

Community Development Grants**FY2008 Request: \$11,650,000****Reference No: 38943****AP/AL:** Appropriation**Category:** Development**Location:** Statewide**House District:** Statewide**Estimated Project Dates:** 07/01/2007 - 06/30/2012**Project Type:** Construction**Recipient:** Various**Contact:** Michael Black**Contact Phone:** (907)269-4578**Brief Summary and Statement of Need:**

Multiple federally-funded programs, enabling Commerce to provide grants to communities and non-profit organizations for community development. These programs contribute to the Department's mission of promoting a healthy economy and strong communities by providing economic growth in the communities it serves.

Funding:	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Total
CIP Rcpts	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000		\$6,500,000
Fed Rcpts	\$9,750,000	\$9,750,000	\$9,750,000	\$9,750,000	\$9,750,000		\$48,750,000
G/F Match	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000		\$3,000,000
Total:	\$11,650,000	\$11,650,000	\$11,650,000	\$11,650,000	\$11,650,000	\$0	\$58,250,000

☒ State Match Required
 ☐ One-Time Project
 ☐ Phased - new
 ☐ Phased - underway
 ☒ On-Going
 67% = Minimum State Match % Required
 ☐ Amendment
 ☐ Mental Health Bill

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

Refer to the funding matrix in the detailed description.

State general fund match requirements are as follows: Alaska's Floodplain and Erosion Management Program - 25%; Mini-Grant program - 20% of the USDA portion; Accelerated Infrastructure Development Grants program - 30%; Business Development program - approximately 67%; and Coastal Zone Management Program - 10%

Project Description/Justification:

1. 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 communities that participate in the National Flood Insurance Program (NFIP) with technical assistance and grants for the initial planning and subsequent construction of flood mitigation projects.

Commerce and the Federal Emergency Management Agency's (FEMA) Flood Mitigation Assistance Program (FMAP) personnel are actively working with the communities on every phase of a potential project -- applying for a planning grant, approving the resulting plan, approving a construction grant, approving a completed project.

This program has existed since 1997. FEMA provides funding for Map Modernization, Community Assistance, Technical Assistance, and assistance to specific communities. From FY2000 through FY2007 the average total funding was \$400,000, with FEMA providing \$300,000 and requiring \$100,000 (25 percent match) from the State

For FY2008 Commerce anticipates \$300,000 in federal funding with a State match requirement of \$100,000.

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

The program has existed since the mid 1980's. From FY2000 through FY2007 the program has been funded by two federal agencies, the U.S. Department of Agriculture (USDA) and the Denali Commission (DC). The USDA funding ranges from \$200,000 to \$250,000 annually and requires a \$50,000 match (20 percent) from the State. The DC funding ranges from \$250,000 to \$500,000 and requires no State match.

For FY2008 Commerce anticipates \$250,000 in federal funding from the USDA, \$500,000 in federal funding from the DC, and \$50,000 General Fund match (20 percent of the USDA portion).

3. Multi-Use Facilities Grants: This program was established in FY2004. This program provides grants to communities for the construction and/or remodeling of multi-use facilities in rural Alaska communities. Communities are required to contribute 10 to 25 percent of the cost of the project.

The DC funding has been at \$8,000,000 annually since its inception and requires no State match. For FY2008 Commerce anticipates \$8,000,000 in federal funding. A State match will not be required.

4. Accelerated Infrastructure Development Grants: This program was established in FY2003. This program provides funding for the development of community profile maps for unmapped communities. Thirty-two communities within the Aleutians East Borough, Lake and Peninsula Borough, and Bristol Bay were mapped in FY2004. Another 48 communities in Lower Kuskokwim, Bering Straits, Copper Valley, and Southeast will be mapped by the end of FY2007. Communities are required to contribute 50 percent of the cost of the project.

The program is currently funded with \$1,600,000 from the federal Denali Commission (DC), \$550,000 in Inter Agency receipts from the State's Department of Transportation, and \$120,000 state match from Commerce. Total funding is \$2,270,000 and local communities are contributing another \$475,550 (approximately 39%).

The program will continue through June 2008. Commerce anticipates continuing the program beyond June 2008 with another \$400,000 in federal funding from the DC and \$120,000 in General Fund match.

5. Business Development: Though specific programs vary from year-to-year, the overall theme of having some type of federally funded program that promotes development of small businesses in Alaska remains consistent. Usually, these types of development programs are funded by the federal U.S. Department of Commerce, Economic Development Administration (EDA). In FY2007 Commerce implemented two programs.

The first program provides technical assistance and mentoring of individuals desiring to establish and/or expand tourism related businesses in rural Alaska. EDA provided \$95,000 in federal funding and Commerce provided \$30,000 in General Fund match.

The second program, titled Coalition for Economic Development in Alaska, provides grants to the Alaska Regional Development Organizations whom in turn work with businesses in their respective regions. EDA provided \$200,000 in federal funding and Commerce provided \$215,000 in General Fund monies.

In FY2008 Commerce anticipates another \$300,000 from EDA for existing or similar programs and General Fund match of \$200,000.

6. Coastal Zone Management Program: Commerce is required by Alaska State law (AS 44.33.781) to conduct a program of research, training, and technical assistance necessary for the development, implementation and maintenance of district coastal management plans under AS 46.40. As part of its technical assistance to coastal resource districts, Commerce awards and manages Alaska Coastal Management Program (ACMP) grant funds.

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The program ranges from \$1,000,000 to \$1,300,000 annually and is funded with Capital Improvement Receipts (CIP) from the Department of Natural Resources whom in turn receives their funding from the U.S. Department of Commerce, NOAA. Each grantee provides 20 to 50 percent of the project's cost. A state match is also required.

In FY2008, Commerce anticipates its annual allotment from the Department of Natural Resources, to be \$1,300,000 with required General Fund match of \$130,000.

Summary of Anticipated Funding by Federal Agency

Federal Agency	Federal	CIP	General Fund	Total
FEMA	300,000		100,000	400,000
USDA	250,000		50,000	300,000
DC	8,900,000		120,000	9,020,000
EDA	300,000		200,000	500,000
DOC Thru DNR		1,300,000	130,000	1,430,000
Total	9,750,000	1,300,000	600,000	11,650,000

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
FY 2003	3,130,000	SLA 02 Ch 01 Page 3 Line 30
FY 2004	3,620,000	SLA 03 Ch 82 Page 3 Line 8
FY 2005	26,375,000	SLA 04 Ch 159 Page 3 Line 5
FY 2006	14,388,000	SLA 05 Ch 3 Page 3 Line 24