



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 Disaster Recovery Program (CDBG-DR) Subrecipient Agreement" Number IR008 for the Force Main Relocation Project in the amount of \$1,781,450 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 Disaster Recovery Program (CDBG-DR) Subrecipient Agreement" Number IR008 for the Force Main Relocation Project in the amount of \$1,781,450 Federal (no City Match). Authorizing the 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.

BACKGROUND:

The U.S. Department of Housing and Urban Development (HUD) allocated Community Development Block Grant Disaster Recovery (CDBG-DR) funds to the State of Florida to be distributed in the Federal Emergency Management Agency (FEMA) declared counties impacted by Hurricane Irma. The Florida Department of Economic Opportunity (DEO) was awarded \$85,819,653 in Infrastructure Repair funding through the Community Development Block Grant-Disaster Recovery (CDBG-DR) Program by the U.S. Department of Housing and Urban Development (HUD) to address unmet disaster recovery needs related to damages from Hurricane Irma.

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

PURPOSE AND JUSTIFICATION:

The City of Key West was awarded \$1,781,450 of CDBG-DR funds for project implementation and engineering services 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: IR008 (this Agreement, CDBG-DR) and Agreement No. IR037 with an award amount of \$3,563,054 of CDBG-MIT 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 I 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.

HMGP funding typically has a cost share of 75% Federal / 25% non-Federal. The \$1,781,450 of CDBG-DR funds in the IR008 Agreement will be used as the non-Federal match to the HMGP funding. This was calculated using a total project estimate of \$7,125,800 (the project estimate at the time the City was applying for CDBG-DR funding).

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 IR008, the City will receive up to a maximum reimbursement amount of \$1,781,450 for the Force Main Relocation Project. Grant revenue is 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 Disaster Recovery Program (CDBG-DR) Subrecipient Agreement" Number IR008 for the Force Main Relocation Project.