

AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission
FROM: Ken Hibl, City Manager
DATE: September 1, 2016
RE: Approval to Submit Part II Application – ICE Grant

For the Agenda of September 6, 2016

Background: The City applied for an Infrastructure Capacity Enhancement (ICE) Grant to upgrade three blocks Ann Arbor Trail water main from 4-inch to 8-inch pipe and concurrently reconstruct three blocks of the street. Our application was favorably considered, and we were invited to submit a Part II Application, which is due to MEDC not later than September 9, 2016. We committed to MEDC (*see copy of att'd letter*) that we would submit a Part II Application.

To allow us to submit the application, we must first conduct a public hearing. We have noticed (copy att'd) that hearing, which is scheduled to be held at the Commission meeting of September 6th. The Commission is asked to conduct the hearing and subsequently adopt a resolution approving the submittal of the part II Application.

The application itself is essentially a reiteration of the Part I Application (*copy att'd*), but also requires the certification of Attachment 2 (*UGLG Public Participation Documentation – copy att'd*); Attachment 3 (*Certification by the Application UGLG – copy att'd*); and Attachment 4 (*Statement of Assurances – copy att'd*). The Commission has already authorized its city manager as the signatory of these attachments. The Mayor or Mayor Pro Tem is the signatory of the actual Part II Application form. Additionally required documentation is the Environmental Review (completed by the city manager and signed by the Mayor or Mayor Pro Tem).

Issues & Questions Specified: Should the City Commission approve the submittal of the Part II Application?

Alternatives:

1. Approve the Part II Application.
2. Do not approve the Application.
3. Set aside decision regarding this matter to a later date.

Financial Impact: The total original estimated cost of design of the design services \$82,700 with \$74,430 (95%) being paid from federal funds, \$4,135 (2.5%) being paid from state funds and \$4135 (2.5%) being paid by the City of Clare. These costs were included in the City's Fiscal Year 2016/2017 Approved Budget.

Recommendation: Recommendation is made that the City Commission approve the proposed grant agreement by adoption of Resolution 2016-103 (*copy attached*).

Attachments:

1. Letter.
2. Notice.
3. Attachment 2.
4. Attachment 3.
5. Attachment 4.
6. Resolution 2016-103.

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

June 17, 2016

The Honorable Pat Humphrey
Mayor
City of Clare
202 West Fifth Street
Clare, Michigan 48617

Subject: Water Main Replacement Project Offer Letter

Dear Mayor Humphrey:

Thank you for giving the Michigan Economic Development Corporation (“MEDC”) the opportunity to review the City of Clare’s Part I Application under the Michigan Strategic Fund (“MSF”)’s Community Development Block Grant (“CDBG”) Program. Based on the review of the City’s Part I Application, the City has been recommended to proceed in the application process and may be eligible for an Infrastructure Capacity Enhancement (ICE) Grant not to exceed \$509,039.

Due to federal regulations associated with CDBG funding, this program requires an Environmental Review that can take 2-3 months to complete. To remain eligible for this funding project costs, including CDBG, local, private, and any other project costs, cannot be incurred until the environmental review procedures have been completed and the Community has received written approval from the MEDC. Incurring costs is defined as making commitments relevant to the project. This includes, but is not limited to, entering into easement agreements, ordering equipment, signing contracts, and performing any other work. For more information or details on incurring costs, please visit our [Approved Application Guide](#) and/or Chapter 5 – Environmental Review of the MEDC’s [Grant Administration Manual](#).

This proposed offer is subject to the City’s ability to meet the following contingencies, the approval from the MSF, and the execution of a Grant Agreement.

First Contingency – No later than July 1, 2016 at 5:00 p.m., the City must return to the MEDC, one of the following:

- This Offer Letter signed on the last page by the Authorized Elected Official accepting the offer to continue the application process, certifying that the Community has not yet started/incurred project costs and that the Community will not start/incur project costs until authorized by the MEDC

OR;

- This Offer Letter signed on the last page by the Authorized Elected Official declining the proposed funding. By electing to decline the proposed funding or by electing not to sign and return this Offer Letter no later than July 1, 2016 at 5:00 p.m., the Community is choosing not to pursue the proposed CDBG funding.

