pre-1970s, abandoned/dilapidated structures. The City received a FY2018 Brownfields Assessment grant to support public health and safety, environmental justice, and economic growth in La Doce.

- **La Estrella III** – Vacant building, former fueling station; Extensive asbestos in building materials, lead paint present; Redevelopment plan includes building rehabilitation to allow for food manufacturing by an iconic, multi-generational Tucson business.
- **Pusch Ridge Christian Academy** – Vacant building; Suspected asbestos and lead paint in building materials, (suspected soil vapor impacts from Superfund site); Redevelopment plan includes building renovation for private school education including farming education.

**Thrive in the 05** – Once a major automotive and commercial corridor, this area suffers from a lack of investment and faces environmental and economic challenges from historic automotive and fueling activities, abandoned/dilapidated structures, and current industrial/manufacturing activities. The **Thrive in the 05** initiative was established by residents, community partners, and is supported by the City, Pima Community College, and the Arizona State University.

- **Oracle/Alturas Site** – Treatment center; Suspected asbestos in building materials, (suspected soil vapor impacts from a state Superfund site); Redevelopment plan includes affordable housing.

**Barrio Centro/Julia Keen Neighborhood** – Bounded by major transportation corridors, northwest of the DMAFB, and north of a heavily industrial area and railroad corridor, this community is home to a diverse multi-generational population.

- **La Siembra** – Vacant building; Suspected asbestos and lead paint in building materials, possible metals in soil; Redevelopment plan includes property acquisition by non-profit organization for agricultural production and community space. Organization programming includes rainwater harvesting demonstration and rainwater harvesting revolving loans to the community.

**Downtown Tucson/Historic Barrios** - Encompassing approximately 4.5 square miles, including downtown Tucson’s Government Property Lease Excise Tax (GPLET) District and Rio Nuevo Tax Increment Finance (TIF) District. Brownfields grants funded significant assessments in this area. Historic Barrios and Neighborhoods included in the area: Anita; Libre; Viejo; Santa Rosa; El Presidio; Hollywood; Menlo Park/Kroeger Lane/Panorama Estates; and Santa Cruz.

- **Ronstadt Transit Center** – Transit center and adjacent parking lots; Metals soil contamination and VOCs in soil gas from historic railroad, automotive, and other activities; Redevelopment plan includes mixed-use, multi-level development in Tucson’s downtown core.

**b. Revitalization of the Target Area**

**i. Reuse Strategy and Alignment with Revitalization Plans**

Each of the priority Brownfields sites’ redevelopment strategies support Tucson’s voter-approved General and Sustainability Plan (**Plan Tucson**) in one or more elements of Urban Agriculture, Jobs and Workforce Development, Tourism and Quality of Life, and Redevelopment and Revitalization. Urban agriculture (food production and raising animals), operating food stands, and holding farmers markets are supported by Tucson’s Land Use Code.

Planning efforts were initiated in the 1990s for La Doce, including City/County plans, health studies, transportation/revitalization plans/projects, and bond improvement efforts. The La Estrella III project directly aligns with design and planning recommendations in La Doce - **Supporting a Naturally Occurring Cultural and Business District on South 12th Avenue**, such as economic development, placemaking, and displacement prevention.
The Ronstadt Transit Center project directly supports eTOD, which incorporates affordability and accessibility into all aspects of traditional Transit-Oriented Development. The redevelopment project will contribute to a vibrant, walkable, mixed-use community near transit for all people to have access to jobs, basic services, and amenities.

ii. Outcomes and Benefits of Reuse Strategy

Plan Tucson provides a holistic and community-oriented approach to the sometimes-competing needs of economic development, sustainability, and environmental justice. By prioritizing their economic and cultural significances to the community, each of the priority projects contribute to economic resiliency through community empowerment by identifying specific solutions to community needs without a cookie-cutter approach. All of the priority projects benefit disadvantaged communities as illustrated below and discussed in Section 2.a.ii.

The La Estrella III, Pusch Ridge Christian Academy, and La Siembra projects will provide substantial property improvements to vacant and dilapidated properties in La Doce and Barrio Centro/Julia Keen, with the first two providing job opportunities. All three projects will help provide local access to food. The La Siembra project incorporates onsite sustainable practices such as composting and rainwater harvesting to support its agricultural activities. The Ronstadt Transit Center project will provide job opportunities, easy access to affordable transit, and redevelopment of underutilized properties in Downtown Tucson. The Oracle/Alturas Site will provide affordable housing opportunities and access to affordable transit in the Thrive in the 05.

