



STATE OF ALASKA PLAN FOR DISASTER RECOVERY #4413:

2018 Cook Inlet Earthquake
(POINT MACKENZIE EARTHQUAKE)

Abstract

The Supplemental Appropriations for Disaster Requirements (Pub. L. 116-20)
approved June 6, 2019

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I. Introduction and Background

Since January 2011, FEMA Region X has partnered with the State of Alaska to deploy Risk Mapping, Assessment, and Planning, (Risk MAP) projects with the goal of accurately and comprehensively depicting natural hazard risks throughout Alaska, including the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough. In September 2018, FEMA published the draft Risk Report for the Municipality of Anchorage, which included a M7.2 Intraplate Earthquake scenario (very similar in type, intensity and proximity to the actual M7.1 2018 Cook Inlet Earthquake) with an Estimated Total Dollar Loss of \$458.2 million within the Municipality of Anchorage, which included \$9.4M in Chugiak and \$25M in Eagle River. FEMA Region X, the State of Alaska, and the Municipality of Anchorage are scheduled to resume the Risk MAP project in January 2021 with a presentation by the Earthquake Engineering Research Institute on its Reconnaissance Report, which formally documented observed impacts of the 2018 Cook Inlet Earthquake.

The following information was extracted and summarized from Governor Michael J. Dunleavy, “Request for Major Disaster Declaration, January 3, 2019”, State of Alaska Letter, Available: <https://gov.alaska.gov/wp-content/uploads/sites/2/Request-for-Presidential-Disaster-Declaration.pdf>. (Reference 1)

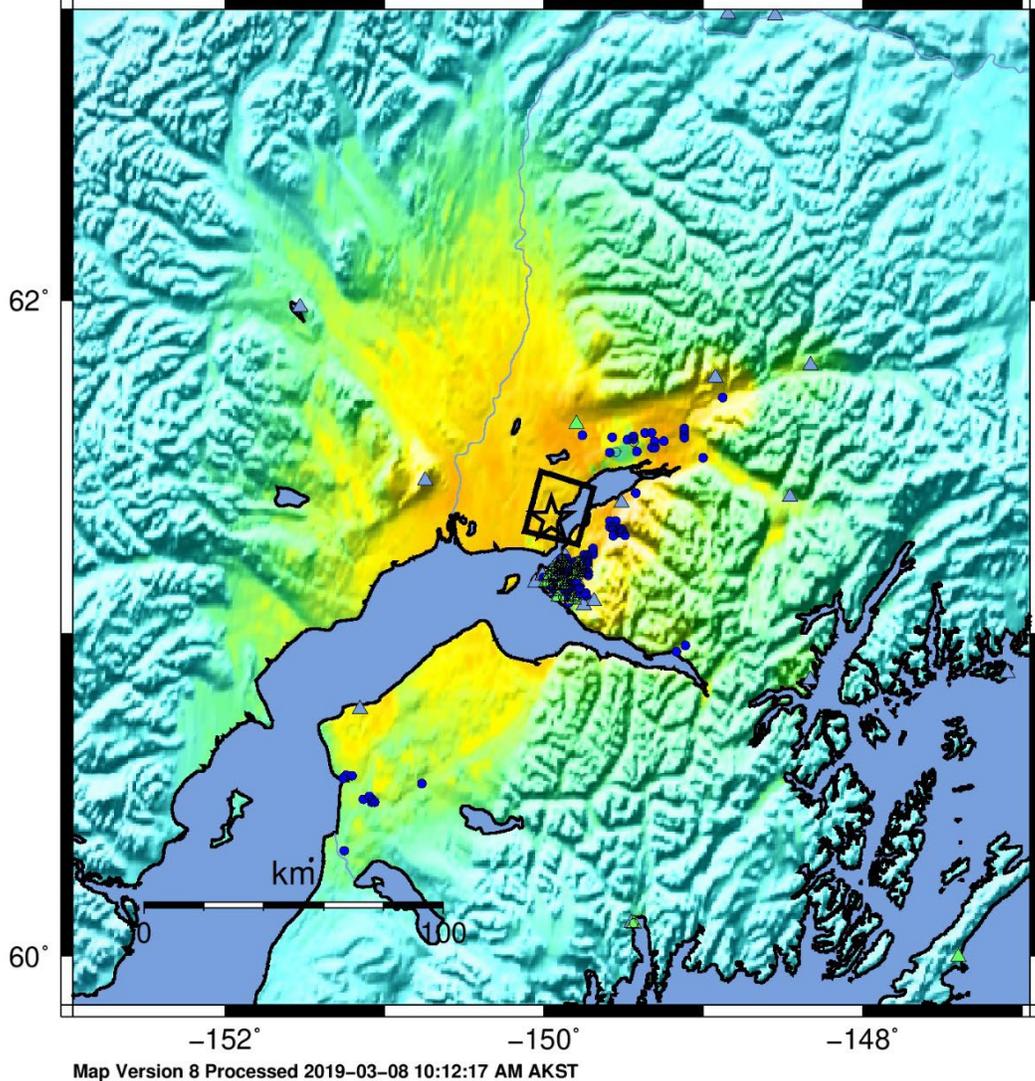
On November 30, 2018, at 8:29 am, Alaska Standard Time, a 7.1 magnitude earthquake located seven miles north of Anchorage near Point MacKenzie produced very strong seismic shaking that caused widespread and severe damage primarily within the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough. (Reference 2) The earthquake, and the subsequent aftershocks, caused damage to major highways and important public roads, bridges, and other transportation infrastructure; undermining of road embankments and railroad tracks, and loss of track base; widespread power, water, and communication disruption; structural collapse and resulting fires to several buildings; and severe damage to private homes, personal property, and businesses.

There were no fatalities during the 2018 Cook Inlet Earthquake and thus far, there have been no earthquake-related fatalities during the recovery. However, there is an urgent need to respond to the residents still living a privately owned mobile home park, where the community water well and potable water distribution system was damaged during the 2018 Cook Inlet Earthquake. Lives depend upon CDBG-DR funds being approved.

In order to adequately plan and prepare for the next construction season beginning in April 2021, it is imperative for this Action Plan and the Implementation Plan be reviewed and approved in an expedient manner.

AEC ShakeMap : 7 miles NW of Elmendorf AFB

Nov 30, 2018 08:29:29 AM AKST M 7.1 N61.35 W149.96 Depth: 46.7km ID:20419010



PERCEIVED SHAKING	Not felt	Weak	Light	Moderate	Strong	Very strong	Severe	Violent	Extreme
POTENTIAL DAMAGE	none	none	none	Very light	Light	Moderate	Mod./Heavy	Heavy	Very Heavy
PEAK ACC.(%g)	<0.05	0.3	2.8	6.2	12	22	40	75	>139
PEAK VEL.(cm/s)	<0.02	0.1	1.4	4.7	9.6	20	41	86	>178
INSTRUMENTAL INTENSITY	I	II-III	IV	V	VI	VII	VIII	IX	X+

Scale based upon Worden et al. (2012)

Figure 1

The concentration of the shaking was primarily limited to three jurisdictions; the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough, which are represented in Figure 2. During the following year, nearly 10,000 aftershocks were recorded by USGS. Significant seismic activity continues in this area as evidenced by the most recent 5.1 magnitude earthquake on November 8, 2020.

These conditions required local emergency protective measures to protect life and property, including activation of emergency operation centers, emergency debris clearance and temporary repairs to highways, public roads, and railroad tracks to protect critical infrastructure and maintain access, placement of road barricades to protect roads and bridges, operation of mass shelters for affected residents, and school, business and government office closures.

All affected communities are located around Cook Inlet in Southcentral Alaska. The Municipality of Anchorage is the largest metropolitan area in the State of Alaska with a 2018 population of 295,365. The Matanuska-Susitna Borough is located approximately 30 miles north of Anchorage, encompasses 24,682 square miles (slightly larger than the State of West Virginia) and in 2018 had a population 105,743. The Kenai Peninsula Borough is located across the Turnagain Arm, about 40 miles south of Anchorage and in 2018 had a population of 58,471. (Reference 4) The three contiguous jurisdictions affected by the earthquake comprise over 60 percent of the State's total population and a substantial portion of Alaska's economic base.

