



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

EXECUTIVE SUMMARY

TO: Patti McLauchlin, City Manager
Todd Stoughton, Assistant City Manager

CC: Kelly Crowe, Utilities Director
Christina Bervaldi, Finance Director

FROM: Carolyn Sheldon, Senior Grants Administrator

DATE: May 20, 2022

RE: Approving the attached "State of Florida Department of Economic Opportunity Federally Funded Community Development Block Grant Mitigation Program (CDBG-MIT) Subrecipient Agreement" Number IR037 for the Force Main Relocation Project in the amount of \$3,563,054 Federal (no City Match). Authorizing execution of the necessary documents; Authorizing the approval and execution of subsequent amendments to this grant agreement which may adjust the grant funding allocations to the City or modify the project scope; and authorizing necessary budget amendments and transfers to accept the funding.

ACTION STATEMENT:

This resolution will approve the attached "State of Florida Department of Economic Opportunity Federally Funded Community Development Block Grant Mitigation Program (CDBG-MIT) Subrecipient Agreement" Number IR037 for the Force Main Relocation Project in the amount of \$3,563,054 Federal (no City Match). Authorization to execute necessary documents, approve and execute subsequent amendments to this grant agreement which may adjust the grant funding allocations to the City or modify the project scope, and necessary budget amendments and transfers to accept the funding will be provided.

BACKGROUND:

In April 2018, the U.S. Department of Housing and Urban Development (HUD) announced the State of Florida, Department of Economic Opportunity (DEO) would receive \$633,485,000 in funding to support long-term mitigation efforts following declared disasters in 2016 and 2017 through HUD's Community Development Block Grant Disaster Recovery (CDBG-MIT) program. Awards were distributed on a competitive basis targeting HUD designated Most Impacted and Distressed (MID) Areas, primarily addressing the Benefits to Low-to-Moderate Income (LMI) National Objective. Additional information may be found in the Federal Register, Vol. 84, No. 169.

Key to the Caribbean – Average yearly temperature 77° F.

The Florida Department of Economic Opportunity (DEO) has apportioned the Federal Award to include the following initiatives: Critical Facility Hardening Program \$75,000,000; General Planning Support Program \$20,000,000; General Infrastructure Program \$475,000,000; and State Planning and Administration \$63,485,000. This award has been granted under the General Infrastructure Program.

PURPOSE AND JUSTIFICATION:

The City of Key West was awarded \$3,563,054 of CDBG-MIT funds for construction activities related to the Force Main Relocation Project. Improvements include the repair and relocation of a wastewater aerial crossing. The project will resolve a vulnerability in the City's wastewater conveyance system by replacement/relocation of wastewater conveyance damaged by Hurricane Irma. The improvements to the wastewater aerial crossing will benefit 26,862 people including 6,395 very low-income individuals.

There two CDBG grant agreements with the State of Florida Department of Economic Opportunity for the Force Main Relocation Project: IR037 (this Agreement, CDBG-MIT) and Agreement No. IR008 with an award amount of \$1,781,450 of CDBG-DR funds bringing the total CDBG award to \$5,344,504.

Additionally, the Force Main Relocation Project is being funded by the FEMA Hazard Mitigation Grant Program (HMGP) with a grant agreement in place for Phase 1 funding in the amount of \$540,843.62 Federal funds. If FEMA approves the construction phase (Phase 2), this could potentially bring an additional \$3,400,000 of HMGP funding to the project.

STRATEGIC PLAN:

This project supports the Key West Forward Strategic Plan *Priority 4: Environmental Protection*, Goal 3: Near Shore Waters, Action 6 Evaluate Wastewater and Sewer Systems for Repair. Action 6 is an issue of greatest importance to Commission Members and Department Heads.

FINANCIAL IMPACT:

With the approval of Grant Agreement Number IR037, the City will receive up to a maximum reimbursement amount of \$3,563,054 for the Force Main Relocation Project. Grant revenue will be budgeted in account 4010000 3313602 (Sewer Fund / Revenue / FEMA Grant). Expenses are budgeted in account 4013503 5356500 (Sewer Fund / Renewal and Replacement / Construction in Progress). Project SE35031802.

RECOMMENDATION:

Staff recommends that the City Commission approve the attached "State of Florida Department of Economic Opportunity Federally Funded Community Development Block Grant Mitigation Program (CDBG-MIT) Subrecipient Agreement" Number IR037 for the Force Main Relocation Project.