

CITY OF SULTAN
AGENDA ITEM COVER SHEET

Date: June 10, 2010

ITEM Agenda Item #: C-6

SUBJECT: Community Development Block Grant (CDBG) Grant Program

CONTACT PERSON: Donna Murphy Grants and Economic Development Coordinator

ISSUE:

Snohomish County Community Development Block Grant (CDBG) will call for grant proposals in September 2010 for the 2011 Funding Round for Infrastructure and Community Facilities Projects. City staff are seeking Council approval to submit a grant application to replace the 6th Street waterline between Main Street and Birch Avenue.

STAFF RECOMMENDATION:

Motion to direct staff to apply for a Snohomish County CDBG Grant, for 6th Street Waterline Improvements from Main Street to Birch Avenue in the approximate amount of \$200,000.

SUMMARY STATEMENT:

In September, 2010 CDBG will call for grant proposals for the 2011 round for Infrastructure and Community Facilities Projects.

City staff needs direction from Council on the project(s) to submit for funding.

On May 27, 2010 the Council Subcommittee discussed the CDBG criteria and eligibility components of the grant program and possible projects (Attachment A). The two limiting factors for applying for CDBG funding are:

1. Countywide funding available is approximately \$1 million. A reasonable funding request should not exceed \$200,000.
2. The funds are limited to low to moderate income families and the only geographic area in Sultan that qualifies at this time is the Sultan downtown core developments.

The Subcommittee considered two projects that met the criteria:

1. Safety improvements to 401 Main Street – Sultan Post Office building. Improvements to the upstairs, Sky Valley Historical Society Museum. *Unfortunately, after further investigation and communication with CDBG staff, this project is not eligible because it is a government building and CDBG doesn't fund government owned/occupied buildings or museums.*
2. Construction of the 6th Street waterline, from Main Street to Birch Avenue.

Since there is only one eligible project at this time, the City Council Subcommittee recommended construction of the 6th Street waterline between Main Street and Birch Avenue. Estimated cost: \$200,000 (For construction in 2012)

FISCAL IMPACTS:

Staff time, there is no match requirement on this grant program.

ALTERNATIVES:

1. Approve the grant application
This alternative provides the City with the opportunity to receive a grant that will extend the 6th Street Waterline from Main Street to Birch Avenue.
2. Deny the grant application
This alternative eliminates the opportunity to extend the 6th Street Waterline from Main Street to Birch Avenue.

ATTACHMENT:

Staff Report to Council Subcommittee, May 27, 2010

CITY OF SULTAN
SUB COMMITTEE
AGENDA ITEM COVER SHEET

Agenda Item #:

Subcommittee

Date:

May 27, 2010

SUBJECT:

Community Development Block

Grant (CDBG) Grant Program

Subcommittee members: Sarah Davenport-Smith, Kristina Blair and Jeffrey Beeler.

CONTACT PERSON: Donna Murphy Grants and Economic Development Coordinator

SUMMARY STATEMENT:

Snohomish County Community Development Block Grants (CDBG) for year 2011 Funding Cycle will be available for application in the third quarter of 2010.

The Community Development Block Grant (CDBG) program is authorized under Title I of the Housing and Community Development Act of 1974, as amended. The Entitlement Program is the portion of the CDBG Program that provides categorical block grant funds to metropolitan cities and urban counties. The Department of Housing and Urban Development (HUD) awards CDBG grants to entitlement communities to carry out affordable housing and community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services. Snohomish County, in partnership with 18 cities and towns within the County through an interlocal agreement, receives CDBG funds on an entitlement basis as an Urban County Consortium. The County administers this funding on behalf of the Consortium through the Office of Housing, Homelessness and Community Development (OHHCD).

Eligible Activities:

CDBG funds can be used for a wide variety of projects, services, facilities and infrastructure:

- *Activities related to real property:* Acquisition, disposition, public facilities and infrastructure, clearance and demolition, rehabilitation, street and sewer improvements, homeownership assistance and housing for the homeless.
- *Rehabilitation Activities:* Acquisition for rehabilitation, energy improvements, removal of material and architectural barriers, code enforcement, historic preservation, lead based paint testing and abatement.
- *Public Services:* services for the homeless, drug intervention and domestic violence programs, basic health services, youth programs, child care, crime prevention and fair housing counseling.

Each eligible activity must meet one of three National Objectives:

- Benefit to low and moderate income persons
- Aid in the prevention or elimination of slums or blight
- Meet a need having a particular urgency such as earthquakes or flood disasters

Ineligible Activities:

Generally, the following activities are ineligible:

- Acquisition, construction or reconstruction of buildings for the general conduct of government
- Political activities
- Certain income payments
- Construction of new housing by units of general local government
- Purchase of equipment, furnishings and personal property
- Operating and maintenance expenses for public facilities
- Maintenance of publicly owned streets, parks, playgrounds and water/sewer facilities, etc.
- Staff salaries for operation of public works and facilities

Sultan CDBG Funded Projects:

- Osprey Park combination soccer/baseball field
- Osprey Park public restrooms
- Osprey Park playground equipment
- Reese Park soccer field, picnic shelters and trails improvements
- Sportsmen Park picnic shelter improvements
- Sultan Food Bank building improvements
- Sultan Boys and Girls Club covered basketball court and building improvements
- Light Guard Cross Walks
- Main Street Reconstruction
- Second Street Reconstruction

The average amount of grant funds dispersed countywide has been approximately \$1 million dollars. Staff recommends that the City not request more than \$250,000 unless the amount available countywide increases considerably.

Due to the staff recommended request of \$250,000 or less, staff is recommending the Subcommittee discuss the following Public Facilities and Infrastructure projects as possible applications for CDBG Grant funding.

1. 6th Street Waterline, from Main Street to Birch Avenue – Estimated cost: \$200,000 (for construction in 2012)
2. Safety improvements to 401 Main Street – Sultan Post Office Building, improvements to the upstairs, Sky Valley Historical Society Museum.
 - a. Attached is the Facility Assessment Study showing the improvements and level of need. Cost: \$121,100

There is no match requirement for this funding source.

Attachments:

CDBG Map of Eligibility – Primarily the downtown core of Sultan
City of Sultan Facility Assessment Study, July 2009