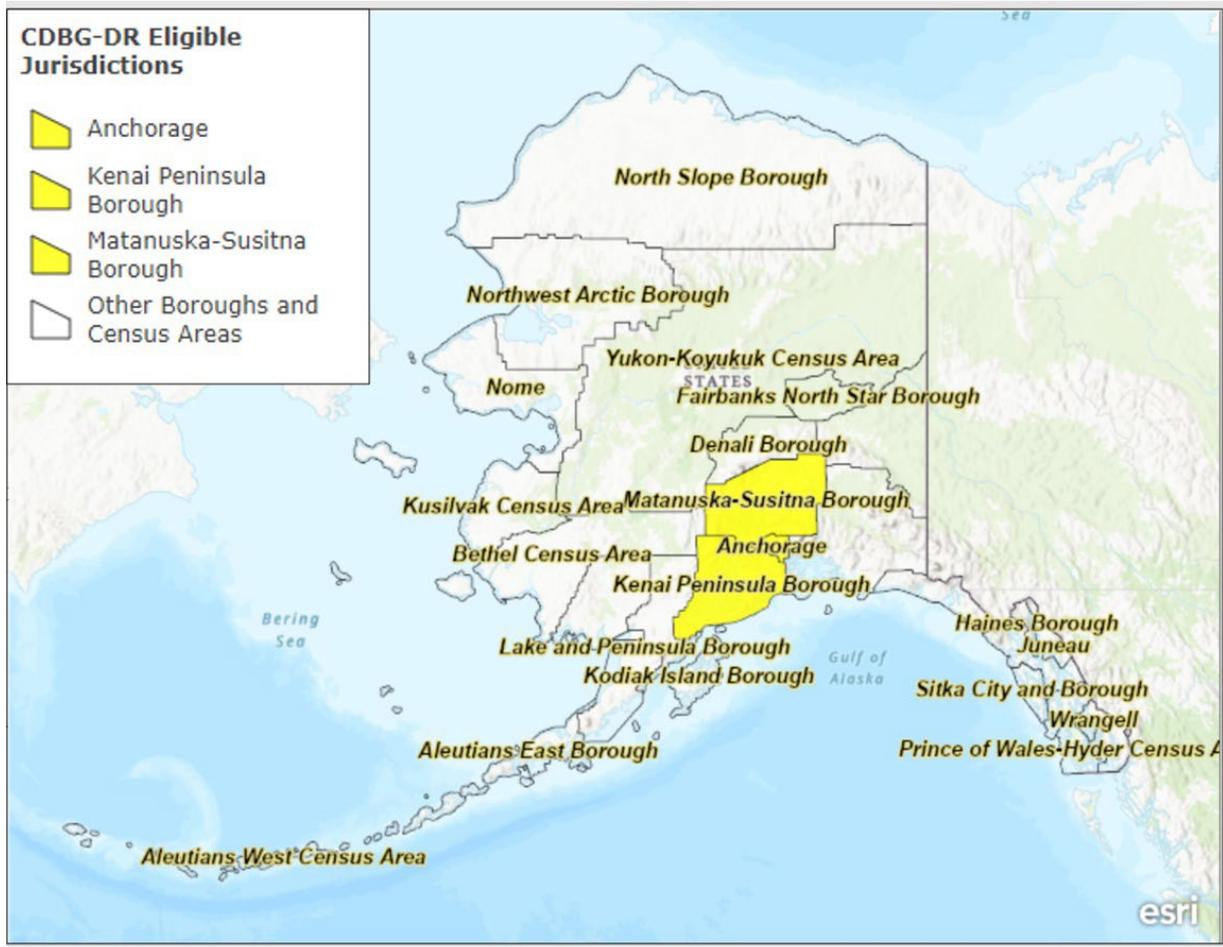


Figure 2

The Municipality of Anchorage is the predominant economic center of the State, and is comprised of the City of Anchorage, and suburban areas to the north and south. The 2010 Census found a population of 34,982 in Eagle River and smaller settlements further north of Anchorage -- Chugiak, Birchwood, Peters Creek, Thunderbird Falls, and Eklutna, an Alaska Native village of about 70 residents. These communities were annexed into the Municipality of Anchorage in 1975 and remain major suburban centers. The search for affordable housing and property encouraged Anchorage residents to move further north to the cities of Palmer, Wasilla, Houston, Sutton, and other communities of the Matanuska-Susitna Borough. Over 52,000 vehicles use the Glenn Highway that connects Anchorage and the Matanuska-Susitna Borough every day, serving commuters, visitors and commercial traffic.

Immediately following the earthquake, the State of Alaska activated the Emergency Operations Plan (EOP) and staffed the State Emergency Operations Center (SEOC) to Level three (actual event). The Municipality of Anchorage and the Matanuska-Susitna Borough each activated their EOCs to coordinate the response and all three jurisdictions declared local states of emergency.

Due to the scope of the earthquake damage and associated response efforts, Governor Walker verbally declared a State Disaster Emergency for the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough on November 30, 2018. This verbal declaration was followed by an official written declaration on December 2, 2018. This declaration authorized funds be made available from the State's public assistance, individual assistance, and temporary housing assistance programs, as well as, necessary administrative and disaster management expenses.

The cost and scope of the disaster was sufficient to warrant immediate federal disaster assistance; thus, in consultation with the Federal Emergency Management Agency (FEMA), Governor Walker requested and received an Emergency Declaration (EM-3410-AK) for direct federal assistance on November 30, 2018.

On January 3, 2019, under the provisions of Section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (Stafford Act) and implemented by 44 CFR 206.36, Governor Dunleavy requested a Declaration of Major Disaster for the State of Alaska to include the full suite of individual and public assistance, and temporary housing programs, as well as, necessary administrative and disaster management expenses, for the State of Alaska as a result of a major earthquake on November 30, 2018. He specifically requested supplemental federal disaster assistance programs available under the Individual and Households Program, Disaster Legal Services, Disaster Unemployment Assistance, Disaster Case Management, and Crisis Counseling Program. Governor Dunleavy also requested an Agency Declaration from the U.S. Small Business Administration (SBA), which was critical to the initial recovery.

The Presidential declaration of a major disaster for the State of Alaska (FEMA-4413-DR) was issued on January 31, 2019, which authorized \$28,052,842.61 in Individual & Households Program; \$27,717,950.97 in Housing Assistance; \$334,891.64 for Other Needs Assistance; and \$1,144,688 for the Hazard Mitigation Grant Program. (Reference 5)

In the Federal Register notice published on January 27, 2020 at 85 FR 4681, the State of Alaska received an allocation of \$35,856,000 from the U.S. Housing and Urban Development (HUD) under Public Law 116-20 for FEMA Disaster No. 4413, the 2018 Cook Inlet Earthquake. (Reference 6) HUD identified the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough as the only Community Development Block Grant-Disaster Recovery (CDBG-DR) eligible jurisdictions, in their entirety, and identified the Municipality of Anchorage as the “most impacted and distressed” area, which will receive 80% of the funding.

The State of Alaska has a FEMA approved Hazard Mitigation Plan. (Reference 7) The Municipality of Anchorage also has a FEMA approved All Hazards Mitigation Plan. (Reference 8) On August 20, 2020, FEMA preliminarily approved the Matanuska-Susitna Borough Hazard Mitigation Plan, which was scheduled for a public hearing on December 7, 2020. (Reference 9) The Kenai Peninsula Borough is finalizing their Multi-Jurisdictional Hazard Mitigation Plan.

The State of Alaska has developed the CDBG-DR #4413, the 2018 Cook Inlet Earthquake, Action Plan as described in the Federal Register notices published on February 9, 2018 at 83 FR 5844, August 14, 2018 at 83 FR 40314, February 19, 2019 at 84 FR 4836, June 20, 2019 at 84 FR 28836 and 28848, August 14, 2020 at 85 FR 50041, and September 28, 2020 at 85 FR 60821 (References 10-16) and the guidelines set forth by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant-Disaster Recovery Program. This Action Plan is in alignment with the State of Alaska Hazard Mitigation Plan 2018 prepared and maintained by the Department of Military and Veterans Affairs/Division of Homeland Security and Emergency Management (DMVA/DHS&EM).

Upon receipt of additional guidance from FEMA Region X in 2021, DCCED will amend this Action Plan.

This Action Plan is in alignment with the draft Alaska Housing Finance Corporation’s Consolidated Housing and Community Development Plan for the State of Alaska Five-Year Plan & Action Plan for State Fiscal Years 2021-2025 (Federal Fiscal Years 2020-2024), dated May 30, 2020, which was previously submitted to the U.S. Housing and Urban Development for the Community Development Block Grant Program. (Reference 17) The Municipality of Anchorage also has a Consolidated Housing and Community Development Plan for State Fiscal Years 2018- 2022, dated October 4, 2018. The Municipality of Anchorage has two amendments to their plan. The first amendment was unsubstantial and incorporated the Housing Trust Fund, dated June 3, 2019, and the second amendment was substantial, dated January 10, 2020. (Reference 18)

II. General Action Plan Requirements

A. Needs Assessment

The State of Alaska/Department of Commerce, Community, and Economic Development (DCCED) has completed the following Needs Assessment to evaluate the three core areas of recovery – housing, infrastructure, and economic revitalization and plan recovery activities within the three CDBG-DR eligible jurisdictions; the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough.

The Assessment of housing needs addressed interim and permanent; owner and rental; single family (1-4 dwelling units) and multi-family (5+ dwelling units); affordable, and market rate; and housing to meet the needs of pre-earthquake homeless persons.

The Needs Assessment considered the various forms of assistance available to, or likely to be available to, the three CDBG-DR eligible jurisdictions for earthquake repairs, seismic and structural analysis, as well as, seismic and structural upgrades to public infrastructure.

The State of Alaska produced estimates of Serious Unmet Housing Need, Serious Unmet Local Infrastructure Need, and Serious Unmet Business Need by estimating the portion of need likely to be addressed by insurance proceeds, other federal assistance, or any other funding source by using the most recent available data. The State of Alaska/DCCED has the data set from the DMVA/DHS&EM, FEMA, and the SBA.

The Needs Assessment considered whether public services are necessary to complement activities intended to address housing and economic revitalization. The State of Alaska addressed how these services are to be made accessible to individuals with wide-ranging disabilities including mobility, sensory, developmental, emotional, and other impairments.

The State of Alaska described how the planning activities will benefit the HUD-identified “most impacted and distressed” area, the Municipality of Anchorage.

The State of Alaska described the impact of the 2018 Cook Inlet Earthquake on housing, local infrastructure, and the local economy, within the three CDBG-DR eligible jurisdictions; the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough, using the most recent available data.

This assessment considered the costs of incorporating mitigation and resiliency measures to protect against future earthquakes, avalanches, landslides, ground failure, tsunamis, and flooding where applicable and other hazards.

The State of Alaska understands that as additional information becomes available or is updated, this Needs Assessment will be amended.

1. Housing

a. Pre-Earthquake Housing

Prior to the 2018 Cook Inlet Earthquake, Alaska housing challenges included an aging housing stock, a growing senior population, high housing costs and overcrowding. The Alaska Housing Finance Corporation completed the “Alaska Housing Assessment, Statewide Housing Summary” in January of 2018. (Reference 19) This assessment highlighted challenges related to housing, affordability, energy use and structural conditions from a statewide, regional and community perspective. The primary needs outlined in the report were the housing gap, affordable housing, senior housing and retrofits. It also forecasted future housing need based on estimated population changes, including aging Alaskans. In the Cook Inlet Region, Inc (CIRI) area, which encompasses the Municipality of Anchorage, the Matanuska-Susitna Borough and the Kenai Peninsula Borough, there was an estimated housing gap of 25,781 housing units by 2025.

b. Post-Earthquake Damage Assessment & Special Populations Damage Assessment

The extensive damage to residential homes in the impacted area of the disaster resulted in almost 300 uninhabitable homes due to major damage or destruction. Alaska has an abbreviated building season with most of the work accomplished during the longer-than-normal daylight in the summer months. Winter brings extreme temperatures that regularly drop to subzero with severe wind chills. Since the 2018 Cook Inlet Earthquake, there have been two winters, and a third winter is here. The extremely cold temperatures and the heavy snow load have only exacerbated the earthquake damage.

Figures 3 through 5, show where the concentration of damage within the three CDBG-DR eligible jurisdictions.

