



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Commerce,
Community, and Economic
Development**

DIVISION OF COMMUNITY AND
REGIONAL AFFAIRS
Anchorage Office

550 West Seventh Avenue, Suite 1650
Anchorage, Alaska 99501
Main: 907.269.4252
Fax: 907.269.4539

April 28, 2026

Mayor Peter A. Micciche
Kenai Peninsula Borough

**RE: Notice of Intent to Award Community Development Block Grant –
Mitigation for the 2018 Cook Inlet Earthquake Public Infrastructure Program**

Dear Mayor Micciche:

With HUD's recent approval of Substantial Amendment #1 of our 2018 Cook Inlet Earthquake Mitigation Action Plan, there are several things we're able to begin in preparation for the grant. These are outlined below:

PROJECT MANAGEMENT:

Enclosed is a Signatory Authority Form with which the Executive Director conveys authority to personnel to sign grant documents and financial reports. We recommend that the person(s) most involved in the management of the grant have signatory authority. The original completed form must be on file with our office prior to any grant documents being processed. Be sure to keep a copy for your files.

SAMS CERTIFICATION AND TRANSPARENCY ACT:

Our office is required to report information about grantees who receive funds under a federal grant per the Federal Funding Accountability and Transparency Act (FFATA). Information is reported in the FFATA Subaward Reporting System (FSRS). The information entered in the FSRS will then be displayed on www.USASpending.gov.

To comply with FFATA, all subrecipients must maintain a current SAM.gov registration. For more information about this requirement, visit SAM.gov or the Federal Service Desk, FSD.gov.

Please complete, sign, date and submit the enclosed **SAM Certification and Transparency Act** form, submitting the original signed form to our office and keeping a copy for your files. The certification is an assurance that your organization will keep their SAM.gov registration current throughout the term of the grant agreement.

CIVIL RIGHTS & FAIR HOUSING:

As these are federal funds, both the state and your organization must follow Civil Rights and Fair Housing laws and requirements. Enclosed is the Civil Rights Handbook outlining your organization's responsibilities and requesting specific documentation to fulfill this requirement. Please complete and submit the enclosed forms A-1, A-2, B-1, B-2 and C-1. Please also submit a copy of your organization's **Personnel Policy** and a copy of the **application form** your organization uses to hire employees. **All documents and information requested must be submitted prior to any release of funds on this grant.**

As part of these requirements, a **Fair Housing poster/brochure** (enclosed) is to be displayed at your organization's offices for the duration of your CDBG-MIT program.

COMPLAINT PROCESS:

Your organization must establish and make its employees aware of a complaint process regarding this grant. To do so, your organization must provide employees the address, phone number, and hours of operation available for submitting complaints and grievances. Your organization must provide written responses to written complaints and grievances, within 15 days of receipt. A notice outlining the complaint process must be posted in your organization's offices during the term of this grant. Enclosed are forms for this purpose, **review the forms, post as required, and send a copy for our files.**

SCOPE OF WORK/BUDGET:

In this program, there is \$373,400 allocated for public infrastructure for Kenai Peninsula Borough residents. Please provide a proposed travel budget. If your organization requires any adjustments to the budget, please provide this information in writing. Any administrative expenses are considered a Program Direct Cost for the project and should be included in addition to the Public Infrastructure Amount. The purchase of equipment may be an eligible expense.

INSURANCE:

Your organization is required to obtain workers' compensation insurance, comprehensive general liability insurance, comprehensive automobile liability insurance (if you will be using any automobiles in the operation of this grant), and professional liability insurance (if applicable) coverage in the amounts identified in the attached Appendix B. Please have your organization's insurance agent include DCCED as a certificate holder for the duration of the program and ask them to send me a **Certificate of Insurance** to verify your organization's coverage. (See page 7 of the CDBG-MIT Subrecipient Introductory Handbook.)

Any contractor/subcontractor/subconsultant hired to work on this program must be licensed, bonded, and insured for at least the total amount of the project. It is your organization's responsibility to make sure its contractor(s) maintain the appropriate insurance coverage on this project as listed on Appendix B2 (attached).

PROCUREMENT STANDARDS:

Your organization is required to follow fair and equitable procurement standards in the acquisition of all services, supplies, and materials. Your organization may use its own procurement procedures provided that the procurements conform to applicable federal law and the standards identified in [2 CFR Part 200.317-324](#). **Provide a copy of your organization's procurement policy for our files.**

If your organization does not have an adopted procurement policy, you will follow applicable federal law and the standards identified in [2 CFR Part 200.317-324](#). We advise your organization to develop and adopt a procurement code in the foreseeable future and suggest contacting the assigned DCRA grant administrator for assistance.

TIMELINE:

The start date of the grant agreement will depend on how quickly all required documentation related to this program is submitted. During the term of the grant, your organization will be required to submit monthly financial(Reimbursements Requests)/performance reports and will be monitored regularly for compliance.

AUDIT REQUIREMENTS:

Your organization should be aware that this grant could trigger a federal audit. If your organization expends \$750,000 or more in federal awards from all sources in a fiscal year, a federal single audit must be completed for that year. CDBG-MIT funds can be used to pay a pro-rated share of your organization's audit costs if that cost is budgeted in the grant agreement. However, using CDBG-MIT funds for audit costs will delay the close-out of the grant since we will need a copy of the audit for our file.

SUPPORTING DOCUMENTATION:

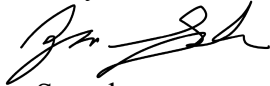
CDBG-MIT grants are cost reimbursable. This means that your organization will have to pay for the costs as they are incurred and request reimbursement at the end of each month. Generally, it takes thirty (30) days from the time a request for reimbursement is received to the time your organization receives payment.

Your organization is required to keep records of all expenditures related to these CDBG-MIT projects. You must submit copies of these records with your organization's monthly requests for reimbursement. These records should include invoices, bills, and proof of payment; payroll checks, fringe benefit costs, and copies of payroll records including signed timesheets that clearly reflect hours spent on this grant vs. other work, phone records; etc. These records should be kept separate from expenditures made for other projects or for normal business operations. Your organization should put a notation on each bill or invoice indicating that it was paid with CDBG-MIT funds.

Enclosed is the *CDBG-MIT Subrecipient Introductory Handbook* which outlines the pre-agreement requirements, the grant agreement, record-keeping, reporting requirements, monitoring processes for your organization's program, and grant close-out procedures. Please read this handbook to familiarize yourself with the program and your organization's responsibilities.

Your organization is not authorized to expend funds or incur costs under this project until a grant agreement has been executed. Please respond to this negotiation letter **in writing and provide the required information no later than May 29, 2026.** The execution of your organization's grant agreement and the implementation of your program will be affected by how quickly this information is submitted. If you have any questions, feel free to call me at (907) 451-2717 or via email zac.sprecher@alaska.gov.

Sincerely,



Zac Sprecher
Grants Administrator

Enclosures:

- Signatory Authority Form
- SAM Certification and Transparency Act Form
- Civil Rights Handbook/Fair Housing Poster
- Compliant Process Form
- Appendix B2 - Insurance and Bonding
- CDBG-MIT Subrecipient Introductory Handbook