

Community Development Grants**FY2006 Request: \$14,538,000****Reference No: 38943****AP/AL:** Appropriation**Project Type:** Construction**Category:** Development**Recipient:** Various**Location:** Statewide**Contact:** Michael Black**House District:** Statewide (HD 1-40)**Contact Phone:** (907)269-4578**Estimated Project Dates:** 07/01/2005 - 06/30/2010**Brief Summary and Statement of Need:**

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

Funding:	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	Total
Fed Rcpts	\$14,050,000	\$14,050,000	\$14,050,000	\$14,050,000	\$14,050,000	\$14,050,000	\$84,300,000
Gen Fund	\$488,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$2,738,000
Total:	\$14,538,000	\$14,500,000	\$14,500,000	\$14,500,000	\$14,500,000	\$14,500,000	\$87,038,000

<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
2% = 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
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

Refer to the funding matrix in the detailed description.

Project Description/Justification:

Specific federally-funded programs:

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. From FY2000 through FY2005 the average total funding was \$400,000, with FEMA providing \$300,000 and requiring \$100,000 (25 percent match) from the State. In FY2004 & FY2005, Commerce's application to FEMA requesting federal funding was denied -- of all 50 states, FEMA selected only 5 states.

Commerce will again submit an application to FEMA for the funding of this program in FY2006 and anticipates \$300,000 in federal funding with a State match requirement of \$100,000.

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 FY2005 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 FY2006 Commerce anticipates \$250,000 in federal funding from the USDA, \$500,000 in federal funding from the DC, and a State match requirement of \$50,000 (20 percent of the USDA portion).

3. Multi-Use Facilities Grants: 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 program is funded by the federal Denali Commission (DC). In FY2004 the amount was \$7,677,032, FY2005 will be approximately \$8,000,000, and FY2006 is anticipated at \$8,000,000. A State match will not be required.

4. Accelerated Infrastructure Development Grants: 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. Beginning in FY 2005 and continuing throughout FY2006 another 48 communities in Lower Kuskokwim, Bering Straits, Copper Valley, and Southeast will be mapped. Communities are required to contribute 50 percent of the cost of the project.

The program is being funded with \$1,200,000 from the federal Denali Commission (DC), \$270,000 in Inter Agency receipts from the State's Department of Transportation, \$120,000 from Commerce, and \$475,550 from the local communities (which is approximately 39%, though Commerce is requiring a 50% local contribution). Total funding is \$2,065,550 and will continue through December 2005, mid-way through FY2006.

Commerce wishes to extend the duration of this program by contributing an additional \$300,000 in General Fund monies.

5. Delta Junction Missile Defense Impact: Grants to the City of Delta Junction and the Delta Junction School District intended to mitigate the impact of the construction and operation of the Missile Defense Test Bed Facilities at Fort Greeley.

This program, funded by the U.S. Department of Defense (DOD), provided \$18,300,000 in FY2004, \$10,000,000 in FY2005, and is anticipated to provide an additional \$5,000,000 in FY2006. A State match is not required.

6. Bulk Fuel Bridge Loan: Administrative costs incurred by the grantee, for the implementation of the Bulk Fuel Bridge Loan Program. Funding is provided by the Denali Commission and the Governor's Office. Commerce estimates that grantees will incur approximately \$38,000 in administrative costs for FY06 and requests general funds to cover the expense.

Summary of Anticipated Funding by Federal Agency

Federal Agency	Federal	General Fund	Total
FEMA	300,000	100,000	400,000

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USDA	250,000	50,000	300,000
DC	8,500,000	338,000	8,838,000
DOD	5,000,000	0	5,000,000
Total	14,050,000	488,000	14,538,000

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