

**An Addendum to the Application**  
for an  
**Idaho Community Development Block Grant**

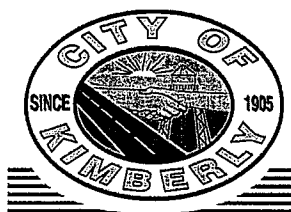
By  
**City of Kimberly**  
**David Overacre, Mayor**

for  
**Family Health Services**

**March 4, 2011**

P.O. Box Z  
132 Main Street N.  
Kimberly, Idaho  
83341-1125

Phone: 208-423-4151  
Fax: 208-423-4297



March 4, 2011

Don Dietrich, Director  
Idaho Department of Commerce  
P.O. Box 83720  
Boise, Idaho 83720-0093

Re: Addendum for an Idaho Community Development Block Grant – Family Health Services

Dear Director:

The City of Kimberly is excited to provide the following information in support of our Idaho Community Development Block Grant (ICDBG) application for \$500,000 to assist Family Health Services, Inc. (FHS) construct a medical health clinic in our community. Developing this health care facility will greatly benefit our residents and those in the surrounding area. We will begin our response by addressing the issues identified in the letter we received from Lane Packwood, Administrator Economic Development Division dated February 1, 2011. We will then address each of the items outlined in the Addendum Checklist that was attached with his letter.

**In order to ensure the health services provided to lower income households (<200% FPL) meet the HUD low-to-moderate income requirements, Commerce will need the following data:**

- **Provide the household income of individuals served by the Twin Falls medical clinic who resided in a four, five, six, or seven person household for the months of July 2010 and November 2010.**

The information requested is provided in Exhibit 1 of this addendum. The information reports the number of patients served at the three Twin Falls clinics (the medical clinic, acute care center, and the behavioral health center) and the household size and income levels of those living in a four, five, six, or seven person household. Based on a direct comparison of the reported patients' income with the HUD LMI guidelines, in July 2010, FHS treated 743 patients of which 538 (or 72.14%) are below the HUD income limits. In November 2010, FHS served 813 patients of which 617 (or 75.89%) are below the HUD income limits. The patients that do not report household income to FHS are reported as non-LMI.

- **What percentage of your patients served at the Twin Falls medical clinic in 2010 qualified as migrant and seasonal farmer workers under the Migrant Health Center program?**

In 2010, of the 11,423 visits at the Twin Falls medical clinic, acute care center, and the behavioral health center, 602 (5.27%) of the patients qualified as migrant and seasonal farm workers under the Migrant Health Center program.

**Explain the proposed ownership arrangement of the property site for the new clinic. Will Family Health Service have ownership of the land and proposed building or will the City?**

The City of Kimberly has ownership of the land. At the end of construction, the City will also have ownership of the building and rent it to FHS for \$10,000 annually using a triple net lease for a period of 10 years. At the end of the 10 year period, if FHS still occupies and operates the medical health clinic, the City will transfer ownership of the land and building to FHS. The lease will include a provision that if FHS fails to operate the medical clinic and the building no longer benefits the low-to-moderate income (LMI) individuals as intended by the ICDBG program, then FHS will repay the grant to the City. The lease will be structured this way to protect the investment of both the City and the Idaho Department of Commerce and to ensure the building assists the LMI individuals as intended by the ICDBG program. If awarded ICDBG funding, the City's legal counsel will prepare a lease agreement including these terms and conditions. A copy of the agreement will be submitted to the Idaho Department of Commerce when it has been executed by both parties.

**There is a large storage tank sitting adjacent to the proposed project site. What is stored in the tank?**

The tank located adjacent to the proposed project site is a 660,000 gallon glass lined steel-bolted water storage reservoir which is part of the City's municipal water system. The City is currently updating the booster pumps and other equipment at this site as part of their water improvement project and anticipates these improvements will be completed this spring. The booster pump station shares a common wall with the condemned City Hall structure. As part of the demolition of the City Hall building, the wall will be rebuilt. Enclosed in Exhibit 2 is a picture of the water tank and the condemned City Hall.