<table>
<thead>
<tr>
<th>Target Area - Tucson</th>
<th>La Doce</th>
<th>Thrive</th>
<th>BC/JKN</th>
<th>Downtown /Barrios</th>
<th>Arizona</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>535,677</td>
<td>13,274</td>
<td>8,721</td>
<td>11,757</td>
<td>7,016,270</td>
<td>325,719,178</td>
</tr>
<tr>
<td>Unemployment</td>
<td>7.2%</td>
<td>6%</td>
<td>8%</td>
<td>3%</td>
<td>7%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>22.1%</td>
<td>31.28%</td>
<td>34.66%</td>
<td>16.73%</td>
<td>31.72%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Percent Minority</td>
<td>44.8%</td>
<td>95%</td>
<td>72%</td>
<td>66%</td>
<td>75%</td>
<td>45.3%</td>
</tr>
<tr>
<td>Median Income</td>
<td>$41,625</td>
<td>$29,541</td>
<td>$22,946</td>
<td>$40,052</td>
<td>$32,527</td>
<td>$56,581</td>
</tr>
</tbody>
</table>

Sources: 2017 & 2019 American Community Survey; Poverty, Income, and Growth in Tucson, Arizona, povreport.tucsonaz.gov; EPA EJSCREEN

c. Strategy for Leveraging Resources

i. Resources Needed for Site Reuse

The City of Tucson has demonstrated its capacity and commitment to meet outputs in six previous Brownfields Work Plans. The City will draw upon its experience to provide resources to support revitalization. City departments, like Environmental & General Services (EGSD), Housing and Community Development, Tucson Water, Transportation and Mobility, and Economic Initiatives can contribute incentives available from local, state, and Federal resources. Existing sources like the FY2018 EPA Brownfields Assessment Grant, GPLET (for sites within the Central Business District), local community development funds, and Visual Improvement Program, will also be incorporated into a project strategy to promote reuse. Additional programs that may leverage Brownfields funding to assure cleanup, include:

- **Rio Nuevo Tax Increment Financing (TIF) District** – The District has been instrumental in the transformation of Downtown Tucson. Leveraged TIF funding has attracted over $250 million (M) in private investment. The most successful endeavor to-date leveraged a $6M Rio Nuevo investment into a private investment of $43M, with an estimated 20-year economic impact of $600M and 1,000 jobs created. Environmental issues remain in the
District, and RLF and TIF funding could be used to leverage Brownfields redevelopment.

- **Tucson Community Development Loan Fund** - $20M HUD 108 loan fund that can be used as gap financing for projects creating jobs for low- and moderate-income persons, eliminate blight, or meet urgent community needs. Eligible activities include property acquisition, property rehabilitation, relocation, clearance and demolition, site preparation, public facilities improvements, issuance costs, capitalized interest and reserves.

- **New Markets Tax Credit Program** - Attracts investment capital to low-income communities by permitting corporate investors to receive a credit against Federal income tax returns in exchange for making equity investments in Community Development Entities.

- **ADEQ’s UST Pre-Approval Program** - Up to $1M reimbursement for cleanup conducted in accordance with approved scope of work, schedule, and budget. Where a responsible party cannot be identified or the owner is financially unable to cleanup the site, ADEQ’s State Lead UST Program manages and pays for site cleanup. These programs benefit lower income communities that have more abandoned gas stations and repair facilities.

- **State and EPA Brownfields Assistance** - State EPA 128(a) Brownfields funds to assess and cleanup sites, typically providing up to $50,000 per site, focusing on rural and lower-income areas. EPA Region 9 also provides Targeted Brownfields Assessment (TBA) assistance. The City has successfully worked the TBA program and will refer sites to both programs in preparation of receiving RLF assistance.

**ii. Use of Existing Infrastructure**

Water, sewer, roads, telecommunications, electrical and/or gas utilities are present within the Target Area and Focus Areas. Existing infrastructure will be used to support redevelopment of priority brownfield sites whenever possible. A strategy for infrastructure improvements to support reuse may be required before enrolling a site into the RLF program.

**2. COMMUNITY NEED AND COMMUNITY ENGAGEMENT**

**a. Community Need**

**i. The Community’s Need for Funding**

The Tucson-metro region’s economy is slowly recovering from the Great Recession and the COVID-19 pandemic, and its per capita income continues to fall below the State’s with 2022 forecasts projecting a 0.9% decrease\(^1\). The region relies heavily on defense spending, education, and mining employment sectors. The COVID-19 pandemic continues to impact workers at Raytheon and The University of Arizona, the region’s largest private and public employers, and the DMAFB.

Arizona schools are primarily funded by property taxes and secondarily by state and Federal funding. In 2015, Arizona was ranked in the bottom five for state funding per student (public K-12 schools) and student-teacher ratio\(^2\). Low-funded, underachieving schools and minimal employment opportunities as incentives for educational achievement, correlate with poverty in our area.

