

MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Robert R. Lehnhardt, Director of Finance/Treasurer
Brandon Kowalke, Grant Coordinator

DATE: September 20, 2021

SUBJECT: **Resolution Authorizing Grant Applications for Water Main Projects Using CDBG Funding**

Request

Authorize the submission of two applications for grant funding through the DuPage County Community Development Commission. Both projects are for water main replacements along Roosevelt Road between President Street and the eastern city limits.

Strategic Priority

Financial Stability – Identify revenue enhancements: (1) Diversify and grow revenue sources to reduce the City’s reliance on property taxes and state-shared revenues and (2) Seek and leverage federal and state grant opportunities. DuPage’s Neighborhood Investment grant program is an opportunity to leverage Community Development Block Grant (CDBG) funds for infrastructure projects and community improvements in geographies with a high percentage of low-moderate income households.

Background

The DuPage County Community Development Commission’s Neighborhood Investment grant program is soliciting applications for capital projects that impact areas that are (1) primarily residential and (2) have a high percentage of low-moderate income households. In Wheaton, only Census Tract #842400 met all the preliminary requirements. This tract is located along Roosevelt Road between Naperville Road and the eastern limits of the City. In this census tract, 58.4% of households are low-moderate income (45.24% required for eligibility).

Staff reviewed existing infrastructure needs and projects in this region that would qualify as eligible work under the Neighborhood Investment program. Projects selected for review were new sidewalk construction and the replacement of the 100-year-old water main running along Roosevelt Road. Staff determined the sidewalk improvements did not meet the minimum cost threshold for the grant application (\$200,000) and that the water main replacement could be completed through two projects in different grant award years, 2023 and 2024.



Water Main Projects Details

The water main servicing Census Tract #842400 is at the end of its useful lifespan (100 years) with main breaks occurring regularly along the utility. Staff recommends replacing the existing 6" main along this segment of Roosevelt Road with 8" main, replacing a total of 3,100 feet of water main. If CDBG funding is awarded to the City, this can be accomplished through two projects. The first project, occurring in 2023, would replace the water main between President Street and Blanchard Street along Roosevelt Road (Exhibit A). The second project, occurring in 2024, would replace the main between Blanchard Street and the address 1830 E. Roosevelt Road (Exhibit B).

Water main replacement typically cost \$350 per foot, putting the minimum cost of work at \$1,085,000. Staff anticipate submitting two applications for a request of \$600,000 each (total of \$1,200,000) after evaluating all possible costs associated with the work. In addition to the costs of construction, each project is expected to carry \$60,000 in engineering design costs and \$30,000 in site review fees. These non-construction costs are not eligible for CDBG funding and, if awarded funding, the City would cover all non-construction costs in the Water Fund.

Fiscal Impact

If awarded funding, the City will be able to cover \$1,200,000 in necessary infrastructure improvements through federal grants; up to \$600,000 in 2023 and \$600,000 in 2024. In each year the City would need to cover up to \$90,000 in non-construction costs in the Water Fund. This would result in a funding ratio of roughly 6 to 1, which leverages federal funds for the majority of the work performed.

Recommendation

Staff recommends approval of the resolution which authorizes the City to submit two grant applications for water main work to the DuPage County Community Development Commission. Legislative action approving the submission of these applications and designating an official signatory to abide by the terms of any resulting grant agreement is a requirement of the DuPage County Neighborhood Investment grant program. This will allow the City to leverage additional grant funding for highly necessary work in an area of the City that primarily services low-moderate income households.

Project Name

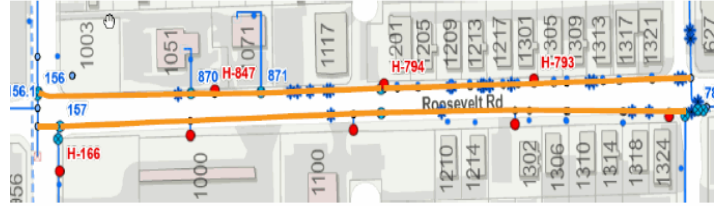
Roosevelt Water Main (President to Blanchard)

Managing City Department

Public Works Water Division

Project Type

- New
 Replacement
 Maintenance



Project Scope

Replacement of 100 year old water main along the segment of Roosevelt Road between President Street and Blanchard Street. Consolidating dual 6" main (along both north and south side) to single 8" main.

Justification

The water main in this service area is at the end of its useful lifespan (100 years). Water main breaks occur regularly along this utility. Project will occur only if grant funding is secured through DuPage County. This project is program because the service area falls within a census tract with a high percentage of low-moderate income households and the service area primarily benefits multifamily residential units. "Other" category denotes required survey and site review costs.

Impact on Future Operating Budgets

None.