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The selected communities will be required to comply with all CDBG Program requirements as stated in the MEDC's Grant Administration Manual ([Link](#)). To assist the City with making a decision on continuing with the application process, the CDBG program requirements are summarized below. These requirements include, but are not limited to:

- **Area Benefit National Objective**
 - Ensuring that the project activities benefit the entire Community;
- **Environmental Review**
 - Ensuring that project costs will not be incurred until the correct level of environmental review has been conducted;
 - Ensuring that a re-evaluation of the environmental review will be conducted if changes are made to the project scope;
- **Financial Management**
 - Ensuring that the community has a sound financial management system;
 - Ensuring that costs are reasonable;
 - Ensuring that the correct procurement process will be followed when engaging consultants and contractors;
 - Ensuring that contractors are properly licensed, bonded, and insured;
- **Uniform Relocation Assistance and Real Property Acquisition Policies Act**
 - Ensuring that easements are acquired according to federal requirements;
- **Federal Labor Standard Provisions**
 - Ensuring that the required federal language is included in the bid documents;
 - Ensuring that all contractors and subcontractors are eligible to work on CDBG projects;
 - Informing the selected contractor and subcontractors that employees must be paid prevailing wage rates;
 - Conducting employee interviews;
 - Reviewing certified payrolls and employees interviews to ensure that employees have been paid prevailing wages;
- **Reporting requirements**
 - Progress Reports due twice per year
 - Single Audit Requirement due once per year
 - Section 3 Summary Report due once per year
 - MEDC Payables due once per year
 - Contract and Subcontract Activity Report once per year
- **Plan and Policy Requirements**
 - Procurement Policy
 - Public Participation Plan
 - Residential Anti-Displacement and Relocation Plan
 - Section 3 Policy
 - Section 3 Plan
 - Fair Housing Ordinance/Plan
 - Excessive Force Policy

Finally, all potential MSF projects require the Michigan Economic Development Corporation logo on any site signage throughout construction of the project. Please submit a request to use the MEDC logo using

Mayor Humphrey
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the online system below (see link). The MEDC will need to approve a sample of the signage with the logo's placement prior to any signage being displayed. Please keep in mind the logo should be used in a secondary manner and preferred placement is in the lower right or left hand corner. Please find the brand guidelines and the logo at the link below. All approved logos for use are not to be utilized until MSF approval of the incentive, but we recommend submitting a request in tangent with staff's due diligence for the project request. Any staff events planned around breaking ground or project start should be coordinated with MEDC staff. Please let the MEDC know at least three (3) weeks in advance if City is planning an event.

<http://www.michiganbusiness.org/logo-request/>

Second Contingency – No later than September 9, 2016 at 5:00 p.m., the Community must provide to the MEDC, the following:

- A completed Part 2 Application. The Part 2 Application is attached.
- Documentation (i.e. Form 5-A, Form 5-L, related statutory/environmental checklists, backup documentation, including but not limited to a signed letter from the State Historic Preservation Office (SHPO) if required, published notice, etc.) evidencing that the required Environmental Review process has been completed through the publication of the required environmental notice. Refer to Chapter 5 of the MEDC's Grant Administration Manual ([Link](#))

After the requested documentation has been submitted and determined to be satisfactory, the selected communities will be recommended to the MSF Board for a grant award and a Grant Agreement will be drafted.

As indicated above, please return to the MEDC no later than July 1, 2016 this Offer Letter signed on the last page by the Community's Authorized Elected Official indicating whether this funding offer is being accepted or declined.

Submit the documents to the Michigan Strategic Fund, ATTN: Lenore Costa, 300 North Washington Square, Lansing, MI 48913 or email the documents to me at COSTAL@MICHIGAN.ORG. You may contact me at (517) 373-1936 with any questions.

Please note that this is not a grant award. Until the potential grant offer has been approved by the MSF, the City must abstain from making announcements indicating such. Congratulations on being selected to continue with the CDBG ICE Application Process!

Sincerely,

Lenore C. Costa
Specialist, Community Development Block Grant Program

Please select one of the two below options, sign, and return this Offer Letter as explained above no later than 5:00 P.M. on July 1, 2016:

1. By checking this box, the Community has **agreed** to proceed with the Application process. The Community also certifies that project costs included in the project budget have not yet been obligated, incurred, and/or expended (see paragraph 2 on the first page).



Authorized Local Official signature

6-20-16

Date

Title

2. The Community has agreed **not** to proceed with the Application process and has chosen not to pursue the proposed Community Development Block Grant Program funding.

Authorized Local Official signature

Date

Title

cc: Ken Hibel, City Manager
James Espinoza, MEDC CA Team Specialist

PUBLIC NOTICE

The City of Clare has applied for an Infrastructure Enhancement Grant to improve and upgrade the public water system and public road system of three blocks of Ann Arbor Trail in Clare, Michigan. The City is soliciting public comment related to this project and will hold a public hearing for this purpose on Tuesday, Sep 6, 2016 @ 6:30pm @ Clare City Hall, 202 W 5th St in Clare, MI. The applications and all related information will be available at the meeting or can be viewed at City Hall prior to the hearing. The City Clerk shall provide technical assistance to group representatives of low & moderate income and non-English speaking residents that request such assistance prior to the hearing.

PART 2 APPLICATION
MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM
MICHIGAN STRATEGIC FUND

ATTACHMENT 2 – UGLG PUBLIC PARTICIPATION DOCUMENTATION

1. The UGLG has furnished its citizens with information concerning the amount of funds available and being applied for, and the proposed community development and housing activities to be undertaken. This includes the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and the plans for minimizing displacement of persons.
2. The UGLG has published a public notice in such manner to afford affected citizens an opportunity to examine and submit comments on the proposed application and community development and housing activities.
3. One or more public hearings have been held to obtain the views of citizens on the proposed application and community development and housing needs.
4. Citizens have been provided reasonable access to the proposed application and related information on community development and housing needs.
5. The UGLG will provide its citizens with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of funds if funds are received.
6. The UGLG provided for and encouraged citizen participation, with particular emphasis on participation by persons of low and moderate income, residents of slum and blight areas and of areas in which Section 106 funds are proposed to be used, and in the case of grantees described in Section 106(a), provided for participation of residents in low and moderate income neighborhoods as defined by the local jurisdiction. Opportunities to participate must be made available by advertising in publications, which are distributed in the slum and blight areas and the low and moderate income neighborhoods.
7. The UGLG provided citizens with reasonable and timely access to local meetings, information, and records relating to the applicant's proposed use of funds, as required by regulations of the Secretary, and relating to the actual use of funds under this title.
8. The UGLG provided for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee.
9. The UGLG provided for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped. Review of program performance shall apply to previously funded CDBG grants.
10. The UGLG has identified how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate. If 51% of the expected participants are non-English speaking, the hearings will be advertised in a non-English publication available to those residents. A person fluent in their language must be available to discuss the project and respond to their questions at the hearings.

Signature and Title of Authorized UGLG Official

Date

PART 2 APPLICATION
MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM
MICHIGAN STRATEGIC FUND

7. Will adopt a policy of prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdictions;

8. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;

9. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

10. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly;

11. Will comply with other provisions of Title I of the Housing and Community Development Act of 1987, as amended, and with other applicable laws.