Private and public investments have bypassed priority areas such as *La Doce*. A 2016 bond package including funding for infrastructure improvements for the “South 12\(^{th}\) Avenue Cultural and Culinary Corridor” failed and the project was unfunded. The State does not have a Brownfields RLF and has limited money available in its 128(a) program for assessments in non-rural areas.

Brownfields sites have a negative economic effect in Tucson. The demographics table in Section 1.b.ii shows the City and its priority areas exhibit high levels of poverty. The median

\(^1\) The University of Arizona, Economic and Business Research Center

\(^2\) *Best and Worst States for Teachers*, WalletHub, September 20, 2021
household income is only about two-thirds the national average. Due to economic disinvestment, the Focus Areas are plagued with aging buildings, obsolete infrastructure, a prevalence of dilapidation and deterioration, and lack of property maintenance. Large, blighted areas have discouraged new businesses, significantly reducing the number of jobs available. Commercial property vacancies have also led to a reduction in both the property and sales tax base.

RLF cleanup funding will provide significant investment and resources for leveraging Brownfields redevelopment in Tucson.

ii. Threats to Sensitive Populations

EPA’s Environmental Justice Screening and Mapping tool (EJSCREEN) was used to calculate Environmental Justice (EJ) Indices for the City and its Focus Areas. EJ Indices use EPA data to calculate a community’s risk based on its proximity to 11 measures of environmental concerns. The calculated EJ Indices for the Focus Areas identified a significantly higher risk than the US average, indicating residents live in close proximity to Brownfields sites and environmental justice concerns are likely present. Environmental Justice is a serious concern in low-income, minority neighborhoods, which often bear a high burden of environmental pollution.

La Doce residents had a higher risk factor equal to or more than 80% of the US population in 10 of the 11 EJ Indices with seven EJ Indices equal to or more than 90%. Thrive in the 05 residents had a higher risk factor equal to or more than 80% of the US population in eight of the 11 EJ Indices. Barrio Centro/Julia Keen residents had a higher risk factor than more than 74% of the US population in all 11 EJ Indices with six EJ Indices equal to or more than 80%. Downtown/Historic Barrio had a higher risk factor equal to or more than 80% of the US population in 10 of the 11 EJ Indices.

Brownfields sites negatively affect the health and wellness of Focus Area residents, who are predominantly minority. These residents also have low median household incomes, high unemployment rates, and high poverty rates. Blight and undeveloped properties are commonplace in the Focus Areas. Business closures, decreased affordable housing opportunities, absentee/low-income owners, and disinvestment in minority communities helped create Brownfields. Illegal dumping and vandalized properties are common, perpetuating the "broken windows theory" that suggests crime and disorder will continue unless the urban environment is improved. Lack of access to healthy food choices and aging infrastructure discourages alternative means of transportation, contributes to poor diet, and leads to obesity, diabetes, and heart disease. It is not surprising there are numerous USDA-classified "food deserts", lack of access to supermarkets or grocery stores within one-half mile, within our Focus Areas. Unused and vacant Brownfields sites prevent community adaptive repurposing that support healthy lifestyles like community gardens, farmer’s markets, pedestrian paths, and accessible, healthy food choices.

(1) Health or Welfare of Sensitive Populations

Tucson’s Focus Areas experience significant poverty with working age people (18-60 years old) experiencing the highest rates of poverty with the exception of portions of La Doce and the Historic Barrios where poverty experienced by children 18 years and younger outpaces that of the working age and the elderly. Tucson encompasses communities with disparate public health impacts, especially for members of sensitive populations. According to the Pima County Health Department, 24% of residents earned less than 125% of the Federal poverty level, with 21-41% of children aged 18 or below in Tucson’s south and core living below the poverty level.

Obesity is a significant health concern in Tucson and is a known contributor to diabetes and cardiovascular disease. In 2016, more Pima County residents died from heart disease, surpassing

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3 Pima County Community Health Needs Assessment, 2018

December 1, 2021
cancer as the leading cause of death\textsuperscript{4}. In 2014, Pima County’s obesity rate rose to 25% and stroke and diabetes were identified as leading causes of death in 2016. According to ADHS, children and adolescents are increasingly being diagnosed with Type 2 diabetes. African-American, Asian-American, Hispanic/Latino, and American Indians/Alaskan Natives have higher diabetes rates\textsuperscript{5}, and Hispanics face a higher burden of disease than many other groups\textsuperscript{6}. ADHS also identified an inverse relationship between diabetes prevalence and socioeconomic status, supported by the Behavioral Risk Factor Surveillance System 2011-2016 data that indicates 33% of adults earning $15,000 were more likely to be diagnosed with diabetes than those earning $50,000 or more.

