

**Community Development Grants**

**FY2004 Request: \$3,620,000**

**Reference No: 33925**

**AP/AL:** Appropriation

**Project Type:** Health and Safety

**Category:** Housing/Social Services

**Location:** Statewide

**Contact:** Pat Poland

**House District:** Statewide (HD 1-40)

**Contact Phone:** (907)269-4580

**Estimated Project Dates:** 07/01/2003 - 06/30/2008

**Brief Summary and Statement of Need:**

Multiple federally-funded programs, enabling DCED to provide grants to communities and non-profit organizations for community development.

<b>Funding:</b>	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	Total
Fed Rcpts	\$3,470,000	\$3,470,000	\$3,470,000	\$3,470,000	\$3,470,000	\$3,470,000	\$20,820,000
Gen Fund	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$900,000
<b>Total:</b>	<b>\$3,620,000</b>	<b>\$3,620,000</b>	<b>\$3,620,000</b>	<b>\$3,620,000</b>	<b>\$3,620,000</b>	<b>\$3,620,000</b>	<b>\$21,720,000</b>

<input checked="" type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
5% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
<u>One-Time Startup:</u>	0	
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Additional Information / Prior Funding History:**

Refer to the funding matrix in the detailed description.

**Project Description/Justification:**

Multiple federally-funded programs, enabling DCED to provide grants to communities and non-profit organizations for community development.

**Alaska's Floodplain and Erosion Management Program:** This program's mission is to reduce public and private sector damage and losses from flooding and erosion. This is accomplished by providing those communities that participate in the National Flood Insurance Program (NFIP) with technical assistance and funding (grants) for the initial planning and subsequent construction of flood mitigation projects.

The community planning and construction grants are funded by the Federal Emergency Management Agency's (FEMA) Flood Mitigation Assistance Program (FMAP). DCED and FEMA are actively involved in these projects, from assisting a community with its application for the planning grant; to approving the resulting plan; to awarding the subsequent construction grant; and approving the completed project. Because completion of the cycle -- initial planning through construction completion -- may take years, and because of the numerous variables associated with construction projects, FEMA funding to DCED in any one year may increase significantly.

This program has been in existence since 1997. The average annual federal funding and match requirement for the last three years is \$300,000 and \$100,000 (25 percent match) respectively, for an annual program total of \$400,000 annually. *For fiscal year 2004 DCED anticipates \$300,000 in federal funding with a state match requirement of \$100,000.*

**Mini-Grants:** This program provides grants to rural communities for projects that develop, expand, and/or diversify a community's economy. Typical projects are the development of a community economic plan or strategy; feasibility studies for infrastructure projects; design and engineering studies; business plans for community cooperatives; upgrades

## Community Development Grants

FY2004 Request: \$3,620,000

Reference No: 33925

to tourism infrastructure such as recreational vehicle facilities; and upgrades to marine facilities and/or educational facilities.

The program has been funded by the U.S. Department of Agriculture (USDA) since the mid 1980's. The average annual USDA federal funding and match requirement for the last three years is \$170,000 and \$50,000 (20 percent match) respectively, for an annual program total of \$220,000. For fiscal year 2004 DCED anticipates \$170,000 in federal funding with a state match requirement of \$50,000.

Since fiscal year 2000 the Denali Commission (DC), a federal agency established by Congress in 1998, has provided \$500,000 annually in funding for this Program. For fiscal year 2004 DCED anticipates \$500,000 in federal funding. A state match is not required.

**Timber Impact Grants:** This program provided grants to communities that participated in the Southeast Alaska Community Economic Revitalization Team (SEA-CERT). This program was in response to the downturn in Southeast Alaska's timber industry. The total USDA federal funding for this Program since inception in 2001 was \$300,000 and has not required a match. This Program was initially scheduled for completion in fiscal year 2002, was extended through fiscal year 2003, and may be extended again. For fiscal year 2004 DCED is not including an estimate in this capital request.

**Communities Priorities Grants:** Established in fiscal year 2002, this program provides funding for community infrastructure projects. It will provide up to two-thirds of a project's funding. The remaining one-third funding must be from another source(s) and the applicant must provide cash equal to at least ten percent of the project's total cost. The program is limited to communities that have a population of less than 1,500 and an unemployment rate of at least 8.7 percent.

In fiscal year 2002 the Denali Commission (DC) provided \$4,500,000 in federal funding. In fiscal year 2003 the DC provided \$2,200,000 in federal funding. The DC did not require a state match. But, a ten- percent cash match is required by the communities. For fiscal year 2004 DCED anticipates \$2,200,000 in federal funding. A state match is not required.

**Accelerated Infrastructure Development Grants:** Established in fiscal year 2003, this program provides funding for the development of community profile maps for unmapped communities located in the Aleutians East Borough, the Lake and Peninsula Borough, and two other regions which have not yet been determined. In fiscal year 2003 the Denali Commission (DC) provided \$300,000 in federal funding and no match was required. For fiscal year 2004 DCED anticipates \$300,000 in federal funding. A state match is not required.

### Summary of Anticipated Federal and GF Match Funding by Federal Agency

Fed Agency	Federal	GF Match	Total
FEMA	\$ 300,000	\$100,000	\$ 400,000
USDA	\$ 170,000	\$ 50,000	\$ 220,000
DC	\$3,000,000	-0-	\$3,000,000
Total	\$3,470,000	\$150,000	\$3,620,000

### Funding History

Year	Amount	Legislation
FY 1997	1,280,000	SLA 96 Ch 123 Page 45 Line33
FY 1998	156,000	SLA 97 Ch 100 Page 42 Line 5
FY 1999	200,000	SLA 98 Ch 139 Page 40 Line 19
FY 2000	350,000	SLA 99 Ch 02 Page 38 Line 29
FY 2001	350,000	SLA 00 Ch 135 Page 3 Line 11
FY 2001	700,000	SLA 00 Ch 135 Page 3 Line 15
FY 2002	6,350,000	SLA 01 Ch 61 Page 3 Line 11

**Community Development Grants**

**FY2004 Request: \$3,620,000**  
**Reference No: 33925**

	0	
FY 2003	3,130,00	SLA 02 Ch 01 Page 3 Line 30
	0	