Signature and Title of Authorized UGLG Official

Date

PART 2 APPLICATION
MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM
MICHIGAN STRATEGIC FUND

ATTACHMENT 3
CERTIFICATION BY THE APPLICANT UGLG

MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
TITLE I, HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED
MICHIGAN ECONOMIC DEVELOPMENT CORPORATION - COMMUNITY DEVELOPMENT

I, (UGLG official) _____, of (name of UGLG) _____ certify that the _____ (name of UGLG):

1. Possesses legal authority to submit a grant application;
2. Has in a timely manner:
 - a. furnished its citizens information concerning the amount of funds available and being applied for, and the proposed community development and housing activities to be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and the plans for minimizing displacement of persons as a result of proposed activities and for assisting persons actually displaced;
 - b. published a public notice (a copy of which is attached) in such manner to afford citizens an opportunity to examine and submit comments on the proposed application and community development and housing activities;
 - c. held one or more public hearings to obtain the views of citizens on the proposed application and community development and housing needs; and
 - d. made the proposed application available to the public;
3. Will conduct and administer the grant in conformity with Public Law 88-352 and Public Law 90-284, and will affirmatively further fair housing;
4. Has developed the proposed application so as to give maximum feasible priority to activities which will benefit low and moderate income families or aid to the prevention or elimination of slum or blight; or to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to health or welfare of the community where other financial resources are not available to meet such needs;
5. Has developed a community development plan that identifies community development and housing needs and specifies both short and long term community development objectives that have been developed in accordance with the primary objective and requirements of the Title I Housing and Community Development Act of 1974, as amended;
6. Will not attempt to recover any capital costs of public improvements assisted in whole or in part with Title I funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) Title I funds are used to pay the proportion of such fee or assessment that related to capital costs of such public improvement that are financed from revenue sources other than Title I funds; or (B) for purposes of assessing any amounts against properties owned and occupied by persons of low and moderate income who are not persons of very low income, and (name of local unit) certifies that it lacks sufficient Title I funds to comply with the requirements of clause (A);

PART 2 APPLICATION
MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM
MICHIGAN STRATEGIC FUND

ATTACHMENT 4 – STATEMENT OF ASSURANCES

MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION – COMMUNITY DEVELOPMENT

The UGLG hereby assures and certifies that it has complied or shall comply with Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), and related statutes and implementing rules, regulations, and guidelines applicable to projects financed under the Michigan CDBG program. Specific assurances and certifications include but are not limited to the following:

1. Compliance with grant and financial management guidelines in 24 CFR Part 85, Administrative Requirements for Grants to State and Local Governments, and U.S. Office of Management and Budget Circular No. A-87, Cost Principles for State and Local Governments.
2. Compliance with Civil Rights and Equal Opportunity statutes as set forth in Title I of the Civil Rights Act of 1964 (Public Law 88-352), Title VIII of the Civil Rights Act of 1968 (Public Law 90-284), the Michigan Civil Rights Act 453 of 1976, the Michigan Fair Employment Practices Act (MCL 423, 301-423, 311), related statutes and implementing rules and regulations.
3. Compliance with Labor Standards statutes as set forth in the Davis-Bacon Fair Labor Standards Act (40 U.S.C. 276a-276a-5), related statutes and implementing rules and regulations.
4. Compliance with Lead Based Paint Poisoning Prevention Act (42 U.S.C. 4831).
5. Compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4630) and implementing regulations.
6. Compliance with OMB Circular No. A-133, Audits of States, Local Governments and Non-Profit Organizations and implementing rules and regulations.
7. Compliance with Section 504 of the Rehabilitation Act of 1973, as amended, and implementing rules and regulations 24 CFR Part 8.
8. Authorized state officials and representatives will have access to all books, accounts, records, reports, files, and other papers, things, or property pertaining to the project in order to make audits, examinations, excerpts and transcripts; each contract or subcontract also shall provide for such success to relevant data and records pertaining to the development and implementation of the project.

The UGLG agrees to assume all of the responsibilities for environmental review, decision making and action as specified and required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321) and Section 104 (f) of Title I of the Housing and Community Development Act and implementing regulations 24 CFR Part 58.

Signature and Title of Authorized UGLG Official

Date