The City estimates approximately 20% of the commercial and vacant properties in the Focus Areas are Brownfields sites impacted by current and past uses, adjacent to Brownfields, dilapidated/neglected properties, and state and Federal Superfund sites, based on inventories conducted using Brownfields Assessment funding, field surveys, and community input. In several areas, like the \textit{Thrive in the 05}, the concentration of Brownfields clearly demonstrates the area bears a disproportionate share of negative environmental consequences resulting from past and current industrial and commercial operations.

There are 11 Water Quality Assurance Revolving Fund sites, Arizona’s equivalent to the Federal Superfund Program, in the Target Area. Tucson International Airport Area Superfund groundwater plume underlies a portion of \textit{La Doce}. Contaminated water has plagued low-income, minority neighborhoods since the 1940s when nearby defense companies released the carcinogen trichloroethylene (TCE). For several decades, residents, including those in \textit{La Doce}, were unknowingly exposed to TCE-impacted drinking water. A Baseline Human Health Risk Assessment concluded residents had an increased incidence of cancers, birth defects, and autoimmune diseases\textsuperscript{7}.

\textbf{(2) Greater than Normal Incidence of Disease and Adverse Health Conditions}

Based on past land use and environmental site assessments (ESAs) conducted on similar Brownfields sites, we expect to find contaminants and hazardous products such as VOCs, SVOCs, PAHs, PCBs, metals, asbestos, and lead paint at Brownfields sites throughout Tucson and in our Focus Areas. Additionally, low-income and minority residents like those in our Focus Areas are most at risk of exposure. Cleanups funded by this grant will remove and/or mitigate environmental threats to soil, soil vapor, and groundwater for people who live and work in proximity to these sites. This is especially critical for financially vulnerable populations unable to relocate to areas with lower exposure risk, including children and the elderly, and people experiencing homelessness.

\textbf{(3) Promoting Environmental Justice}

With this grant, the City of Tucson will assist Tucson and its Focus Area communities to clean up contamination, particularly in areas where vulnerable populations reside in or close to Brownfields sites. Cleanup of contaminated and blighted properties for reuse will allow for redevelopment of commercial properties for increased job opportunity and economic growth and provide for community reuses such as community gardens, farmer’s markets, pedestrian paths, and accessible, healthy food choices.

The RLF will provide tools to overcome environmental challenges in the Focus Areas and provide long-term investment for redevelopment of residential, retail, and commercial facilities.

\begin{footnotesize}
\begin{itemize}
  \item \textsuperscript{4} Pima County Community Health Needs Assessment, 2018
  \item \textsuperscript{5} \textit{Arizona Diabetes Burden Report}; Arizona Department of Health Services; 2018
  \item \textsuperscript{6} \textit{Difference in Health Status Among Racial/Ethnic Groups}; ADHS; 2015
  \item \textsuperscript{7} Baseline Human Health Risk Assessment; Arizona Department of Health Services; December 1996
\end{itemize}
\end{footnotesize}
It will also provide opportunities for the development of health amenities such as recreational facilities, gardens, medical/dental care, and food markets. Ultimately, cleanup will create revitalization and equitable growth opportunities for historically underserved communities.

b. Community Engagement
i. Program Involvement
ii. Program Roles
Brownfields successes result from stakeholder and community engagement. These stakeholders are an invaluable resource to ensure grant funds are meaningfully expended.

<table>
<thead>
<tr>
<th>Organization &amp; Contact Information</th>
<th>Specific involvement in the program or assistance provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>YWCA Women’s Business Center</td>
<td>Will assist with marketing RLF to area La Doce businesses and identifying future projects</td>
</tr>
<tr>
<td>Tonya Fleetwood / Sofia Davis, Program Coordinators</td>
<td><a href="mailto:tfleetwood@ywcatucson.org">tfleetwood@ywcatucson.org</a> / <a href="mailto:sdavis@ywcatucson.org">sdavis@ywcatucson.org</a></td>
</tr>
<tr>
<td>Southern Arizona Environmental Management Society</td>
<td>Environmental professional organization - Will assist with marketing RLF to area businesses and identifying future projects</td>
</tr>
<tr>
<td>David Mack, President 602-376-7935, <a href="mailto:info@saems.com">info@saems.com</a></td>
<td></td>
</tr>
<tr>
<td>Community Food Bank of Southern Arizona</td>
<td>Local food bank and hunger relief organization. Will assist with marketing RLF, farm/garden technical assistance, and identifying future projects</td>
</tr>
<tr>
<td>Claudio Rodriguez, Farm &amp; Garden Project Manager</td>
<td><a href="mailto:crodriguez@communityfoodbank.org">crodriguez@communityfoodbank.org</a></td>
</tr>
<tr>
<td>Sunnyside Neighborhood Association</td>
<td>Neighborhood Association/Coalition working to improve safety and quality of life in the Sunnyside community (La Doce). Assist with outreach and promotion of RLF as fiscal resource to area</td>
</tr>
<tr>
<td>Yolanda Herrera, President (520) 888-2085</td>
<td></td>
</tr>
<tr>
<td>Local First Arizona</td>
<td>Non-profit connecting people, local businesses, and communities to build a diverse, inclusive, and prosperous economy – Will assist with marketing RLF to businesses and identifying future projects</td>
</tr>
<tr>
<td>Nick Shivka, Senior Sustainability Program Manager</td>
<td><a href="mailto:nick@localfirstaz.com">nick@localfirstaz.com</a></td>
</tr>
</tbody>
</table>

