



AGENDA REPORT

City Council Meeting

TODAY'S DATE: October 24, 2025

MEETING DATE: November 5, 2025

TO: MAYOR AND CITY COUNCIL

FROM: Rachel McKinley, Project Manager

SUBJECT: Public hearing - ICDBG Application Submittal for the Downtown Revitalization Project Phase 3b- Improving Streetlighting and Site Amenities

BACKGROUND:

In December of 2012, the Downtown Streets Guide and Design Plan was adopted by City Council and has served as the guiding document for the City of Sandpoint's Downtown Revitalization Plan. Recommendations stemming from the public input process were synthesized into what is referred to in the plan as design principles, which indicate a need for enhancing: 1) pedestrian safety and access, 2) pedestrian amenities, 3) trees and landscaping, 4) sustainability, 5) maintenance, 6) parking, 7) bicycle safety and access, 8) character identity, 9) year-round activity, and 10) cost-effectiveness. This has been reaffirmed in the City's 2021 Multimodal Transportation Plan (MTMP) and 2024 Comprehensive Plan (Comp Plan).

Phases 1 and 2, completed between 2018 and 2021, improved Cedar Street (from Fifth Avenue to First Avenue) and First Avenue (from Cedar Street to Church Street). These improvements, funded by the Sandpoint Urban Renewal Agency (SURA), provided upgraded pedestrian sidewalk, improved stormwater management, and enhanced public spaces. An Idaho Community Development Block Grant (ICDBG) for Downtown Revitalization supported the acquisition, installation, and associated engineering costs of pedestrian street lighting.

Idaho Community Development Block Grant

The ICDBG program is a competitive grant program administered by the Idaho Department of Commerce. Each year, the U.S. Department of Housing and Urban Development allocates Idaho's share of the State Community Development Block Grant Program as determined by the funding formula contained in the Housing and Community Development Act of 1974, as amended. The formula is based on Idaho's population, poverty, and age of housing.

Commerce distributes the federal ICDBG funding to counties and (non-entitlement) cities through a competitive grant process. The grant application process generally consists of the application submission, review and ranking by department staff and Economic Advisory Council members and submission of addenda where required. The final grant awards are made by the Governor.

Qualifying projects must meet an ICDBG national objective and ICDBG funding is typically used for the design and construction of public infrastructure or facilities. The most competitive application factors are matching funds, need, and readiness to proceed.

Downtown revitalization projects address prevention or elimination of slum and blight as their national objective, under Title I of the Act, but a downtown revitalization is made up of much more than just infrastructure improvements. It's about creating or retaining the economic vitality of Downtown Sandpoint. Sandpoint's downtown plays a vital role in economic and social development for the

community, as it fosters commercial, cultural, and civic activities and business exchange. This includes many job, business and fundraising opportunities for important civic services to the Sandpoint community as well as access to outdoor recreation for all families and residents regardless of income.

The ICDBG program requires adherence to all applicable federal regulations, including public participation, environmental review, labor standards, and procurement under 2 CFR Part 200. Two public hearings are required. One prior to application submittal and one at project closeout. The City has adopted the necessary Fair Housing and Section 504 policies and has successfully administered prior ICDBG grants, demonstrating capacity to manage federal funds in compliance with program requirements.

DESCRIPTION:

The Downtown Revitalization project will advance into its next phase, Phase 3. This Phase will be implemented into two parts.

Phase 3a is scheduled to commence design in the Fall/Winter of 2025 and primarily funded by SURA. The 3a project scope includes the design and reconstruction for corridor improvements such as road/parking, pedestrian connectivity and utilities along First Avenue from Church St. south to Lake St.

Phase 3b is scheduled to start after the completion of Phase 3a in the Spring of 2027. The City of Sandpoint is proposing to submit an application to the Idaho Department of Commerce for an ICDBG – Downtown Revitalization grant of up to \$650,000 to support this phase.

In accordance with the City's adopted ICDBG Citizen Participation Plan, the City is providing the following information about the proposed project and seeking input from the public. Verbal or written comments will be accepted prior to and at this public hearing November 5, 2025. The application, related documents, and ICDBG Application Handbook will be available for review at:

<https://www.sandpointidaho.gov/news>.

The Phase 3b improvements, to be funded by ICDBG with a match of from the City and SURA, is within the Downtown Urban Renewal District (Resolution 05-59) and Urban Renewal Area (URA) (Resolution 05-29) and will be identified in the Redevelopment Area in the City of Sandpoint's 2025 Redevelopment Area and Physical Condition Assessment for this project, proposed for Council adoption at an upcoming meeting.

This project scope aligns with the City's Downtown Revitalization plan and efforts and consistent community requests by improving streetlighting and site amenities.

Budgeted funds will support the purchase, transportation and installation of lighting and site amenities such as benches, bike racks, flower basket hangers, trash cans, etc. Dependent on its feasibility, traffic patterns and design, a covered bus stop may also be included. The lighting and site amenities will be installed along First Avenue from Church St. south to Lake St. to match previous downtown phases. The City will provide the engineering design as part of the local match.

This project will follow the ICDBG program requirements and initiatives which include the "Build America, Buy America" (BABA) Act, Davis-Bacon Act (locally prevailing wage rates), and Fair Housing Act (Resolution 22-064) along with environmental assessments.

Upon approval of this item, staff will finalize the grant application and prepare the final Redevelopment Area Report for Council adoption consideration at the next meeting.

STAFF RECOMMENDATION:

- Authorize staff to submit a grant application of up to \$650,000 to the Idaho Community Development Block Grant for Downtown revitalization for lighting and site amenities

ACTION:

- Move to authorize staff to submit a grant of application Idaho Community Development Block Grant for Downtown revitalization up to \$650,000.

WILL THERE BE ANY FINANCIAL IMPACT? Yes HAS THIS ITEM BEEN BUDGETED? No

ATTACHMENTS:

1. Resolution
2. ICDBG Citizen Participation Plan
3. The current Resolution Fair Housing
4. Redevelopment Area Proposed Site map
5. Resolution to Establish a Redevelopment Area – ICDBG's Sample

LINKS:

1. [Downtown Streets Plan and Design Guide](https://www.sandpointidaho.gov/media/3541) - <https://www.sandpointidaho.gov/media/3541>
2. [Multimodal Transportation Master Plan](https://www.sandpointidaho.gov/media/3491) - <https://www.sandpointidaho.gov/media/3491>
3. [2024 Sandpoint Comprehensive Plan](https://www.sandpointidaho.gov/media/9426) – <https://www.sandpointidaho.gov/media/9426>
4. [Downtown Waterfront Design Competition Stage 3 Design Report](https://www.sandpointidaho.gov/media/3641) - <https://www.sandpointidaho.gov/media/3641>
5. [Cleargov Project Page](https://sandpoint-id.cleargov.com/projects/14340/downtown-revitalization-phase-3) - <https://sandpoint-id.cleargov.com/projects/14340/downtown-revitalization-phase-3>