**Submit an updated Application Information Page, Budget Page with the approved line-items, EAC Briefing Page, Detailed Cost Analysis (Justify contingency percentage above 10%), Project Schedule Page, Design Professional Cost Estimate, and Community Profile Data.**

Enclosed in Exhibit 3 are the updated application pages that were requested. Also enclosed in this exhibit is the Community Profile Data obtained from the U.S. Census Bureau website ([www.census.org](http://www.census.org)). Project costs and building schematics prepared by Roger Laughlin, AIA were provided in Exhibit 8 of the application and are provided again in Exhibit 4 of this addendum. Updated project costs with changes for asbestos abatement, demolition, and utility hook-up fees are included in Exhibit 4 as well. Construction costs of the medical clinic that were provided by Mr. Laughlin were not altered.

**Provide written evidence of the community's ability to secure the local and other match committed to the project. This must be a letter or contract from the entity providing the match. If the community has passed a bond, provide commitment letter from the purchasing entity which stipulates the date of purchase and purchase amount.**

The local match for this project totals \$417,320. Commitment letters from both the City of Kimberly and FHS are provided in Exhibit 5 of this addendum. The City is committing \$81,524 of cash and in-kind services toward the development of the project. The City has committed city employees and equipment to the demolition of the condemned City Hall building. The value of the in-kind labor and use of city equipment to demolish the building is valued at \$50,568. The City will rent additional equipment for demolition that is estimated to cost \$20,825. The City has already expended \$5,831 towards the testing and removal of asbestos contaminated materials from the condemned City Hall. Kimberly's Public Works Director, Rob Wright, prepared a report that summarizes these costs and it is provided in Exhibit 5 of this addendum. The City will also waive the municipal water and sewer system connection fees for the new building which are valued at \$4,300.

FHS is providing \$335,796 of local matching funds towards project expenses. Particularly, their funding will be used to pay for architectural fees, construction costs, and medical and dental equipment to make the medical center operational. A letter of commitment from Aaron Houston, CFO of FHS was provided in Exhibit 1 of the application and a copy of that letter is provided again in Exhibit 5 of this addendum. Enclosed with Mr. Houston's letter is a list and the associated costs of the medical and dental equipment.

**Provide documentation of clear title and the value of any property that has been purchased.**

The City has not acquired any property nor does the project require the acquisition of any additional property. The City of Kimberly has clear title of the land and existing building.

**Provide pro forma or underwriting assessment by the lending agency on how rates were determined for a sewer and water system projects. Show the difference in the rate with ICDBG funding and without ICDBG funding. Clearly state whether or not the new rates have already been adopted. If they have not been adopted, include a timeline for implementing them.**

Not applicable – This criterion is not applicable to this project. The project will not impact the municipal water or sewer systems. In addition, there is not a lending agency involved in the development of this medical clinic.

**Provide pro forma or underwriting assessment by the lending agency on how loan amounts were determined for a fire station or infrastructure to housing projects.**

Not applicable – This criterion is not applicable to this project. A lending agency is not involved in the development of this medical clinic. The cash being pledged as the local share is available from the City's operating budget. Private funds will be paid by FHS. Letters of commitment from both the City and FHS are provided in Exhibit 5.

**Provide documentation that a Fair Housing Resolution has been adopted and publicly advertised before the addendum deadline of March 4, 2011.**

The Kimberly City Council adopted a Fair Housing Resolution on November 9, 2010. This Fair Housing Resolution was published in the Times News on February 27, 2011. A copy of this City's Fair Housing Resolution (Resolution 255), the affidavit of publication, and a copy of the publication is provided in Exhibit 6.

**Identify in writing any changes to the project's scope of work from the original application.**

Preliminary estimate for the testing and removal of asbestos from the condemned City Hall building was \$40,000. Three areas in the ceiling texture tested positive for asbestos. The asbestos contaminated material was removed from the building by a certified abatement contractor. No other asbestos was detected in the building. Exhibit 7 contains an EPA Certification evidencing the proper disposal of the asbestos materials. The cost to the City for the asbestos abatement totaled \$5,831.

The City has committed \$81,524 in cash and in-kind services towards the proposed project. In-kind service is valued at \$50,568 which includes the use of city personnel and city equipment to demolish and clear the project site. The City will also waive the connection fees to both the municipal water and sewer systems which are valued at \$4,300. Cash contributions include the asbestos abatement (\$5,831) and the rental of additional demolition equipment (\$20,825). Cost estimates for demolition and site clearance were prepared by Rob Wright, Public Works Director. A report prepared by Mr. Wright showing the breakdown of these costs is available in Exhibit 5. Updated project costs are reported in Exhibit 4 of this addendum.