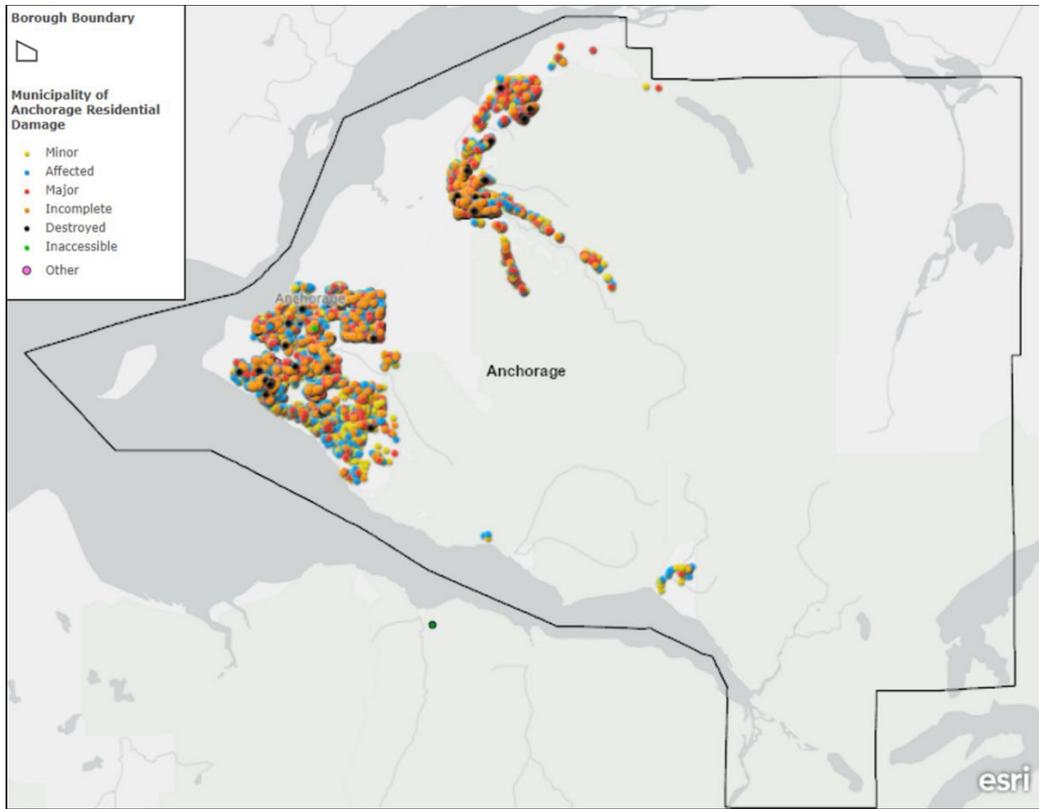


Figure 3

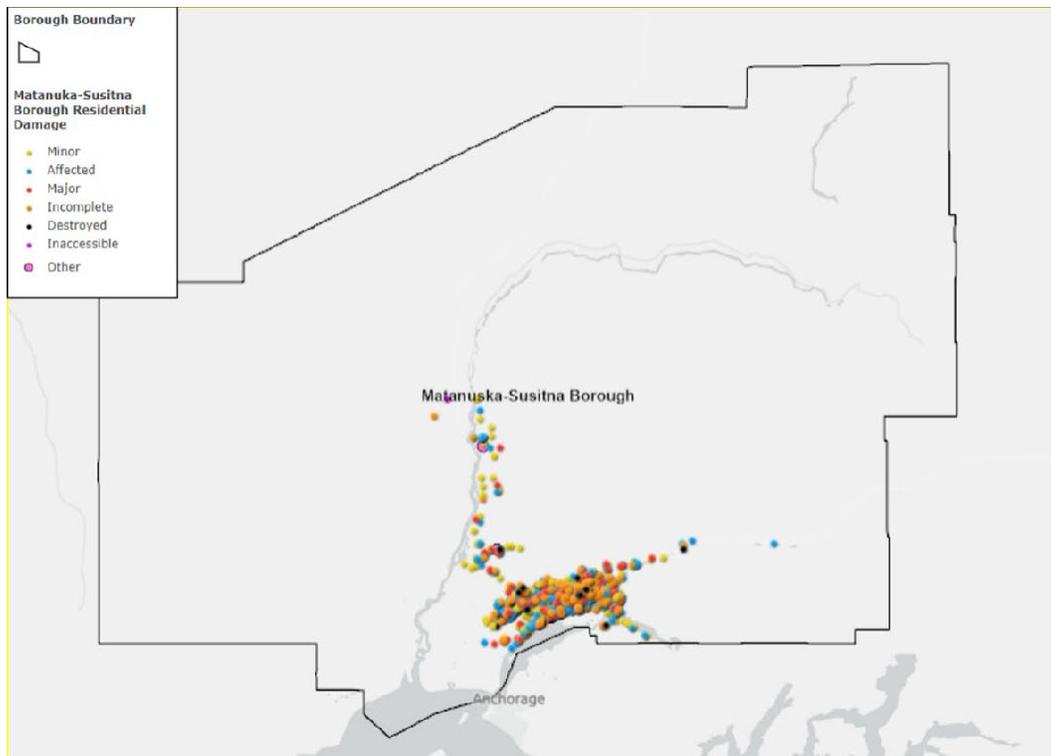


Figure 4

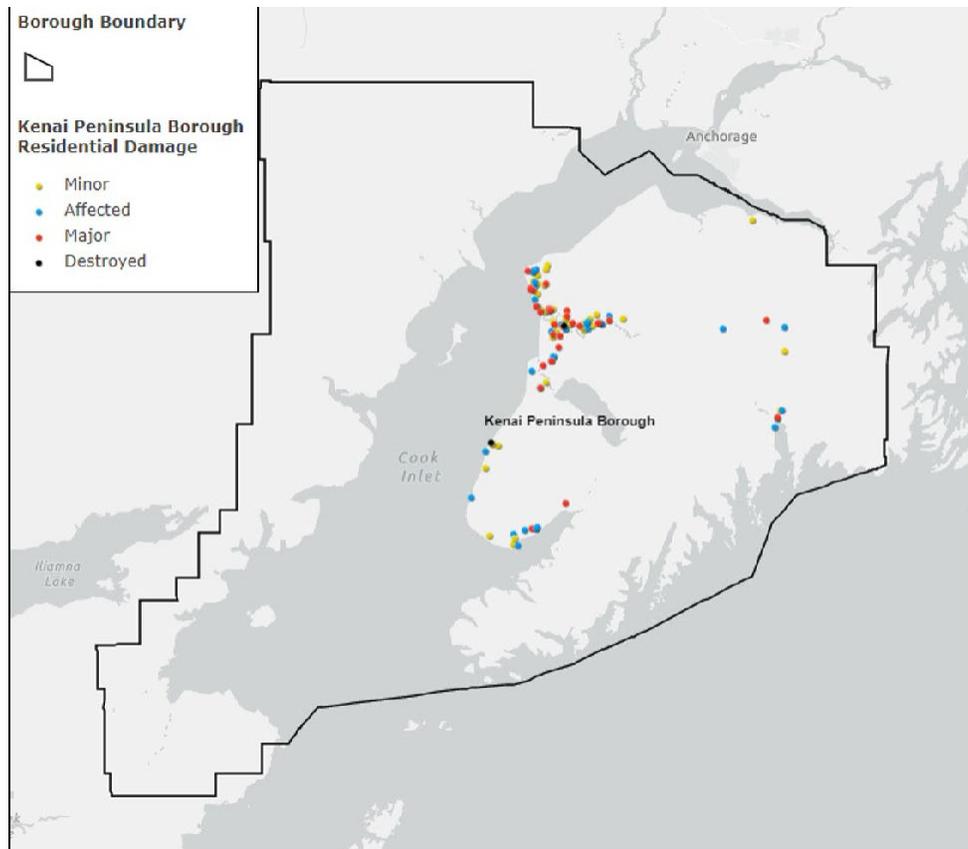


Figure 5

Special Populations

The following information was extracted and summarized from Governor Michael J. Dunleavy, “Request for Major Disaster Declaration, January 3, 2019”, State of Alaska Letter. The Preliminary Damage Assessments suggested that a large percentage of those surveyed in the area may be considered low income. This indicated that the homes most affected were likely owned by those with the least ability to recover on their own. Many of the affected residents were elderly or have special needs that preclude them from taking the necessary recovery actions. Poverty rates were near the State and/or national average, but applications for assistance revealed many residents lacked the capabilities and resources to recover without outside assistance.

Over a month after the 2018 Cook Inlet Earthquake, there were 111 residents being sheltered in temporary facilities or hotels; as their homes were uninhabitable, and they lacked access to other housing resources. Transient housing was needed to provide safe shelter for hundreds of residents. Numerous families also stayed with relatives, friends, or in hotels. These forms of temporary housing are historically short-lived, and many of these families required alternate housing assistance.

