



THE STATE
of **ALASKA**

GOVERNOR MICHAEL J. DUNLEAVY

**DEPARTMENT OF COMMERCE, COMMUNITY AND
ECONOMIC DEVELOPMENT**

**SENATE FINANCE SUBCOMMITTEE
COMMUNITY DEVELOPMENT BLOCK GRANT-
DISASTER RECOVERY (CDBG-DR) UPDATE**

Sandra Moller, Director

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2018 Cook Inlet Earthquake



On November 30, 2018, at 8:29am a 7.1 magnitude earthquake located seven miles north of Anchorage caused severe, widespread damage to southcentral Alaska. Damage was primarily located within the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough.



CDBG Overview

Commonly used acronyms:

- The Department of Housing and Urban Development (HUD)
- Community Development Block Grant (CDBG)
- Community Development Block Grant – Disaster Relief (CDBG-DR)

All CDBG activities must meet one of the following three national objectives:

- Benefit low- and moderate income (LMI) persons, at least 70% LMI
- Aid in the prevention or elimination of slums or blight
- Meet a need having a particular urgency (Urgent Need)

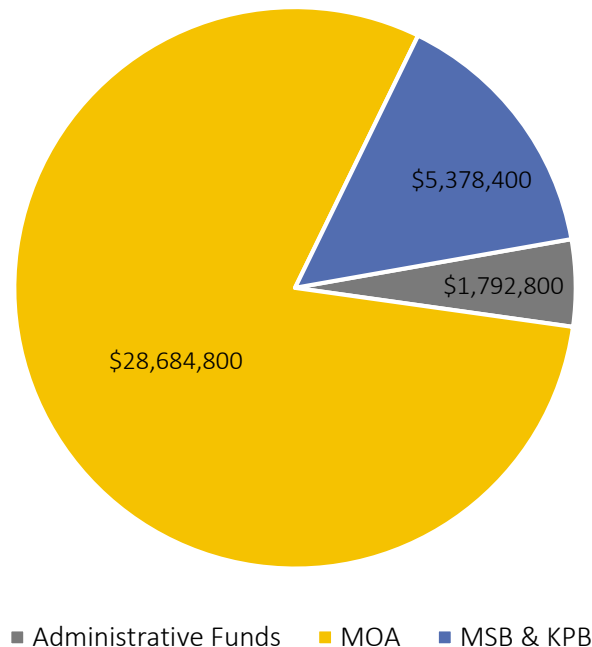


CDBG-DR Funds

CDBG-DR grants must be used for:

"...necessary expenses related to disaster relief, longterm recovery, and restoration of infrastructure, housing, and economic revitalization..."

HUD Expenditure Requirements for CDBG-DR Funds





Funding Breakdown

HUD identified the Municipality of Anchorage (MOA) as the “*most impacted and distressed*” area with 80% of the funding, \$28,685,000, to be expended in the MOA.

\$5,378,400 is available for the Matanuska-Susitna Borough (MSB) and the Kenai Peninsula Borough (KPB).



CDBG-DR Process and Timeline

Presidentially Declared Disaster

- January 3, 2019 Governor Dunleavy requested a Presidential Major Disaster Declaration for the Cook Inlet earthquake
- President Trump declared the disaster **January 31, 2019**

Congress

- Approved CDBG-DR appropriations on **June 3, 2019**
- Included \$2.4 Billion for disasters that occurred in 2018 and 2019

HUD

- Calculated and announced allocations in the Federal Register
- Awarded CDBG-DR funds
- \$35,856,000 allocated to Alaska on **January 27, 2020**

State and Local Governments

- Receipt of Federal funds approved by the Alaska Legislature in Chapter 7 SLA 20
- Distributes funds to subrecipients or subgrantees (pending)



CDBG-DR Program Life Cycle

We are here



Pre-award

- HUD allocates CDBG-DR funds to state or locality
- Complete required pre-award checklists and certifications and submit to HUD
- Execute data sharing agreements with FEMA and SBA
- Complete unmet needs analysis and Action plan including outreach and public comment

Start up

- Grant agreement between HUD and CDBG-DR grantee
- Policies, procedures, forms and organizational plans developed
- Financial and reporting systems set up
- Activity set up in DRGR
- Staff and Partners hired, selected, and/or procured
- Environmental review
- Duplication of benefits analysis

Six years

Operations

- Programs and projects completed (e.g. construction)
- DRGR draws and financial and contract management
- Communications and outreach to citizens and applicants
- Monitoring and compliance including fraud prevention
- Reporting and data quality assurance

Close out

- Ongoing monitoring and compliance, including fraud prevention
- Activity and project close out
- Recordkeeping, reporting and data quality assurance
- Conduct duplication of benefits analysis
- Monitor spending to insure sufficient LMI benefit



Next Steps

- Complete pre-award activities
- Execute CDBG-DR agreement between HUD and the State of Alaska
- Execute subrecipient agreements between the State of Alaska and subrecipient jurisdictions or housing authorities
- Scale up DCCED operations



Subrecipient Access to Funds

- CDBG-DR is a cost reimbursable grant program
- Execution of a subrecipient agreement is required to access funds
 - Subrecipient implements program
 - Submits to DCCED monthly progress reports with requests for reimbursement
 - DCCED reviews, processes, and disburses funds to subrecipient



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