On February 24, 2011, Region IV Development Association (RIVDA) started the environmental assessment by mailing letters to federal, state, and local regulatory agencies requesting comment on the proposed project. The updated project schedule in Exhibit 3 anticipates the environmental release will be completed by May 2011 instead of June 2011 as was reported in the City's original application.

The City of Kimberly and Family Health Services, Inc. are excited about the potential to partner with the Idaho Department of Commerce on this special project. The development of this new medical center will better serve the people in our community. However, we need \$500,000 from the ICDBG program to undertake the project. If you have any questions regarding our proposal, please contact Polly Hulse, City Administrator at (208) 423-4151 or our grant administrator, Jeff McCurdy with RIVDA at (208) 732-5727 ext. 3005. Thank you for your time and consideration of our grant request.

Sincerely,



David Overacre, Mayor

# EXHIBIT 3

**Idaho Community Development Block Grant**  
Application Information Form

Applicant: City of Kimberly  
Address: P.O. Box Z, Kimberly, ID 83341

Chief Elected Official: David Overacre, Mayor  
Phone: (208) 423-4151

Sub-Recipient: Family Health Services, Inc. (FHS)  
Address: 794 Eastland Drive, Twin Falls, ID 83301

Chief Corporate Official: Lynn Hudgens, CEO  
Phone: (208) 734-3312

Application Prepared by: Jeffrey McCurdy Phone: (208) 732-5727 x 3005  
Address: Region IV Development Association, Inc. P.O. Box 5079 Twin Falls, Idaho 83303-5079

Architect: Roger Laughlin, AIA Phone: (208) 736-8050  
Address: Laughlin & Associates, Architects 935 Shoshone Street, Twin Falls ID 83301

**National Objective**

LMI Area  LMI Clientele  
 LMI Jobs  Slum and Blight  
 Imminent Threat

**Project Type**

Public Facility/Housing  Community Center  
 Economic Development  Senior Center

**Project Population to Benefit (Persons): Jobs**

Total # to Benefit: 1,339 Total # LMI to Benefit: 1,339  
% LMI to Benefit: Limited Cliental % % Minority Population: 49.00 %

**Project Description:** The proposed project will construct a new facility from which Family Health Services, Inc. will benefit. Specifically, the project will construct a 4,000 square foot medical clinic that consist of six exam rooms, one procedure room, a dentist office (with three chairs), one behavioral health office, one immunization room, file room, break area, reception/office, waiting area, and four ADA restrooms. Also included in the scope of work is the demolition and removal of a dilapidated building.

SOURCE	AMOUNT	DATE APPLICATION SUBMITTED	RESERVED/ CONDITIONAL AWARD	FUNDS COMMITTED /CONTRACT AWARD DATE	DOCUMENTATION IN APPLICATION EXHIBIT***	DOCUMENTATION IN ADDENDUM ***
<b>ICDBG</b>	500,000.00					
Local Cash	26,656.00			4-Mar-11	1	5
Local Loan*						
Local In-Kind**	54,868.00			4-Mar-11	1	5
USDA-RD Grant						
EDA Grant						
State Grant						
Foundation Grant						
Private Investment	335,796.00			19-Nov-10	1	5
Other (Identify)						
<b>TOTAL PROJECT FINANCING</b>	917,320.00					

\*Identify Loan Source(s): NA Date Bond Passed: NA

\*\*Describe In-Kind match by type (i.e. materials, labor, waived fees, land value) and amount.

\*\*\*Identify in which appendix is corresponding documentation. Documentation should be a letter from the appropriate source.

**Idaho Community Development Block Grant Budget Form**

Applicant or Grantee: City of Kimberly  
 Sub-Grantee: Family Health Services Corporation  
 Project Name: Family Health Services Construction Project

LINE ITEMS	ICDBG Cash	Local Cash	Local In-Kind	Private Cash	TOTAL	
Asbestos Assessment	\$ -	\$ 5,831	\$ -	\$ -	\$ 5,831	1%
Design Professional	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	4%
Administration	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	4%
Construction	\$ 460,000	\$ 20,825	\$ 54,868	\$ 40,000	\$ 575,693	63%
Equipment	\$ -	\$ -	\$ -	\$ 255,796	\$ 255,796	28%
<b>TOTAL COSTS</b>	<b>\$ 500,000</b>	<b>\$ 26,656</b>	<b>\$ 54,868</b>	<b>\$ 335,796</b>	<b>\$ 917,320</b>	<b>100%</b>
	55%	3%	6%	37%	100%	

### Economic Advisory Council Page

In these trying economic times, affordable health care is critical for all families. Affordable health care is being debated from Capitol Hill to local coffee shops all across the country. With an unstable economy and unemployment on the rise, the country is seeing an increase in the number of people relying on the government to supplement health care costs. With an uncertain future ahead, having access to quality health care is more important than ever.

