

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: October 7, 2019
RE: Community Development Block Grant (CDBG) – Public Hearing and Resolution
19-15, Authority to Participate in CDBG Program

A public notice regarding this public hearing was posted at the US Post Office, City Hall, First Bank and online (at www.craigak.com, and @CityofCraigAlaska Facebook.) on October 7, 2019.

The CDBG application requires that the project be selected as part of a public hearing held no more than six months before the application submission. The application's due date is December 6, 2019. The public hearing may be a separate hearing or as part of a regular city council meeting. The public hearing must be held by the governing body of the applying agency, in this case that is the Craig City Council.

At the public hearing staff will brief the governing body and the public on the following items:

1. Staff will explain the CDBG Program and that CDBG funding may be used for various projects and programs. CDBG project applications are limited to \$850,000. To be competitive projects should have at least a 25% match. CDBG activities that may be applied for are:
 - a. Community Development. Community Development includes projects that affect public facilities, transportation improvements, access to public facilities/infrastructure, real property acquisition/improvement, and fire protection facilities/equipment. Docks and Harbors is listed as a permitted project under the Community Development activity.
 - b. Planning. Planning includes data collection, land management plans, marketing studies, feasibility studies, capital improvement plans and economic development plans.
 - c. Special Economic Development. Special Economic Development activities include commercial or industrial improvements carried out by the Grantee or non-profit recipient involving commercial or industrial structures, real property equipment and improvements.
2. Successful CDBG applications will score highly in the application process by demonstrating:
 - a. Community support (longer term, more support is better)
 - b. Funding match (25% match is the minimum to receive a competitive score)
 - c. Project development showing that the community is working on the project, that it is a realistic project, and that the community has the capacity to complete the project.

A project that meets these criteria and would be strongly competitive is design funding for the Craig Small Boat Harbor Project. This project has been a community priority since the early 2000s and was listed as the top priority on the city's capital improvement project resolution for 2017, 2018 and 2019.

Currently the city is working with the US Army Corps of Engineers (USACE) on the project. In 2015 the city and the USACE completed the Integrated Feasibility Study and in 2016 the project was authorized by congress in legislation and signed by the President. The USACE and city have executed the cost share agreement for Preconstruction Engineering and Design (PED) for the project. The USACE PED phase designs will focus on the breakwaters and harbor basin. The city has made a substantial match to the USACE funds and will use additional funds to complete the city's required match. Currently the city has not appropriated funds for design of the docks, floats, piers, utilities, or upland improvements related to the new harbor. This is an eligible expense in the CDBG program.

The USACE intends to move to construction of breakwaters in 2021 if construction funding is in place. If the city is approved for a CDBG grant for design and engineering it can reapply for another CDBG grant within two years for a portion of the construction.

The project has strong community support, has the required 25% match (upon commitment by the council), and is an ongoing project. This project is a good match for the CDBG program.

3. Call for alternative proposals. One of the purposes of the public hearing is to determine if there are other viable proposals for CDBG funding. At the public hearing the council should open the floor for alternative proposals to be suggested by the public, staff, or the council.
 - a. Call for alternative proposals
 - b. Discuss proposals (including the sample proposal above and any alternative proposals). Staff and the council should discuss the strength, need, public support, financial match, and project readiness of any alternative proposals that are presented.
 - c. Select a proposal (if no alternative proposals are suggested then note this). If there are alternative proposals made the council should make a selection of proposals after the discussion is complete. If no alternative proposals are made the council should acknowledge that fact.

The council should allow for a presentation by staff and open discussion soliciting any alternate projects during the Hearing From the Public portion of the council meeting and should then consider the Authority to Participate Resolution (19-15) during the Resolutions and Ordinances portion of the council meeting.

Once a project has been selected the council should approve the selected project and submission of the CDBG application by adopting Craig Resolution 19-15. If an alternate

project is selected, the council should amend the resolution to show the selected project and grant request amount.

Recommendation: Move to adopt Craig Resolution 19-15 selecting a CDBG project and directing submission of a CDBG application.

**CITY OF CRAIG
RESOLUTION 19-15**

**A RESOLUTION AUTHORIZING PARTICIPATION IN THE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM**

WHEREAS, the Council of the City of Craig wishes to provide a Small Boat Harbor for use in the community; and

WHEREAS, the Council of the City of Craig held a public hearing on participation in the CDBG program on October 17, 2019; and

WHEREAS, the entity is an applicant for a grant in the amount of \$275,000 from the Alaska Department of Commerce, Community, and Economic Development (hereinafter "Department"), under the CDBG program;

NOW, THEREFORE, BE IT RESOLVED that the Craig City Administrator, Jon Bolling is hereby authorized to negotiate and execute any and all documents required for granting and managing funds on behalf of the City of Craig. The alternate for negotiating and executing documents related to this grant is the Craig Mayor, Tim O'Connor.

The Craig City Administrator, Jon Bolling is also authorized to execute subsequent amendments to said grant agreement to provide for adjustments to the project within the scope of services or tasks, based upon the needs of the project. The alternate for executing subsequent amendments to said grant agreements is the Craig Mayor, Tim O'Connor

Adopted this day of , 2019.

Mayor Tim O'Connor

ATTEST _____
Jillian Carl, City Clerk