



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS
Anchorage Office

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June 6, 2023

Mayor Peter A. Micciche
Kenai Peninsula Borough
144 N. Binkley St.
Soldotna, AK 99669

**RE: Community Development Block Grant – Disaster Recovery Planning
Updating Hazard Mitigation Plan**

Dear Mayor Micciche,

On May 19, 2023, the U. S. Department of Housing and Urban Development (HUD) approved Substantial Amendment #3 that identifies the borough's proposed planning activities. There are several actions to begin in preparation of this grant. These are outlined below:

ENVIRONMENTAL REVIEW:

Before the borough may incur costs or expend any funds (either Community Development Block Grant – Disaster Recovery (CDBG-DR) funds or matching funds), the environmental review requirements must be met. For your office location, we have enclosed HUD Form "Environmental Review for Activity/Project that is Exempt or Categorically Excluded Not Subject to Section 58.5, Pursuant to 24 CFR Part 58.34(a). This is the first step in negotiating the borough's CDBG-DR agreement for the above referenced grant.

PROJECT MANAGEMENT:

Enclosed is a Signatory Authority Form with which you convey 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). In order to comply with FFATA, all recipients must maintain a current SAM.gov registration. For more information visit SAM.gov or the Federal Service Desk, FSD.gov.

Your CDBG-DR award information will be reported in the FFATA Subaward Reporting System (FSRS). The information entered in the FSRS will then be displayed on www.USASpending.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 the borough 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 the borough must follow Civil Rights and Fair Housing laws and requirements. Enclosed is a packet of information outlining the borough'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 the borough's **Personnel Policy** and a copy of the **application form** the borough 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 the borough's office for the duration of your CDBG-DR planning activities.

COMPLAINT PROCESS:

The borough must establish and make its residents aware of a complaint process regarding this grant. To do so, the borough must provide residents with the address, phone number, and hours of operation available for submitting complaints and grievances. The borough must provide written responses to written complaints and grievances, within 15 days of receipt. A notice outlining the complaint process must be posted in the borough office during the term of this grant. Enclosed is a form for this purpose, **complete the form, post as required, and send a copy for our files.**

SCOPE OF WORK/BUDGET:

In Substantial Amendment #3, we identified CDBG-DR Planning Activities for Updating the Kenai Peninsula Borough Hazard Mitigation Plan. These activities may consist of data gathering, studies, analysis, preparation of plans and the identification of actions that will implement such plans, including but not limited to: (1) Comprehensive plans; (2) Community development plans; (3) Functional plans; (4) Other plans and studies; and (5) Policy planning, management, and capacity building activities.

To assist in the preparation of your grant agreement scope of work, please provide detailed information to include the following:

1. Planning Description, identifying the planning activities that will be performed utilizing CDBG-DR funding.
2. Planning Deliverables, Goals, and Timelines; to ensure the planning activity stays on schedule. For example, when will the public hearings be conducted, etc.
3. The CDBG-DR Allocation Amount is \$281,250. Please provide a budget narrative and a breakdown of the costs to be identified in the grant agreement.
4. Expenditure Projections by Quarter and Year, to include a list of private, state or federal leveraged funding sources for the proposed planning activities.
5. List of Planning Staff. For example, a list of KPB personnel to be paid with these funds.

INSURANCE

The borough 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 the borough's insurance agent include DCCED as

a certificate holder for the duration of the planning activities and ask them to send me a **Certificate of Insurance** to verify the borough's coverage. (See page 6 of the CDBG-DR Subrecipient Introductory Handbook.)

Any contractor/subcontractor hired to work on these planning activities must be licensed, bonded, and insured for at least the total amount of the planning activity. It is the borough's responsibility to ensure its contractors maintain the appropriate insurance coverage on these planning activities as listed on Appendix B2 (attached).

The following items do not require action immediately, but it is essential that you are familiar with each item in order to successfully administer your grants:

PROCUREMENT STANDARDS:

The borough is required to follow fair and equitable procurement standards in the acquisition of all services, supplies, and materials. The borough 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 the borough's procurement policy for our files.**

The borough must keep clear records of the solicitation process, award of contract, and provide copies of these records before entering into a contract agreement. (For more information, see the CDBG-DR Subrecipient Introductory Handbook Part III Procurement and Contracting).

TIMELINE:

The start date of the grant agreement will depend on how quickly all required documentation related to these planning activities is submitted. During the term of this grant, the borough will be required to submit monthly financial/progress reports and will be monitored regularly for compliance.

PUBLIC HEARING:

Before the grant agreement may be executed, the borough must hold a public hearing to accept the \$281,250 in federal pass-through funds from the Department of Commerce, Community, and Economic Development. Additional public hearings must be held during the term of these planning activities to review program performance. The borough must provide reasonable notice of these hearings, and it must be held at a time and location convenient to low and moderate-income people, with accommodations for the handicapped. Additionally, public hearings must be conducted in a manner to meet the needs of non-English speaking residents, or where a significant number can reasonably be expected to participate.

Additional public hearings may be required in the event of a substantial change in purpose, scope, location, or beneficiaries of the CDBG-DR planning activities. You must provide documentation, in the form of meeting minutes, or a Resolution approved by the Kenai Peninsula Borough Assembly from all public hearings related to the CDBG-DR planning activities.

AUDIT REQUIREMENTS:

The borough should be aware that this grant could trigger a federal audit. If the borough 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-DR funds can be used to pay a pro-rated share of the borough's audit costs if that cost is budgeted in the grant agreements. However, using CDBG-DR funds for audit costs will delay the close-out of this grant since we will need a copy of the audit for our file.

SUPPORTING DOCUMENTATION:

CDBG-DR grants are cost reimbursable. This means that the borough 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 the borough receives payment.

The borough is required to keep records of all expenditures related to the CDBG-DR planning activities. You must submit copies of these records with the borough'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. The borough should put a notation on each bill or invoice indicating that it was paid with CDBG-DR funds.

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

The borough is not authorized to expend funds or incur costs under the CDBG-DR planning activities until the grant agreement has been executed. Please respond to this negotiation letter **in writing and provide the required information no later than June 30, 2023.** The execution of the borough's grant agreement and the implementation of your planning activities will be affected by how quickly this information is submitted. If you have any questions, feel free to call me at (907) 269-4252 or via email anita.baker@alaska.gov.

Sincerely,

Anita Baker

Anita Baker
Grants Administrator

Enclosures:

- HUD Form "Environmental Review for Activity/Project that is Exempt or Categorically Excluded Not Subject to Section 58.5, Pursuant to 24 CFR Part 58.34(a) and 58.35(b).
- Signatory Authority Form
- SAM Certification and Transparency Act Form
- Civil Rights Handbook/Fair Housing Poster
- Compliant Process Form
- Appendix B2 - Insurance and Bonding
- CDBG-DR Subrecipient Introductory Handbook