Since 1982, community health care in south-central Idaho has been provided by Family Health Services, Inc. (FHS). This private, non-profit corporation has been designated by the U.S. Department of Health and Human Services as a "Community Health Center" and "Migrant Health Center". Under Section 330 of the Public Health Service Act, the U.S. Department of Health and Human Services grants federal funding to community health centers, such as FHS, to provide health care to medically underserved areas. The Act defines a "health center" as, "an entity that serves a population that is medically underserved, or a special medically underserved population comprised of migratory and seasonal agricultural workers, the homeless, and residents of public housing, by providing, either through the staff and supporting resources of the center or through contracts or cooperative arrangements." FHS provides medical and dental care, behavior health and social services to anyone needing assistance, regardless of their ability to pay.

In 2010, the FHS developed a strategic plan. An area of emphasis in that plan was 'Responsible Growth'. To ensure the organization was meeting the needs of their clients and delivering services to the medically underserved people in the region, they identified a need to establish new clinics in underserved areas. Their highest priority is to locate somewhere in eastern Twin Falls County. After considering a number of locations, FHS has partnered with the City of Kimberly to construct a new medical clinic in the heart of its downtown area. The proposed project involves the construction of a 4,000 square foot community medical center that will be leased to FHS. Specifically, the medical center will include:

- Six Medical Exam Rooms
- One Procedure Room
- One Dental Office (with three dental chairs)
- One Immunization Room
- A Nurse's Station
- One Behavioral Health Room
- Two Clerical Offices
- One Conference/Break Room
- One Utility Room
- Reception, Workroom, and File areas
- One Waiting Area
- Four ADA Restrooms

The selected site is owned by the City. Until recently, the building located on this site served as Kimberly's City Hall. However, the City's building inspector evaluated the condition of the building and determined that it was at the end of its economic life and was now a liability to the City. The City vacated the premises last year leaving the building unoccupied and an eyesore to the community. The demolition of this condemned structure is included in the project scope.

The health clinic will be located in the heart of Kimberly's downtown district. With an estimated 18 FTE positions and an average of 65 patients seen on a daily bases, the presence of this facility will significantly increase foot traffic to the downtown area. Local merchants, and residents alike, are eager to welcome FHS to Kimberly.

The project is estimated to cost \$917,320. The City has committed \$81,524 in cash and in-kind services towards asbestos abatement and demolition. FHS committed \$335,796 cash towards project expenses. Specifically, their funds will be used to pay for architectural services, construction, and purchasing medical and dental equipment to make the clinic operational. Unfortunately, this is not enough. They need \$500,000 from the Idaho Community Development Block Grant program to assist in the construction of this medical health clinic.



### Project Schedule

Project Activity	Date (to be) Completed	Documentation in Application Exhibit	Documentation in Addendum Exhibit
Design Professional Contract Executed	May 2011	10	
Grant Administration Contract Executed	May 2011	4	
Environmental Release	May 2011		
Bid Document Approval	July 2011		
Bid Opening	August 2011		
Construction Contract Executed	August 2011		
Start Construction	August 2011		
Construction 50% Complete	November 2011		
Second Public Hearing	December 2011		
Certificate of Substantial Completion	February 2012		
Construction 100% Complete	March 2012		
Update Fair Housing Plan	April 2012	5	6
Update 504 Review and Transition Plan	April 2012	5	
Final Closeout	May 2012		

### Project Contact information

Name of Professional and Agency Contacts	Firm or Agency	Phone with Extension	e-mail address
David Overacre, Mayor	City of Kimberly	(208) 423-4151	overacreins@cableone.net
Polly Hulsey, City Administrator	City of Kimberly	(208) 423-4151	phulsey@cityofkimberly.org
Lynn Hudgens, Chief Executive Officer	Family Health Services	(208) 734-3312	lhudgens@FHSID.COM
Aaron Houston, Chief Financial Officer	Family Health Services	(208) 734-3312	ahouston@fhsid.com
Patty KleinKopf, Chief Operations Officer	Family Health Services	(208) 734-3312	pattyk@fhsid.com
Chris Wingfield, Chief Information Officer	Family Health Services	(208) 734-3313	cwingfield@fhsid.com
Roger Laughlin, AIA	Laughlin & Associates	(208) 736-8050	laughlin@onewest.net
Jeff McCurdy	Region IV Development Association	(208) 732-5727 ext. 3005	jeff@rivda.org



## U.S. Census Bureau American FactFinder

### FACT SHEET

#### Kimberly city, Idaho

2005-2009 American Community Survey 5-Year Estimates - what's this?