iii. Incorporating Community Input
The City will continue engagement established by its ongoing Brownfields Program to this grant. The City will hold a kickoff meeting inviting partners, community stakeholders, and the public and will solicit community involvement. Engagement will involve collaborating with community partners, agencies, and businesses to share information and identify end uses, market the RLF program, and provide opportunities for the public to provide input on site redevelopment plans. Cleanup plans will be publicly available for stakeholder and public review. Semi-annual updates will be provided via social media, the City’s website, and public meetings.

Outreach efforts will be targeted to those who live and work in Brownfields-impacted areas and will be provided in multiple formats to ensure accessibility for all, including outreach in English-alternative languages. Alternative formats like Zoom and Microsoft Teams will be available and used to provide opportunities for engagement in the event of restrictions, as were experienced with the COVID-19 pandemic. In addition to community meetings, the City will promote the RLF program to economic development, real estate, property management, and business and environmental organizations. Information will be posted on the City’s website on a specific Brownfields RLF page.
that includes loan information, fact sheets, meeting announcements, and other outreach information. The City will contract with a community development financial institution (CDFI) to act as the loan fund manager and will include provisions for community outreach with local grassroots groups, for-profit developers, government agencies and non-profits in the contract.

3. TASK DESCRIPTIONS, COST ESTIMATES, AND MEASURING PROGRESS
a. Program Description and Marketing Strategy
i. Program Description

Build and maintain a competent team – Tucson’s EGSD Brownfields Team consists of a four full-time Environmental staff. The City’s Economic Initiatives Office professionals will assist in evaluating projects and marketing the RLF.

The City has identified several CDFIs serving the Target Area. Per 2 CFR 200, a Fiscal Agent subrecipient will be procured within four months following grant award to administer the loan program and assist in the development of a RLF Program Guidance and Procedures manual that will clearly describe program requirements including income implications and governance and will assure equitable distribution of grant funding including issuing cleanup loans and subgrants. The services of a Qualified Environmental Professional (QEP) procured according to 2 CFR 200.317-327 is in place through an on-call Environmental Consulting Services contract.

The Brownfields Team, contracted CDFI, and QEP will have the skills, knowledge, and experience to implement the scope of RLF activities, including grant and loan management. This team will work closely to ensure sound financial and project management, oversee cleanup activities, and meet regularly to establish and manage the RLF. The Brownfields Team and QEP will oversee cleanups to ensure they meet state and Federal regulations.

Select borrowers/subgrantees and projects – Borrowers/subgrantees will complete an application providing basic information: address, ownership, contamination, redevelopment plans, permitting activity, and initial funding request including leveraged public or private funds. Applicants will be required to provide copies of site assessments (e.g., ASTM-compliant Phase I and Phase II ESA(s), asbestos and lead-based paint surveys, etc.). Initial cleanup and redevelopment plans will be posted for public review and comment.

Projects will be evaluated by the Brownfields Team and a representative from the City’s Economic Initiatives Office (RLF Review Committee) and the QEP based on 1) Economic and cultural significance; 2) Redevelopment Potential; 3) Need; 4) Contamination; and 5) Community Support. Projects will be prioritized for the ability to protect human health and the environment, economic development (job creation, workforce development), community benefits (affordable housing, greenspace/gardens, healthcare); and sustainable practices (renewable energy). Projects approved by this team will be forwarded to the EPA for eligibility determinations.

Structure and administer loans and subgrants, and facilitate financial underwriting - After initial approval and eligibility determination, applicants will submit financial and project information for a review of project capacity. Loans and/or grants will be made to qualified businesses, individuals, public organizations, and non-profit agencies for cleanup of Brownfields sites within a year after grant award. The City will be an equal opportunity lender, considering loans and/or grants without regard to race, gender, national origin, or ethnic background. Loans and grants will conform with EPA RLF regulations.