Compounding the sheltering problem, the Brother Francis Shelter, one of the largest homeless facilities in Anchorage, was filled prior to the earthquake. This shelter regularly served 400 of the estimated 1,000 homeless persons living in Anchorage.

Summary Data of Special Populations

Although the percentage of Alaskans living below the poverty level is less than the National Average, the difference is miniscule. The percentage of older Alaskans is less than the National Average due to out-migration for retirement. However, the percentage of people with disabilities is greater than the National Average, perhaps due to the high number of military veterans living in Alaska. The descendants of the first people living in Alaska continue to live throughout Alaska. Therefore, the percentage of American Indians & Alaska Natives is higher than the National Average.

Table 1

	Percent of Persons Below Poverty Level	Median Household Income, 2018 dollars	Percent Elderly*	American Indian/ Alaska Native	Percent Disabled	Percent Pre-Disaster Unemployment
National Average	12.3%	\$57,652	15.6%	1.3%	8.7%	3.5%
State Average	10.8%	\$76,715	10.6%	15.1%	12%	6.4%
Municipality of Anchorage	9.2%	\$83,280	9.9%	7.4%	11.1%	4.9%
Matanuska - Susitna Borough	10.3%	\$75,905	10.4%	5.6%	13.2%	6.5%
Kenai Peninsula Borough	12%	\$66,684	14.2%	6.7%	15.2%	No Data

*U.S. Bureau of Census American Community Survey, 2013-2018.

**U.S. Bureau of Labor Statistics (Oct 2018 data) at https://www.bls.gov/regions/west/summary/blssummary_anchorage.pdf

HUD Income Limits for 2020

Within the Municipality of Anchorage, the Median Family Income (MFI) is \$97,300. Listed below are HUD's 2020 Low Income limits (80% of the MFI):

Table 2

Family Size:	1	2	3	4
Maximum Income:	\$54,950	\$62,800	\$70,650	\$78,500
Family Size:	5	6	7	8
Maximum Income:	\$84,800	\$91,100	\$97,350	\$103,650

***www.HUD.gov FY2020 Income Limits Documentation System.

Within the Matanuska-Susitna Borough, the Median Family Income is \$91,400. Listed below are HUD's 2020 Low Income limits (80% of the MFI):

Table 3

Family Size:	1	2	3	4
Maximum Income:	\$51,200	\$58,500	\$65,800	\$73,100
Family Size:	5	6	7	8
Maximum Income:	\$78,950	\$84,900	\$90,650	\$96,500

***www.HUD.gov FY2020 Income Limits Documentation System.

Within the Kenai Peninsula Borough, the Median Family Income is \$89,700. Listed below are HUD's 2020 Low Income limits (80% of the MFI):

Table 4

Family Size:	1	2	3	4
Maximum Income:	\$50,250	\$57,400	\$64,600	\$71,750
Family Size:	5	6	7	8
Maximum Income:	\$77,500	\$83,250	\$89,000	\$94,750

***www.HUD.gov FY2020 Income Limits Documentation System.

c. Current Housing

The table listed below is the applicable Final FY2021 Alaska Fair Market Rent Summaries for each of the three CDBG-DR eligible jurisdictions.

Table 5

FY2021 Alaska FMR Local Area Summary

Name of Jurisdiction	Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	FMR Percentile
Anchorage, AK HUD Metro FMR Area	\$877	\$926	\$1,220	\$1,746	\$2,112	40
Matanuska-Susitna Borough, AK HUD Metro FMR Area	\$733	\$775	\$1,020	\$1,460	\$1,766	40
Kenai Peninsula Borough	\$814	\$817	\$1,077	\$1,494	\$1,624	40

***www.huduser.gov/portal/datasets/fmr/fmrs/FY2021_code/2021state_summary.odn.

The following information was extracted from the Alaska Economic Trends, August 2020. (Reference 20)

Table 6

Jurisdiction	Percent of Rental Units	Vacancy Rates	Average Adjusted Rent (2 Bedroom)	Average Adjusted Rent (3 Bedroom)
Municipality of Anchorage	39.1%	5.7%	\$1,140	\$2,058
Matanuska- Susitna Borough	23.1%	4.9%	\$1,050	\$1,668
Kenai Peninsula Borough	26.7%	10.6%	\$1,009	\$1,518

According to the draft Alaska Housing Finance Corporation’s Consolidated Housing and Community Development Plan for the State of Alaska Five-Year Plan & Action Plan for State Fiscal Years 2021-2025 (Federal Fiscal Years 2020-2024), dated May 30, 2020, (Reference 17), the two biggest housing related issues moving forward into the next five years are in-state migration from rural areas to urban areas and the growth in the senior population. Affordable housing is still a primary need across the State of Alaska and in the Municipality of Anchorage. Homelessness remains an important concern, as well, for both the State of Alaska and the Municipality of Anchorage. Appropriate and affordable housing must be in place for the Municipality of Anchorage to assist individuals and families with preventing and ending homelessness. Finally, the availability of housing accessible for persons with a disability remains a barrier for many households.

Prior to the 2018 Cook Inlet Earthquake, a privately owned mobile home park located within the Municipality of Anchorage was served by a community water well. Following the earthquake, the State of Alaska/Department of Environmental Conservation (DEC) issued a “boil water” notice due to the possibility of water contamination, which remains in effect today. The potable water distribution system was also damaged during the 2018 Cook Inlet earthquake. During the past two years, the water well has experienced a continued loss of water pressure and volume. The mobile home park owner has made some repairs to the water distribution system. However, the water volume and pressure has continued to decline, to the point where there is no water serving the residents of the mobile home park. Currently, there is no public water supply available to this mobile home park. In late October 2020, the Municipality of Anchorage hired a contractor to install an above ground 3,000-gallon water storage tank and another contractor to fill the storage tank with potable water up to six times per day. The residents then fill 15-gallon containers, which were generously donated by a faith based non-profit organization, and haul the water to their mobile homes by sled. It is winter; the ground is frozen and will remain frozen for the next 5 months. The average daily temperatures are below freezing and will remain below freezing until at least April 2021. There is a high probability that the septic system/sanitary wastewater system will fail under these circumstances. The COVID-19 Public Health Emergency only exacerbates this urgent, dire, unsafe, and unsanitary situation for these 40 Low-Moderate Income households. Therefore, the State of Alaska has included a Temporary Relocation Assistance Program and a Manufactured Home Repair/Replacement Program (citing Urgent Need and Low-Moderate Income Housing as the National Objectives) in this Action Plan.

d. Public Housing

The following information was extracted and summarized from the Municipality of Anchorage Housing and Community Development Plan with Amendments, dated January 10, 2020. (Reference 18) The Alaska Housing Finance Corporation (AHFC) is the public housing agency for the State of Alaska and the Municipality of Anchorage. It is a self-supporting corporation with a mission to provide Alaskans with access to safe, quality, affordable housing. They provide a variety of affordable housing programs and tools, including the operation of public housing, housing choice vouchers, and multifamily project-based assistance. They also finance housing developments through the Low-Income Housing Tax Credit program, tax-exempt multifamily loans, and the distribution of Federal and State housing grants. In addition, a variety of home loan programs for low- and moderate-income residents are offered by the Corporation.

