

Introduced By: Mayor Jerry B. Cleworth
Finance Committee Review: November 4, 2011
Introduced: November 14, 2011

RESOLUTION NO. 4493, AS AMENDED

**A RESOLUTION AUTHORIZING THE CITY OF FAIRBANKS TO
PARTICIPATE IN THE FFY2011 COMMUNITY DEVELOPMENT BLOCK
GRANT (CDBG) PROGRAM**

WHEREAS, a required public hearing was held by the City of Fairbanks on October 25, 2011 for the proposed use of CDBG funds, attached is a record of that meeting; and

WHEREAS, community members identified an emergency homeless shelter for youth as a priority; and

WHEREAS, the City of Fairbanks is eligible to apply for a grant in the amount of up to \$750,000 from the Alaska Department of Commerce, Community, and Economic Development, under the CDBG program on behalf of Clearwater Ministries, a non-profit organization, for the renovation of their facility to provide emergency shelter for homeless youth; and

WHEREAS, the City of Fairbanks and Clearwater Ministries agrees to cooperate in the submission of an application for CDBG funds and agree to cooperate in the implementation of the submitted CDBG project as approved by the Alaska Department of Commerce, Community, and Economic Development; and

WHEREAS, the City of Fairbanks and Clearwater Ministries will enter into a written agreement to participate in the CDBG program; and

WHEREAS, Clearwater Ministries understands that the City of Fairbanks will act as the applicant and will have the ultimate responsibility to assume all obligations under the terms of the grant including assuring compliance with all applicable laws and program regulations and performance of all work in accordance with the contract; and

WHEREAS, Clearwater Ministries understands that the City of Fairbanks and Alaska Department of Commerce, Community, and Economic Development will have access to all grant records and authority to monitor all activities; and

WHEREAS, that the building must serve as a homeless youth shelter for at least five years or all CDBG funds must be returned; in the event Clearwater Ministries was unable to make the payment(s), the City would face potential liability; and

WHEREAS, Clearwater Ministries understands that the grant requires a match of up to \$250,000 (25% minimum) and is responsible for providing the match.

NOW, THEREFORE, BE IT RESOLVED THAT the Mayor is hereby authorized to execute any and all documents required for granting and managing funds on behalf of this organization provided that Clearwater Ministries agrees to the following conditions which are designed to limit the City's liability for grant repayment in the event of any default of grant requirements.

1. The design and construction of the project building shall be managed by City Engineering staff to ensure compliance with the grant conditions and all provisions of law and building codes. All time expended by City staff for construction and grant management will be reimbursed, including benefits.
2. The Owner of the project real property shall execute a conditional promissory note, secured by a senior deed of trust naming the City as beneficiary for all sums, together with penalty, interest and costs, which may become due upon any default of the terms of the grant. Upon successful operation of the project in accord with the terms of the grant, the City will issue a deed of full re-conveyance to the project property owner.
3. Clearwater Ministries will provide the City with a letter of guarantee from the Fairbanks Rescue Mission Inc. that the project real property will be used for purposes in accord with the terms of the grant if Clearwater Ministries defaults on grant performance standards. This letter of guarantee shall be in a form approved by the City Attorney.
4. Clearwater Ministries agrees that it will not sell or lease the project premises or assign its responsibilities under the grant to others without City approval.
5. Liability and casualty insurance in amounts and upon terms approved by the City Attorney must be maintained at all times with the City named as an additional insured. A copy of Clearwater's financial statements prepared by an independent accountant will be provided to the City annually.

The Mayor is also authorized to execute subsequent amendments to said grant agreement to provide for adjustments to the project within the scope of services or tasks, based upon the needs of the project.

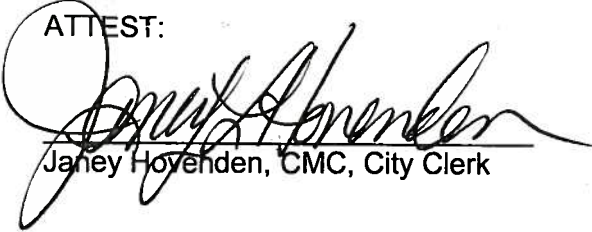
PASSED and APPROVED this 21st Day of November 2011.



 Jerry Cleworth, City Mayor

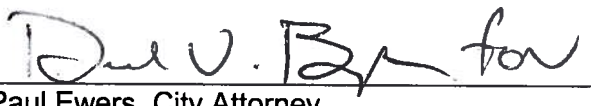
AYES: Gatewood, Roberts, Eberhart, Matherly, Stiver, Hilling
 NAYS: None
 ABSENT: None
 APPROVED: November 21, 2011

ATTEST:



 Janey Hoyehden, CMC, City Clerk

APPROVED AS TO FORM:



 Paul Ewers, City Attorney

CITY OF FAIRBANKS
CDBG PUBLIC HEARING
OCTOBER 25, 2011
CITY COUNCIL CHAMBERS
NOON

Margarita Bell, Grants Administrator for the City of Fairbanks, opened the meeting to seek recommendations for projects to apply for funding under the Community Development Block Grant (CDBG) Program.

Margarita Bell informed attendees that the CDBG is a federal program funded by HUD and that the State of Alaska was awarded \$2.4 million in CDBG funds for FFY11. She explained that the State of Alaska is accepting applications from municipal government and second class cities for a single project with a maximum request of \$850,000 and a 25% match. She also explained that the grants are awarded on a competitive basis and must benefit low and moderate income persons. A list of eligible activities was presented from the CDBG Grant Application Handbook and it was explained that the City of Fairbanks would not seek projects involving special economic development due to the length of time it would take to accomplish the project.

Margarita Bell informed the attendees that several projects were suggested from previous meetings as follows: purchase fire engine, blight project on 20th and develop a safe haven for chronic inebriates. She stated that the purchase of a fire engine is still a priority and that the blight project on 20th was completed and the safe haven for chronic inebriates was in progress through Tanana Chiefs Conference.

Margarita Bell presented the following recommendations from emails: Donna Gardino recommended sidewalks on South Cushman from 15th to Mitchell Expressway (project scheduled for FFY15). Linda Setterberg recommended an Emergency Youth Shelter. Ann Lefavor concurred with Linda Setterberg and recommended a community needs assessment for homeless youth. Tara Tippet recommended a damp shelter for consideration pending the results of the housing first project (safe haven for chronic inebriates).

Margarita Bell requested additional recommendations. David van den Berg recommended refurbishing the Masonic Temple. It was determined that the building was not a public facility and would not be eligible for FFY11 but would be considered for future projects if the status of the facility changes. There were no other recommendations.

The attendees considered the following projects: purchase fire rescue engine, emergency youth shelter, homeless community needs assessment, refurbish Masonic Temple, South Cushman sidewalk, and damp shelter.

Linda Setterberg discussed the importance and the need for the emergency youth shelter. Warren Cummings discussed the importance of the fire rescue engine. Robyne expressed support for the emergency youth shelter and the fire rescue engine. Tara Tippet expressed concerns regarding the delay in the emergency youth shelter while the application was pending. Marylee Bates supported the emergency youth shelter but was not sure if the agency had the necessary information to apply for the funds.

It was unanimously decided that the priority for FFY11 would be the emergency youth shelter and that if the project could not meet the grant requirements the second priority would be the fire rescue engine. The attendees decided that the homeless community needs assessment could be completed using other funds and that the other projects were not ready for consideration.

Margarita Bell informed attendees that a resolution supporting the decision would have to be presented to council for approval to apply for CDBG funds.

The hearing was adjourned at 12:35 p.m.