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Memorandum 22-125

TO:	Mayor Castner and Homer City Council
THROUGH:	Rob Dumouchel, City Manager
FROM:	Jenny Carroll, Special Projects and Communications Coordinator
DATE:	July 13, 2022
SUBJECT:	Budget Request for Federal Infrastructure Investment and Jobs Act (IIJA) Grant Application Support

I. Issue: The purpose of this Memorandum is to recommend a \$125,000 appropriation from the General Fund to be used to increase the City's capacity to compete effectively for IIJA grant funds.

II. Background: New programs under the IIJA and the infusion of funds into existing state and federal programs provides the City with unprecedented opportunity to compete for grants to support large, priority infrastructure projects. IIJA authorized 350 different programs which are managed by more than a dozen federal agencies and departments.

I have been studying the various program eligibility criteria, competitiveness factors and application periods. The attached chart identifies some of the Federal and State programs where funding priorities align with Homer's capital project priorities.

These Federal grant programs are highly competitive -- requests for funds can exceed the total available Federal funds by 30 times or more. Completing a nationally competitive application is time and labor intensive, requiring responses that are data driven (to prove need and/or benefit), pre-planned (scope, partnerships, match strategies), aligned with over-arching Federal priorities (equity, resilience) and technical in nature (concept plan or engineers design, cost estimating, cost benefit analyses, environmental review, etc.)

Further, the fire hose analogy often used to describe these five IIJA years is accurate. Grant programs have a short three-month application period with submission deadlines that arrive in rapid succession. (See attached chart.)

Given the effort and technical capabilities required, many municipalities are hiring extra staff or contracting for grant support services. Staff recommends approving a \$125,000 appropriation from the General Fund to increase our capacity to handle the IIJA fire hose in a strategic way to maximize its impact on City of Homer projects. Funds will be used to issue task orders from the list of previously approved term contractors to assist staff with overall IIJA program strategy, pre-positioning projects for grant competitiveness, technical expertise and grant writing as necessary.

IIJA & State Grant Programs

State Grant Programs 📕 Federal Grant Programs

