

**SUBJECT:** A RESOLUTION AUTHORIZING PARTICIPATION IN AND SUBMISSION OF AN APPLICATION UNDER THE FEDERAL FISCAL YEAR 2018 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FOR GRANT FUNDS IN AN AMOUNT NOT TO EXCEED \$850,000 FOR TALKEETNA WATER AND SEWER SYSTEM REPAIRS AND UPGRADES.

**AGENDA OF:** November 27, 2018

**Assembly Action:**

*Adopted without objection 11.27.18*

**MANAGER RECOMMENDATION:** Present to the Assembly for consideration.

**APPROVED BY JOHN MOOSEY, BOROUGH MANAGER:**

Route To:	Department/Individual	Initials	Remarks
	Originator - P. Graham	<i>PG</i>	
	Planning and Land Use Director	<i>EP</i>	
	Borough Attorney	<i>MS</i>	
	Borough Clerk	<i>JM</i>	11/19/18

**ATTACHMENT(S) :** Fiscal Note: YES \_\_\_\_\_ NO X

2018 CDBG Application Handbook: F. Eligible Project Categories & Activities (3 pp)  
Resolution Serial No. 18-078 (2 pp)

**SUMMARY STATEMENT:**

The State of Alaska Community Development Block Grant (CDBG) Program requires that the application be submitted by a local government agency, and that the governing body pass a resolution authorizing the submittal of the application. The program is targeted toward community development and planning activities which address health and safety needs of low and moderate income residents or which support future community/economic development and community self-sufficiency. The mission of the program is "...to enhance the quality of life for low and moderate income residents, particularly in rural Alaska..."

The Matanuska-Susitna Borough Department of Planning and Land Use held three public meetings soliciting nominations for this grant application. The first two meetings were held in eligible

communities, and the third was held in Palmer. There were a total of 20 members of the public present at these meetings.

Assembly Member Mayfield witnessed and participated in the Big Lake meeting, as recommended by the granting agency. Staff in attendance were Jessica Smith, Planning Services Manager, and Pamela Graham, Planner I. The following projects were nominated during this meeting or by email prior to the meeting:

- Dry Storage/Emergency Response Facility
- Jordan Lake Park Plan
- Multi-Purpose Facility for dogs and people with disabilities
- Legal Access to Crooked Lake
- Big Lake Street Lighting
- Big Lake Library Improvements
- Funding for improvements to Local Road Service Area Roads
- Homeless Shelter

Assembly Member Boeve witnessed and participated in the Talkeetna Meeting. Staff in attendance were Jessica Smith, Planning Services Manager, and Pamela Graham, Planner I. Due to an error on the signage at the library the meeting, there was no one in attendance from 11:30-12:15; at that time staff left contact information and left for lunch. Staff returned at 1:00 pm and met with one gentleman, and received a nomination of the Talkeetna River Park Boardwalk and Pathway; staff was also able to meet with a member of the community council board who nominated the Talkeetna Water and Sewer Repairs and Upgrades. We gave him information and handout for the Talkeetna Community Council

The Community Council held their meeting the same night and after discussion nominated four projects, two of which were duplications of nominations received at the public meeting. The Talkeetna projects are:

- Talkeetna River Park Boardwalk and Pathway/Talkeetna Riverfront Park Access Improvements
- Talkeetna Water and Sewer Repairs and Upgrades
- Upgrade/rehabilitate the Flood/Dike Revetment infrastructure
- Hard-Sided Permanent Public Restroom with Water/Sewer Connection in Downtown Talkeetna

The final meeting was held in Palmer, with Pamela Graham, Planner I, present. We had one person attend the meeting, and nominate the Talkeetna Water and Sewer Repairs and Upgrades

Staff scored the applications based on criteria that included: benefits for low to moderate income; is the project eligible; is

the project within an eligible community; is the project feasible; and match funding availability.

The Talkeetna Water and Sewer Repairs and Upgrade scored highest with the Dry Storage/Emergency Response Facility coming in second place. The Talkeetna Water and Sewer Repairs scored higher due to the availability of match funding; with the sales tax the community voted on to help with these repairs, the application will score extremely well in the competitive grant process at the state level.

The Community of Talkeetna meets the CDBG income requirements and the proposed project will help with the health and safety needs of Talkeetna. The system was installed in the late 1980's and is in dire need of upgrades and repair, particularly in light of the fact that much of the system lies within the flood hazard area.

**RECOMMENDATION OF ADMINISTRATION:**

Staff respectfully recommends Assembly adoption of the resolution authorizing participation in and submission of an application under the Federal Fiscal Year 2018 Community Development Block Grant Program for grant funds in an amount not to exceed \$850,000 for the Talkeetna Water and Sewer System repairs and upgrades.

## F. ELIGIBLE PROJECT CATEGORIES & ACTIVITIES

The State of Alaska CDBG Program may be used to fund projects in three categories: **Community Development, Planning, and Special Economic Development**. The following summary, identifying the common types of eligible activities in each category, is for general reference only. A complete list of eligible and ineligible activities can be found in Title I of the Housing and Community Development Act of 1974, as amended.

Each applicant is expected to consult with CDBG Program staff about project eligibility prior to submission of an application. It is important that applications be submitted under the appropriate category.