#### Data Profile Highlights:

Note: The following links are to data from the American Community Survey and the Population Estimates Program.

NOTE: Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

	Estimate	Percent	U.S.	Margin of Error
<b>Social Characteristics - show more &gt;&gt;</b>				
Average household size	2.51	(X)	2.60	+/-0.19
Average family size	3.11	(X)	3.19	+/-0.22
Population 25 years and over	2,006			+/-167
High school graduate or higher	(X)	87.6	84.6%	(X)
Bachelor's degree or higher	(X)	15.8	27.5%	(X)
Civilian veterans (civilian population 18 years and over)	205	9.0	10.1%	+/-72
With a Disability	(X)	(X)	(X)	(X)
Foreign born	62	2.1	12.4%	+/-43
Male, Now married, except separated (population 15 years and over)	657	59.5	52.3%	+/-103
Female, Now married, except separated (population 15 years and over)	672	52.2	48.4%	+/-107
Speak a language other than English at home (population 5 years and over)	167	6.0	19.6%	+/-103
Household population	2,993			+/-21
Group quarters population	(X)	(X)	(X)	(X)
<b>Economic Characteristics - show more &gt;&gt;</b>				
In labor force (population 16 years and over)	1,616	68.5	65.0%	+/-206
Mean travel time to work in minutes (workers 16 years and over)	19.5	(X)	25.2	+/-2.9
Median household income (in 2009 inflation-adjusted dollars)	39,755	(X)	51,425	+/-7,684
Median family income (in 2009 inflation-adjusted dollars)	46,131	(X)	62,363	+/-5,769
Per capita income (in 2009 inflation-adjusted dollars)	17,931	(X)	27,041	+/-1,810
Families below poverty level	(X)	7.1	9.9%	+/-5.3
Individuals below poverty level	(X)	14.3	13.5%	+/-6.2
<b>Housing Characteristics - show more &gt;&gt;</b>				
Total housing units	1,241			+/-102
Occupied housing units	1,193	96.1	88.2%	+/-90
Owner-occupied housing units	926	77.6	66.9%	+/-96
Renter-occupied housing units	267	22.4	33.1%	+/-94
Vacant housing units	48	3.9	11.8%	+/-44
Owner-occupied homes	926			+/-96
Median value (dollars)	109,200	(X)	185,400	+/-6,413
Median of selected monthly owner costs				
With a mortgage (dollars)	992	(X)	1,486	+/-163
Not mortgaged (dollars)	337	(X)	419	+/-69
<b>ACS Demographic Estimates - show more &gt;&gt;</b>				
Total population	2,993			+/-21
Male	1,437	48.0	49.3%	+/-97
Female	1,556	52.0	50.7%	+/-95

Median age (years)	39.9	(X)	36.5	+/-8.1
Under 5 years	231	7.7	6.9%	+/-73
18 years and over	2,278	76.1	75.4%	+/-147
65 years and over	487	16.3	12.6%	+/-145
One race	2,943	98.3	97.8%	+/-45
White	2,782	93.0	74.5%	+/-129
Black or African American	0	0.0	12.4%	+/-114
American Indian and Alaska Native	22	0.7	0.8%	+/-24
Asian	16	0.5	4.4%	+/-19
Native Hawaiian and Other Pacific Islander	0	0.0	0.1%	+/-114
Some other race	123	4.1	5.6%	+/-111
Two or more races	50	1.7	2.2%	+/-43
Hispanic or Latino (of any race)	266	8.9	15.1%	+/-132

Source: U.S. Census Bureau, 2005-2009 American Community Survey

Explanation of Symbols:


'\*\*\*\*' - The median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.

'\*\*\*\*\*' - The estimate is controlled. A statistical test for sampling variability is not appropriate.

'N' - Data for this geographic area cannot be displayed because the number of sample cases is too small.

'(X)' - The value is not applicable or not available.

---

The letters PDF or symbol  indicate a document is in the Portable Document Format (PDF). To view the file you will need the Adobe® Acrobat® Reader, which is available for free from the Adobe web site.