



City of Grand Island

Tuesday, July 08, 2008

Council Session

Item G14

**#2008-190 - Approving Extension Request for Community
Development Block Grant #07-CR-002**

Staff Contact: JoniK

Council Agenda Memo

From: Joni Kuzma, Community Development Administrator

Meeting: July 8, 2008

Subject: Approving Extension Request for Community Development Block Grant #07-CR-002

Item #'s: G-14

Presenter(s): Joni Kuzma, Community Development Administrator

Background

In April 2008, the State of Nebraska Department of Economic Development awarded a \$261,010 Community Development Block Grant to the City of Grand Island for Phase II of a community revitalization project. The Phase II contract end date is currently August, 31, 2008, but the proposed projects will not be completed by that date.

An extension request is necessary because of delays that occurred during Phase I of the Grand Island Community Revitalization grant. The Phase I contract end date was originally August 31, 2007, extended to December 1, 2007, and extended a second time to April 29, 2008, due to a variety of weather, contractor, and staff difficulties. As a result of Phase I delays, Phase II will require an extension to allow for completion of 7 rehabilitation and 2 down payment assistance projects.

Discussion

Community Development is requesting Council approval for a second extension request that would establish a contract end date of July 31, 2009. The City is projecting that one full year will be needed to complete the grant. In the past few months, thousands of homes have been damaged in the region due to water, wind, and/or hail. As a result, the City anticipates a shortage of available contractors to complete rehabilitation projects, increased costs for construction materials, and inflated rehabilitation costs, which may also increase the amount of time needed for grant completion.

DED requires Council approval of an extension request in the form of a resolution to accept an amendment request.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the extension request for Community Revitalization Block Grant 07-CR-002 and authorize the Mayor to sign all appropriate documents

Sample Motion

Move to approve the extension request for Community Revitalization Block Grant 07-CR-002 and authorize the Mayor to sign all appropriate documents.

July 8, 2008

Steve Charleston
CDBG Program Manager
Department of Economic Development
PO Box 94666
Lincoln NE 68509-4666

RE: CDBG Grant # 07-CR-002
CDBG Grantee City of Grand Island
DED Program Representative Steve Charleston

Mr. Charleston,

Please accept the requested Extension of Contract End Date for DED approval for the Phase II CDBG Grant #07-CR-002 and the attached required documents. Attached is:

- 1) certification in the form of a resolution passed by the Grand Island City Council on July 8, 2008 approving an extension request for this grant
- 2) an explanation for the extension request
- 3) a clarification of matching fund needs
- 4) a revised implementation schedule

The original and current contract end date is August 31, 2008.

The proposed contract end date is July 31, 2009

Contact person for the extension request is:

Joni Kuzma, Community Development Administrator
308-385-5444, ext. 248

This extension request is necessary because of delays that occurred during Phase I of the Grand Island Community Revitalization grant. The original contract end date of Phase I was August 31, 2007. The end date of the 1st extension request was December 1, 2007. However, due to a variety of weather, contractor, and staff difficulties, the end date of the 2nd extension request for Phase I contract did not occur until April 29, 2008.

A Phase II extension until July 31, 2009 allows one full year for grant completion of 7 rehabilitation and 2 down payment assistance projects. The City is projecting that one full year will be needed to complete the grant. In the past few months, thousands of homes have been damaged in the region due to water, wind, and/or hail.



As a result, the City anticipates a shortage of available contractors to complete rehabilitation projects, increased costs for construction materials, and inflated rehabilitation costs, which may also increase the amount of time needed for grant completion.

The City has contracted with Community Development Services (CDS) to provide Housing Management and Lead Based Paint Services for the Phase II grant. CDS successfully completed Phase I for the City in a short amount of time and plan to facilitate this Phase II in the same timely manner. They will work closely with Community Development Division staff in finalizing applicant approval, coordinating rehabilitation/LBP inspections, and working with homeowners to locate qualified contractors. To date, Community Development has received 10 applications for OOR and 2 for DPA.

No additional local matching funds will be required as a result of this extension.

Thank you for your consideration of this extension request and for the opportunity to successfully finish this important community revitalization grant.

Sincerely,

Margaret Hornady, Mayor
City of Grand Island

MH/JK/jk

Enclosures



Phase II Revised Implementation Schedule:

The original benchmark and completion schedule was May 2007 - June 2008 original benchmark and completion schedule. An extension request will be made of DED to amend the contract to end July 31, 2009. That allows one (1) full-year for grant completion.

Activity	Status	Completion
Release of Funds received, solicitation mailing sent to about 175 residents in project area, contract awarded for Housing Management & Risk Assessment/Testing, applications being accepted & reviewed	Release of Funds was received April 2008, the contract was awarded to Community Development Services, LLC on June 10, 2008 for Housing Management and Risk Assessment/Testing, 11 applications have been received to date	Applications will be taken until all OOR and DPA slots are filled
Verify income and qualify applicants for program; distribute Lead-based Paint information	11 applications received, Community Development staff reviewing and collecting application data	On-going through March 2009
Request extension	Completing forms	July 2008
Inspect homes, do work write-ups/contract with OOR applicant/solicit bids		On-going through March 2009
Inspect homes, determine need for minor rehabilitation through HQS inspection, DPA clients complete Homebuyer Education Class		On-going through March 2009
Second public hearing		February 2009
Complete rehabilitation on 7 OOR homes		On-going through July 2009
Close on and complete minor rehabilitation on 2 DPA homes		On-going through July 2009
Submit close out documents		July 2009

RESOLUTION 2008-190

WHEREAS, in April, 2008, the State of Nebraska Department of Economic Development awarded the City of Grand Island a Community Development Block Grant in the amount of \$261,010 for Phase II of a community revitalization project; and

WHEREAS, the grant contract will expire August 31, 2008, and completion of Phase II will be delayed due to unforeseen circumstances that occurred during Phase I of the grant cycle; and

WHEREAS, additional time is needed for grant completion and the Department of Economic Development requires a written request and Council resolution to extend the contract; and

WHEREAS, Council approval is required in order to submit the amended request to the Department of Economic Development.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the request for extension of the contract of the grant from the Department of Economic Development is approved and that the Mayor is hereby authorized and directed to execute any related documents on behalf of the City of Grand Island for such grant programs.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 8, 2008.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
July 2, 2008	☐ City Attorney