### Community Development

Under Section 105(a)(2),(4),(5),(14)&(15), CDBG grant funds may be used for:

#### Public Facilities

- |                                   |                                   |
|-----------------------------------|-----------------------------------|
| ✓ Health Clinics                  | ✓ Acquisition                     |
| ✓ Daycare Centers                 | ✓ Construction                    |
| ✓ Homeless Shelters               | ✓ Reconstruction                  |
| ✓ Water & Sewer Systems           | ✓ Installation                    |
| ✓ Solid Waste Disposal Facilities | ✓ Improvements                    |
| ✓ Flood & Drainage Facilities     | ✓ Electrical Distribution Lines   |
| ✓ Docks & Harbors                 | ✓ Fuel & Gas Distribution Systems |

#### Transportation Improvements

- |                       |                    |
|-----------------------|--------------------|
| ✓ Local Service Roads | ✓ Barge Facilities |
| ✓ Boardwalks          | ✓ Airports         |

#### Access to Public Facilities & Structures

- |   |  |
|---|--|
| ✓ Removal of architectural barriers in conjunction with current renovations | ✓ Improve access for handicapped & elderly persons |
|---|--|

#### Real Property

- |                    |              |
|--------------------|--------------|
| ✓ Acquisition      | ✓ Clearance  |
| ✓ Building Removal | ✓ Demolition |
| ✓ Improvements     |              |

#### Fire Protection Facilities & Equipment

- |                |                  |
|----------------|------------------|
| ✓ Acquisition  | ✓ Rehabilitation |
| ✓ Design       | ✓ Purchase       |
| ✓ Construction |                  |

*Note: Community Development activities do not include the purchase of any personal property or any equipment unless it is attached to a facility or building and considered an "integral structural feature." Fire protection equipment is the only exception.*

## Planning

Under Section 105(a)(12), CDBG grant funds may be used for:

- ✓ Data Collection
- ✓ Analysis
- ✓ Plan Preparation
- ✓ Marketing Studies
- ✓ Feasibility Studies
- ✓ Community Economic Development Plans
- ✓ Community Land Use Plans
- ✓ Capital Improvement Plans
- ✓ Plan Updates

*Note: Planning activities do not include engineering, architectural, and design costs related to a specific project activity. These activities may be eligible under the Community Development category.*

## Special Economic Development

*"Special Economic Development," as used in the CDBG Program, must meet the criteria below. See "Unique Requirements of Special Economic Development Projects" on page 9 for more information about the specific requirements for projects under this funding category.*

Under Section 105(a)(14) CDBG grant funds may be used for:

- ✓ Commercial or Industrial Improvements
  - ✓ Carried out by Grantee or Non-Profit Recipient
  - ✓ Involving Commercial or Industrial Buildings, Structures, and Other Real Property Equipment & Improvements
- Includes:
- ✓ Acquisition
  - ✓ Construction
  - ✓ Reconstruction
  - ✓ Rehabilitation
  - ✓ Installation

Under Section 105(a)(17), CDBG funds may be used for:

- ✓ Assistance (through eligible applicant) to an identified private, for-profit entity or entities
- The project must:
- ✓ Create and maintain jobs for low or moderate income persons
  - ✓ Assist businesses that provide goods or services needed by and affordable to low and moderate income residents

**Special Economic Development Projects must fit under one of those two categories.**

**If your project is not for the purpose of acquisition, construction, reconstruction, rehabilitation, or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, OR it is not for the purpose of providing assistance to an identified private for-profit entity IT IS NOT appropriate to submit it under the Special Economic Development category.**

*Note: The examples provided under each of the three funding categories are for general information only and are not intended to be all-inclusive. Each community is encouraged to consult with CDBG Program staff about project eligibility and structure.*

### ***Unique Requirements of Special Economic Development Projects***

The State of Alaska primarily targets Community Development and Planning projects, but it will also consider Special Economic Development projects. Projects considered under this category assist commercial, industrial, or other businesses and organizations that provide an overall economic benefit to low and moderate income communities. Special Economic Development projects have unique requirements which are outlined below. We highly recommend you contact our office if you plan to apply under this category.

If you are applying under this category, you must document in your application that your project provides a public benefit using the following criteria:

1. Creates or retains at least one full-time equivalent permanent job per no more than \$50,000 of CDBG funding used; or
2. Provides goods or services to residents of an area in which the number of low- and moderate-income persons served equals no more than \$1,000 of CDBG funds used per resident.

If your project serves to both create jobs and provide goods and services, it only has to meet one of the criteria listed above.

Under no circumstances will CDBG funds be used to fund projects that include any of the following activities:

1. General promotion of the community as a whole (as opposed to the promotion of specific areas and programs)
2. Assistance to professional sports teams
3. Assistance to privately-owned recreational facilities serving predominantly higher-income clientele, where the benefit to members clearly outweighs employment or other benefits to low- and moderate-income persons
4. Acquisition of land for which the specific proposed use has not been identified
5. Assistance to a for-profit business while that business or any other business owned by the same individual or entity has unresolved findings or noncompliance related to previous CDBG funding

Applicants under this category should conduct a financial evaluation of their project using the below suggested criteria:

1. Are project costs reasonable?
2. Are all sources of project financing committed?
3. To the extent practicable, are CDBG funds not being substituted for non-federal financial support?
4. Is the project financially feasible?
5. To the extent practicable, will the owner's equity investment not be unreasonably high?
6. To the extent practicable, will the CDBG funds be disbursed in proportion to other funds?

*Above are only some of the requirements of Special Economic Development applications. Please contact our office if you plan to apply under this category.*