The CDFI will provide a recommendation for approval or rejection of loans and lending terms. The RLF Review Committee will provide final loan and subgrant approval. Financial and project-specific information, including redevelopment plan, corporate/personal tax returns, and financial statements will be reviewed. Projects will be required to enter the appropriate Arizona Department of Environmental Quality (ADEQ) response program and the City will prepare an
ADEQ-approved VRP Work Plan containing elements of the EPA’s Analysis of Brownfields Cleanup Alternatives (ABCA).

Financial underwriting will be performed by the CDFI. The RLF will offer flexible terms and accept a subordinated position to a primary lender. Loan terms will be negotiated based on projected revenues, including below-market interest rates, payback period, and, if eligible, loan forgiveness for on-time repayment. Interest rates, set at loan closing, will be no-interest or below-market. Rates will be adjusted to market conditions; loans may be restructured into longer terms, if needed. Borrower’s annual updated financial and bank statements will be required. RLF recipients’ eligible and allowable expense items, such as cash and in-kind contributions of labor, material and services, will be documented and reported quarterly. The City will review invoices to confirm costs are grant-eligible and documented. Repayments will be due monthly. Expenses will be reimbursed after they are incurred. The City and contracted CDFI will track loan repayment to ensure payments are made on time and deposited into a separate interest-bearing account. Borrowers and subgrantees will be contractually responsible for complying with City and Federal requirements. The City will retain primary control and financial decision-making authority over RLF cleanup activities.

ii. Revolution of the RLF Program

Incorporation of Reasonable, Prudent Lending Practices - Repayment and default risk will be determined during an underwriting process conducted by the the CDFI. Underwriting will be based upon industry standards and best practices. Fiscal project information will be required from borrowers to evaluate revenues, liabilities, and associated risks. The CDFI will apply lending guidelines, including measure of cash flow, collateral coverage, character, and capacity ratios to determine borrower financial likelihood to repay the obligation. Focus will be on current cash flow and character. Consideration will be provided for non-profits with respect to available collateral.

RLF sustainability will be achieved by keeping funds in a low-risk, interest bearing account such as a money market account or short-term treasury fund with a target annual interest rate of 1%, interest generated will be reinvested in the program to fund loans, and loan participants will be required to contribute up to 20% of the project’s cleanup cost to ensure buy-in from recipients reducing the potential for loan default and to free up funding for additional loans.

Program maintenance and reporting - Close and regular monitoring of the program and borrower performance is central to the success of the RLF program and will enable early identification and resolution of issues. Overseeing cleanup, working closely with borrowers, subgrantees, and community stakeholders, and requiring monthly repayments will ensure RLF success. The City will verify disbursement requests include eligible contractor invoices and reports. The City will maintain EPA-required compliance during the five-year grant term and so long as program income exists, including ACRES and quarterly/annual reporting.

iii. Marketing Strategy

The RLF program will be marketed through professional connections and partnerships, media/social media outlets, and through the City’s Economic Initiatives Office and Brownfields Program. Target markets are Legacy Businesses, affordable housing and private developers, and non-profits working to create equitable reuse and development projects. The City networks with Community Development Corporations, non-profit organizations, and influential broad-based community organizations such as regional CDFIs, YWCA of Southern Arizona, Tucson Chamber of Commerce, Tucson Metro Chamber of Commerce, Tucson Hispanic Chamber of Commerce, and Neighborhood Associations. As discussed in Section 1.a.ii., the City was approached for assistance with priority projects in each Focus Area.

b. Descriptions of Tasks/Activities and Outputs
i., ii., iii., iv. Task/Activities

Specific activities and Task deliverables are listed below, along with outputs. Over 97% of the Federal Funding will be used directly for loans, subgrants and cleanup.

**Task 1: Program Management - $259,000 Federal / $102,000 Cost Share**

Grant Management – City will perform programmatic grant management and administration as grant cost share. Prepare work plan, quarterly reports, and annual/final reports; update ACRES; track grant outputs/outcomes; contract with Fiscal Agent; prepare RLF Guidance and Procedures manual; RLF Selection Committee; VRP enrollment assistance. Travel/Training – Annual travel by City and/or CDFI staff to national/regional conferences/workshops, training, and meetings with other Brownfields programs. RLF Fund Management – Contracted Fiscal Agent will provide all functions of fund management as a subaward grantee for a fixed, annual fee. Task 1 activities will be performed throughout the grant life.

**Federal Funding Total: $259,000**

- Travel: 2 staff @ 1 conference/year (over 5 years) = $7,100
- Subaward: Fiscal Agent estimated $50,000 annual fee (over 5 years) - $250,000
- Contractual: QEP technical support: 20 hours at $95/hour = $1,900

**Cost Share - City direct programmatic and financial grant management: $102,000**

- Personnel: 2 staff @ 25 hrs/month (over 5 years) @ $34/hr (Personnel/Fringe) = $102,000

**Task 2: Marketing and Community Engagement - $23,000 Federal / $30,600 Cost Share**

Actively engage stakeholders (business organizations, non-profits, past/present Brownfields recipients, and community development corporations). Preparation of a Community Involvement Plan and outreach/promotional materials. Update website and conduct stakeholder meetings. Task 2 activities will be performed throughout the grant life.