Costs & Funding

| Project Costs | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|--------------------------|-----------------|------------------|------------|------------|------------|------------------|
| Engineering Construction | \$0 | \$600,000 | \$0 | \$0 | \$0 | \$600,000 |
| Engineering Design | \$60,000 | \$0 | \$0 | \$0 | \$0 | \$60,000 |
| Other | \$30,000 | \$0 | \$0 | \$0 | \$0 | \$30,000 |
| Total | \$90,000 | \$600,000 | \$0 | \$0 | \$0 | \$690,000 |

| Funding Source | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|----------------|-----------------|------------------|------------|------------|------------|------------------|
| Grants | \$0 | \$600,000 | \$0 | \$0 | \$0 | \$600,000 |
| Water Fund | \$90,000 | \$0 | \$0 | \$0 | \$0 | \$90,000 |
| Total | \$90,000 | \$600,000 | \$0 | \$0 | \$0 | \$690,000 |

Project Name

Roosevelt Water Main (Blanchard to E. City Limit)

Managing City Department

Public Works Water Division

Project Type

New Replacement Maintenance



Project Scope

Replacement of 100 year old water main along the segment of Roosevelt Road between Blanchard Street and 1830 E. Roosevelt Road. Replacing 6" main (along both north and south side) to single 8" main.

Justification

The water main in this service area is at the end of its useful lifespan (100 years). Water main breaks occur regularly along this utility. Project will occur only if grant funding is secured through DuPage County. This project is program eligible because the service area falls within a census tract with a high percentage of low-moderate income households and the service area primarily benefits multifamily residential units. "Other" category denotes required survey and site review costs.

Impact on Future Operating Budgets

None.

Costs & Funding

| Project Costs | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|--------------------------|------|----------|-----------|------|------|-----------|
| Engineering Construction | \$0 | \$0 | \$600,000 | \$0 | \$0 | \$600,000 |
| Engineering Design | \$0 | \$60,000 | \$0 | \$0 | \$0 | \$60,000 |
| Other | \$0 | \$30,000 | \$0 | \$0 | \$0 | \$30,000 |
| Total | \$0 | \$90,000 | \$600,000 | \$0 | \$0 | \$690,000 |

| Funding Source | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|----------------|------|----------|-----------|------|------|-----------|
| Grants | \$0 | \$0 | \$600,000 | \$0 | \$0 | \$600,000 |
| Water Fund | \$0 | \$90,000 | \$0 | \$0 | \$0 | \$90,000 |
| Total | \$0 | \$90,000 | \$600,000 | \$0 | \$0 | \$690,000 |

RESOLUTION R-2021-

A RESOLUTION AUTHORIZING THE SUBMISSION OF GRANT APPLICATIONS TO THE DUPAGE COUNTY COMMUNITY DEVELOPMENT COMMISSION FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR WATER MAIN PROJECTS

WHEREAS, the City of Wheaton, as an entitlement area designated by the U.S. Department of Housing and Urban Development, elects to contribute its Community Development Block Grant (CDBG) funds to DuPage County to fund eligible housing projects and community improvements; and

WHEREAS, the City of Wheaton desires to submit an application to the DuPage County Community Development Commission to request CDBG funding through the Neighborhood Investment, Community-Wide Benefit, Accessibility Improvements, and Planning Projects grant program in the amount of six-hundred thousand (\$600,000) dollars for water main replacement in 2023 along Roosevelt Road between President Street and Blanchard Street; and

WHEREAS, the City of Wheaton desires to submit an application to the DuPage County Community Development Commission to request funding through the Neighborhood Investment, Community-Wide Benefit, Accessibility Improvements, and Planning Projects grant program in the amount of six-hundred thousand (\$600,000) dollars for water main replacement in 2024 along Roosevelt Road between Blanchard Street and 1830 E. Roosevelt Road; and

WHEREAS, legislative action approving the submission of these applications and designating an official signatory to abide by the terms of any resulting grant agreement is a requirement of the DuPage County Neighborhood Investment grant program.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and the City Council of the City of Wheaton, DuPage County, Illinois, pursuant to its home rule authority, that:

Section 1. The foregoing recitals are incorporated into and made part of this Resolution.

Section 2. That the City Council does hereby authorize the submittal of the application for water main improvements along Roosevelt Road between President Street and Blanchard Street to request CDBG funding in the amount of six-hundred thousand (\$600,000) dollars to the DuPage County Community Development Commission.

Section 3. That the City Council does hereby authorize the submittal of the application for water main improvements along Roosevelt Road between Blanchard Street and 1830 E. Roosevelt Road to request CDBG funding in the amount of six-hundred thousand (\$600,000) dollars to the DuPage County Community Development Commission.

Section 4. That the City of Wheaton's Director of Finance or their designee are hereby authorized to submit the applications referenced in Section 2 and Section 3 of this resolution on behalf of the City to the DuPage County Development Commission.

Section 5. That if funding is awarded pursuant to the submitted applications referenced in Section 2 and Section 3 of this resolution, the City Council does hereby authorize the execution of a grant agreement with the County of DuPage for the projects (“Grant Agreement”).

Section 6. That the Mayor is authorized to execute the Grant Agreement with the County of DuPage on behalf of the City.

Section 7. That City staff is directed and authorized to undertake any and all necessary acts to facilitate the effectuation of the Grant Agreement with the County of DuPage.

ADOPTED this 20th day of September 2021.

Mayor

ATTEST:

City Clerk

Roll Call Vote:

Ayes:
Nays:
Absent: