



## **Takoma Park City Council Meeting – May 8, 2024**

### **Agenda Item 5**

#### **Voting Session**

Use of CDBG Funds for the Neighborhood Improvement Initiative – Single Reading Ordinance Authorizing a Contract with NZI Construction Corp. for Houston Avenue Stormwater Treatment Project.

#### **Recommended Council Action**

Approve the ordinance to enable contract execution.

#### **Context with Key Issues**

The City of Takoma Park participates in the US Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program, receiving a proportionate share of Montgomery County's annual entitlement funding. CDBG funds are intended to support low- and moderate-income families through community development activities directed to revitalizing neighborhoods and providing improved community services. The City currently receives \$91,000 annually in CDBG funding, which is indicated in the Special Revenue Funds of the annual City budget.

In 2016, the City Council passed Resolution 2016-16, which identified Council priorities for spending the City's CDBG allocation. The Resolution instructs the City to limit CDBG funding to capital projects within qualifying low- and moderate-income census tracts, which are almost exclusively in Ward 5. Since these projects normally cost more than the annual allocation, the City will often hold annual CDBG funds until a large enough amount can be directed towards a capital project. The City currently has \$358,000 of available CDBG funding. The \$267,000 held from prior years must be spent by June 15, 2024. The current year's \$91,000 allocation may be used after that date. While this priority limits project opportunities for CDBG funds, the Departments of Housing & Community Development (HCD) and Public Works (PW) jointly identified the Houston Avenue Stormwater Treatment Project ("Project") as an appropriate funding opportunity.

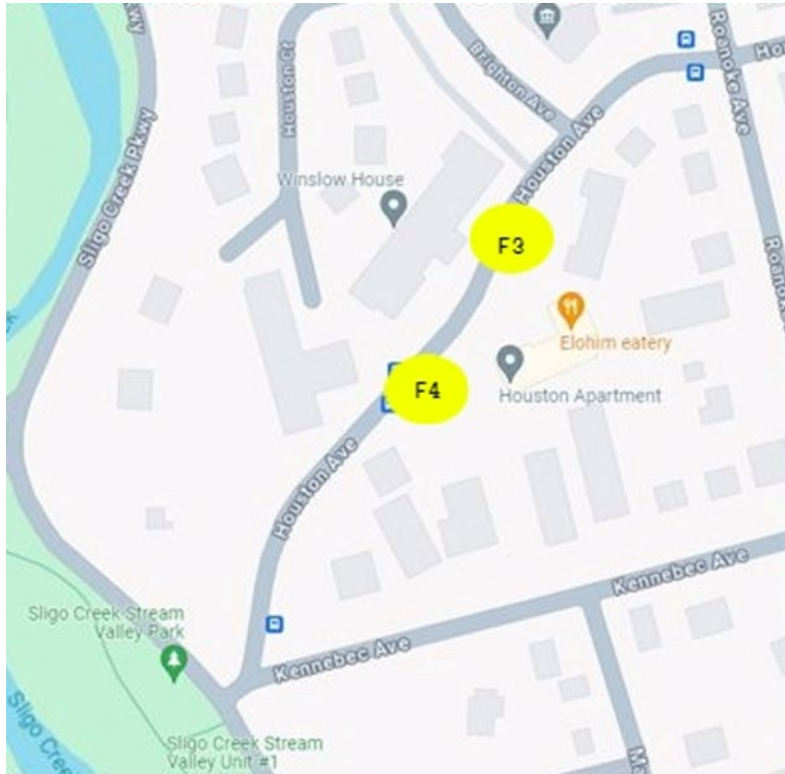
The initially proposed project provided for the installation of 4 stormwater inlets to improve the capture of run-off currently flowing down Houston Avenue and Houston Court and to direct runoff into new Filterra bioretention systems for the natural filtering and treatment of stormwater before it flows to Sligo Creek.

To select an appropriate Contractor who meets Federal, County, and City requirements, HCD released Request for Proposals (RFP) HCD 2024-03-04 in March 2024. The RFP closed on April 4, 2024, and the City received three responsive proposals.

All proposals were greater than funds available for the Project. A scope of work reducing the number of stormwater treatment installations from four to two (installations F3 and F4 were selected to remain) was provided to the three respondents who were invited to re-bid based on the smaller scope. The City received two responses, of which NZI Construction Corporation's bid of \$337,945.65 was the lowest. Pending Council approval, the notice to proceed will be issued in early May 2024, with an estimated project completion at the end of August 2024.

Approved by: Robert DiSpirito  
Prepared by: Patti Mallin, Grants Coordinator

Reposted: 5/3/2024



### **Council Priority**

Fiscally Sustainable Government

Environmentally Sustainable Community

Community Development for an Improved & Equitable Quality of Life

### **Environmental Considerations**

The goal of the project is to improve water quality, through the installation of natural treatment facilities that filter stormwater run-off before it reaches Sligo Creek. This project will result in impervious area treatment credit of 1.25 acres for the City of Takoma Park.

### **Fiscal Considerations**

The Project will be fully funded by the City's remaining CDBG allocations from Fiscal Years 2021-2024. As such, the Project can be completed with no impact on the City's general fund and will also enable the City to receive future annual allocations of CDBG funding from Montgomery County.

### **Racial Equity Considerations**

Regulations require that capital CDBG expenditures are only utilized on projects located in low- and moderate-income census tracts. By meeting these requirements, the project will enhance capital infrastructure improvements in lower-income neighborhoods.

### **Attachments and Links**

- [RFP #HCD 2024-03-04](#) - RFP contains construction drawing with detailed maps
- Draft Ordinance

**CITY OF TAKOMA PARK, MARYLAND  
ORDINANCE 2024-**

**AUTHORIZING A CONTRACT WITH NZI CONSTRUCTION CORP.  
FOR HOUSTON AVENUE STORMWATER TREATMENT PROJECT**

WHEREAS, the City of Takoma Park participates in the U. S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program, receiving a proportionate share of Montgomery County Maryland's annual CDBG entitlement funding; and

WHEREAS, the Takoma Park City Council passed Resolution 2016-16, establishing CDBG priorities as limited to capital project benefiting low- and moderate-income populations as defined by the US Department of Housing & Urban Development; and

WHEREAS, the City identified the Neighborhood Improvement Initiative project as an appropriate use of available CDBG funds; and

WHEREAS, the City released RFP #HCD-2024-03-04 to identify qualified contractors to complete the project, receiving three responsive proposals; and

WHEREAS, the City reduced the Scope of Work to two treatment installations from four, receiving two responsive proposals from the initial three respondents; and

WHEREAS, after review of responsive proposals, the City found the submission by NZI Construction Corporation met the criteria of RFP #HCD-2024-03-04.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF TAKOMA PARK, MARYLAND THAT:

SECTION 1. The City Manager or their designee is authorized to enter into a contract with NZI Construction Corporation for a total of three hundred thirty-seven thousand, nine hundred forty-five dollars and sixty-five cents (\$337,945.65) for the purpose of the installation of the F3 and F4 Filterra stormwater treatment facilities on Houston Avenue, as outlined in Request for Proposal #HCD-2024-03-04.

SECTION 2. This Ordinance shall become effective upon adoption.