**Federal Funding Total: $23,000**

- Supplies: Signage and outreach materials (fliers, handouts) = $6,000
- Contractual: Outreach Material Development = $8,000
- Other: Advertisement - $9,000

**Cost Share - City direct costs: $30,600**

- Cost Share: 1 person @ 15 hrs/month (over 5 years) @ $34/hr (Personnel/Fringe) = $30,600

**Task 3: Cleanup Oversight - $718,000 Federal / $81,600 Cost Share**

Review Phase I/II ESAs, EPA Site Eligibility Determination and Quality Assurance Project Plan, VRP assistance, and loan/grant documents. QEP review or prepare ABCA, ensure compliance with EPA and ADEQ VRP requirements, cleanup oversight as necessary (review remediation and closure documents). Issue Loans and Subgrants (68% of Federal Budget: Loans 53%; Subgrants 15%). Task 3 activities will be performed throughout the grant life.

**Federal Funding Total: $718,000**

- Loans: 6 loans @ $105,000 per loan (average) = $530,000
- Subgrant: 2 subgrant @ $75,000 = $150,000

**Cost Share – City direct costs: $81,600**

- Cost Share: 2 person @ 20 hrs/month (over 5 years) @ $34/hr (Personnel/Fringe) = $81,600

c. Cost Estimates

<table>
<thead>
<tr>
<th>Budget Categories</th>
<th>Task 1: Program Management</th>
<th>Task 2: Marketing/Community</th>
<th>Task 3: Cleanup and Oversight</th>
<th>TOTAL</th>
</tr>
</thead>
</table>

December 1, 2021
d. Measuring Environmental Results

Outputs to be accomplished are listed in Section 3(b). The City will prepare a Work Plan with quantitative goals and a schedule. Project outputs, outcomes, and results will be measured against the Work Plan, documented in the Quarterly and Final Reports, and updated in ACRES. In the event program objectives are not accomplished according to schedule, the City will identify the cause(s), confer with EPA, and implement corrective action(s).

4. PROGRAMMATIC CAPABILITY AND PAST PERFORMANCE
a. Programmatic Capability

i., ii. Organizational Structure & Description of Key Staff

The City’s Brownfields Team, which has an annual budget of $3.16 million and five environmental professionals, three dedicated to the Brownfields Program, will manage this grant. The Brownfields Team has successfully managed Assessment, Cleanup, and EWDJT grants and is familiar with the terms and conditions of Cooperative Agreements and assuring compliance. The City’s current QEPs support the program, provide technical skills, and have extensive experience. The City’s Procurement department will select QEP(s) and a Fiscal Agent using a competitive, qualifications-based process that meets EPA standards for Federal grant funding.

EGSD Director, Carlos A. De La Torre, P.E., will provide overall direction and leadership. Mr. De La Torre has worked for several cities and Cochise County in capacities ranging from Senior Engineering Associate to City Manager. Mr. De La Torre holds a bachelor’s in Civil Engineering and a Master’s in Business Administration. EGSD Environmental Manager, Frank Bonillas, will provide senior technical review. Mr. Bonillas has 28+ years of experience managing environmental programs, including environmental assessment reviews, remediation system design and installation, solid waste and hazardous materials operations, and regulatory compliance. Grant management will be conducted by Rolanda Mazeika and Gira Patel. Ms. Mazeika has 14 years of administrative, project, and financial management experience, public outreach, and contract management. She will provide administrative oversight to assure grant
terms and conditions are met. Ms. Patel has a BS in Environmental Science and Chemistry and specializes in technical review and oversight of Brownfields projects. Ms. Mazeika and Ms. Patel have over 6 years of combined experience with Tucson's Brownfields Program.

The services of a QEP procured according to 2 CFR 200.317-327 is currently in place through an on-call Environmental Consulting Services contract. Per 2 CFR 200, a Fiscal Agent subrecipient will be procured within four months following grant award to administer the loan program and assist in the development of a Guidance and Procedures manual.

iii. Acquiring Additional Resources

The City expects to maintain the Brownfields Team for the five-year grant and term and beyond. The Brownfields Team has specific responsibilities and procedures in place to minimize disruption, should turnover occur. Staff vacancies are filled by the City’s Human Resources (HR) Department who posts, screens, and vets all candidates. If additional expertise or staff is necessary, HR will ensure knowledgeable, experienced, and qualified staff is hired.

