



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Dale Bagley, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Mayor *MN*
Brent Johnson, Assembly Member *B for B.J.*
Craig Chapman, Finance Director *C Chapman*
Pat Malone, Road Service Area Director *P*

FROM: Brenda Ahlberg, Community & Fiscal Projects Manager *BA*

DATE: September 30, 2015

SUBJECT: Resolution 2015-~~042~~ A Resolution Authorizing Participation in the Community Development Block Grant Program Provided by the State of Alaska Department of Commerce, Community and Economic Development, Division of Community and Regional Affairs for the Aspen Avenue Paving Project in Ninilchik

The overall mission of the Community Development Block Grant (CDBG) program is to enhance the quality of life for low and moderate income residents, particularly in rural Alaska. The CDBG program fulfills this mission by acting upon its defined goals and objectives such as providing financial resources to communities for public facilities, planning, and special economic development activities which encourage community self-sufficiency, reduce or eliminate conditions which are detrimental to the health and safety of local residents, and reduce the costs of essential community services.

The CDBG program requires specific qualifications for applying: a resolution of support from the governing body; that the Census District Precinct residents qualify for low to moderate income level at 51 percent or greater (Ninilchik is 59.2 percent); documentation that the project and potential funding have been presented to the residents in a public forum; and 25 percent cash or in-kind services are provided as a matching contribution to the project.

On May 8, 2014 and September 29, 2015 public meetings were held with the residents of Ninilchik, borough staff and assembly member Johnson. The CDBG program was explained and potential projects discussed. The application requires the borough to hold public meetings, documenting that the CDBG program objectives were explained and that the residents agreed to the number one project to be completed in their unincorporated community. All attending residents unanimously recommended that Aspen Avenue, a borough-owned road in Ninilchik, be paved for the health and safety of the senior residents that access the senior center and senior

housing units. Therefore, the borough intends to submit a 2015 CDBG application to fund the Aspen Avenue Paving Project ("project").

To ensure the funds for the local match of \$62,500 will remain available if the grant is awarded, this resolution also authorizes the restriction of fund balance in the RSA Capital Project fund for this project.

The project application was submitted to the state under the 2014 CDBG program. However, the borough application was not approved because the state did not clearly understand the borough's legislative process. Therefore, this memo formally documents the borough's legislative process and will be included in the grant application.

Per KPB 16.41.070 of the KPB Code of Ordinances, the road service area (RSA) board must make recommendations to the mayor and assembly concerning road improvement issues. The RSA recommendation for this road improvement issue was correctly provided to the assembly for consideration by way of RSA Resolution 2014-07, which was passed at the RSA public meeting of August 12, 2014. The RSA board will update its recommendation at its public meeting of October 7, 2015 through RSA Resolution 2015-12. The resolutions confirm that this is the number one priority project that meets the CDBG program qualifications in the unincorporated community of Ninilchik, and that the 25 percent cash match requirement of \$62,500 is available in the FY16 Capital Improvement Project budget. Additionally, these RSA resolutions complete the necessary legislative action to be taken before the assembly may consider this assembly resolution. The RSA board's action on RSA Resolution 2015-12 will be provided to the assembly at the October 13, 2015 assembly meeting.

CDBG projects are funded with 75 percent federal funds passed through the state and 25 percent local funds. The 2015 CDBG awards are expected to be announced in March 2016. Upon award, the grant funds and the 25 percent match will be presented to assembly for approval and appropriation.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>434.27900 FB</u>
Amount	<u>\$ 62,500.⁰⁰</u>
By:	<u>pp</u> Date: <u>9/30/15</u>