A QEP procured according to 2 CFR 200.317-327 is currently in place through an on-call Environmental Consulting Services contract. A Fiscal Agent will be procured in accordance with 2 CFR 200 following grant award. The QEP and Fiscal Agent will be procured in accordance with local, State, and Federal requirements by the City’s Procurement Division.

b. Past Performance and Accomplishments

i. Currently Has or Previously Received an EPA Brownfields Grant

(1) Accomplishments

The City has received seven Brownfields grants, and has met or exceeded Work Plan outputs.

**Community-Wide Brownfields Assessment (FY2018)** - $400,000 (open; $282,500 remaining)
Completed 1 Phase I ESA, 2 Phase II ESAs in progress, and performed community outreach.

**Community-Wide Brownfields Assessment (FY2010)** - $400,000 (closed; $0 remaining).
Completed 82 Phase I ESAs, 16 Phase II ESAs, and 1 Cleanup Plan; updated site inventory system; assessed properties for low-income housing and transit improvements, including Downtown Links, a multi-modal transportation link through Tucson; leveraged over $5 million in downtown redevelopment projects; and created 161 jobs.

**Old Fort Lowell Restoration Cleanup (FY2009)** - $200,000 award (closed; $0 remaining)
Completed EPA-approved Remedial Work Plan; completed Arizona State Historic Preservation Office (SHPO)-approved Archaeology Monitoring Plan and Memorandum of Agreement between SHPO, EPA, and City; completed ADEQ-reviewed remedial activities and Final Remedial Report to ADEQ; received No Further Action determination letter from ADEQ.

(2) Compliance with Grant Requirements

The City has met the terms and conditions of seven EPA Cooperative Agreements, including: adherence to Federal procurement requirements; submitted complete and accurate Work Plans, Quarterly Reports, and Annual and Final Reports; completed ACRES entries in a timely manner; received EPA or ADEQ Eligibility Determinations and approval of QAPPs and Sampling and Analysis Plans prior to initiating work; completed All Appropriate Inquiry checklists; and surpassed grant outcomes and outputs.

With the exception of the F2018 Assessment grant, we have expended all grant funds and were not subject to any corrective actions. The City received a one-year, no-cost extension after the grant program was impacted by the COVID-19 pandemic. There are $282,500 out of $400,000 in remaining funds. We have $75,000 in planned spending and anticipate all grant funds will be exhausted by July 2022.
ATTACHMENT

THRESHOLD CRITERIA
THRESHOLD CRITERIA RESPONSES

1. **Applicant Eligibility**
The City of Tucson is a General Purpose Unit of Local Government as defined under 40 CFR Part 310 and is eligible for funding.

2. **Demonstration of Previous RLF Grant Status**
The City of Tucson was a member of the Brownfields Cleanup RLF coalition grant contract BF-97987401-0 closed out in 2007.

3. **Expenditure of Existing Multipurpose Grant Funds**
The City of Tucson affirms it does not have an open EPA Brownfields Multipurpose Grant.

4. **Description of RLF Boundaries**
Tucson’s Revolving Loan Fund (RLF) grant will provide cleanup assistance in its Target Area, which encompasses the City of Tucson’s city limits as depicted on the attached map.

5. **Oversite Structure and Legal Authority to Manage a Revolving Loan Fund**
a. Borrowers or grantees must demonstrate All Appropriate Inquiry (AAI) was performed at the site, and we will require sites to be enrolled in the appropriate Arizona Department of Environmental Quality (ADEQ) Voluntary Remediation Program (VRP), and prepare an ADEQ-approved VRP Work Plan containing the elements of EPA’s Analysis of Brownfields Cleanup Alternatives.
   Tucson has active Qualified Environmental Professional contracts that were procured using a competitive, qualifications-based proposal process meeting EPA procurement standards required for Federal grant funding. Similar contracts exist for other services potentially required to complete the grant such as cultural and historical resources and planning. We will use grant-required mechanisms to obtain necessary services to support this Brownfields grant in accordance with 2 CFR 200.317 through 327.

b. A legal opinion from Christopher Avery, Assistant City Attorney, is attached that demonstrates; (1) the City has legal authority to access and secure sites in the event of an emergency or default of a loan agreement or non-performance under a subgrant; and (2) has legal authority to perform the actions necessary to manage a revolving loan fund, including holding funds, making loans, entering into loan agreements, and collecting repayments.

6. **Statutory Cost Share**
a. The City of Tucson will provide $214,000 in the form of labor. Demonstration of cost share is discussed in the Narrative Proposal.

b. The City of Tucson is not requesting a hardship waiver of the cost share.

7. **Named Contractors and Subrecipients**
Not applicable.