AHFC promotes self-sufficiency and well-being for people in the State of Alaska and in the Municipality of Anchorage by providing:

- After-school programs for children in public housing developments;
- Jumpstart – a program that offers family self-sufficiency and educational resources;
- Service coordinators at senior/disabled housing locations to provide tenants with counseling and access to community resources;
- Meals on Wheels program at elderly/disabled buildings;
- Educational scholarships;
- Summer camp scholarships for children in the Housing Choice Voucher program and residing in Public Housing units;
- Set-aside vouchers for families under the following programs:
 - o Veterans Affairs Supportive Housing (178 vouchers in Anchorage)
 - o Empowering Choice Housing Program (families displaced due to domestic violence, 83 vouchers in Anchorage);
 - o Moving Home Program (families transitioning into housing from homelessness or institutional settings; must be eligible to receive services and apply through their community-based service organization to the State of Alaska Department of Health and Social Services, Division of Behavioral Services; 70 vouchers in Anchorage);
 - o Returning Home Program targeting probationers/parolees through a partnership with the State of Alaska Department of Corrections (30 coupons in Anchorage);
 - o Making A Home Program targeted to youth aging out of foster care through a partnership with the State of Alaska Office of Children’s Services (15 coupons in Anchorage);

In Anchorage, AHFC operates:

- 490 Public Housing Program units, of which 120 serve elderly/disabled populations exclusively
- 137 Section 8 Multifamily Housing Program units, of which 120 serve elderly/disabled populations exclusively
- 52 affordable housing units which accept individuals with vouchers
- 2,435 Housing Choice Vouchers
- 145 project-based voucher units (1248 East 9th Ave, Alpine Terrace, Loussac Place, Main Tree Apartments, Susitna Square, and Ridgeline Terrace)

In Anchorage, AHFC operates the following programs under a partnership agreement:

- 70 Section 8 Moderate Rehabilitation Program single-room occupancy units serving individuals who qualify as homeless under the McKinney-Vento Act
- The equivalent of 46 project-based vouchers for persons at Karluk Manor, a Housing First development targeting chronically homeless individuals with substance abuse and alcohol addictions
- The equivalent of 25, a sponsored-based assistance program for homeless youths at the Dena'ina House.

In the Matanuska Susitna Borough, AHFC operates:

- 32 Public Housing Program units, in Palmer, which serve elderly/disabled populations exclusively
- Housing Choice Vouchers

In the Kenai Peninsula Borough, AHFC operates:

- Public Housing Program units, in Seward, which serve elderly populations exclusively
- Housing Choice Vouchers available in Homer and Soldotna.

As of March 25, 2020, there were 2,570 families on the waiting list for AHFC Public Housing. At the same time, there were 2,577 families in Anchorage, 346 families in the Matanuska-Susitna Borough, and 399 families in the Kenai Peninsula Borough, on the Housing Choice Voucher waiting list. As of March 25, 2020, there were 661 seniors/disabled persons in Anchorage and 86 seniors in the Matanuska-Susitna Borough on the AHFC Public Housing-Senior Waiting List.

The Anchorage Housing Choice Voucher waiting list has gone to a lottery system, and periodically, the waiting list opens to applicants for a month. Those applicants are then worked for the next 2-3 years, until the waiting list is nearly exhausted, at which point another lottery is held. The lottery process has streamlined the application process and provided a more efficient and effective way for applicants to manage their housing needs. Most qualified applicants receive assistance in less than 2.5 years.

2. Public Infrastructure

a. Post-Earthquake Damage Assessment

Immediately following the earthquake, a joint Public Assistance Preliminary Damage Assessment (PA PDA) was conducted to estimate the cost of recovery. The PA PDA was conducted by local, State, and FEMA staff in the Municipality of Anchorage and the Matanuska-Susitna Borough between December 17 - 21, 2018. A subsequent PA PDA in the Kenai Peninsula Borough was conducted by State of Alaska staff December 20 - 21, 2018.

Due to the worsening winter weather conditions in the latter half of December 2018, the PA PDA focused on potential applicants reporting \$100,000 or greater in damages. There were likely a significant number of damaged buildings and facilities with damages below \$100,000 that were not included in the PA PDA, but will be eligible for public assistance.

At the time of assessment, the PA PDA validated the following public assistance damages:

- Category A (Debris Removal) _____ \$20,000. (0.04%)
 - Category B (Emergency Protective Measures) _____ \$1,801,040. (3.74%)
 - Category C (Roads & Bridges) _____ \$3,085,685. (6.41 %)
 - Category D (Water Control Facilities) _____ 0. (0.00%)
 - Category E (Buildings & Equipment) _____ 41,411,160. (86.07%)
 - Category F (Utilities) _____ \$50,000. (2.77%)
 - Category G (Other, Parks, Recreational Facilities, Fish Hatcheries) ___ \$463,000. (0.96%)
- Total Estimated Cost: _____ \$48,112,398.

Category C estimates did not include an estimated \$50 million in response and recovery costs eligible under the Federal Highways Administration (FHWA) Emergency Relief to Federal Roads program. Category E costs did not include costs covered by insurance.

As of December 24, 2018, the State of Alaska had expended \$326,394.73 in personnel, \$90,219.34 in temporary sheltering, and \$1,469,377.14 for contract support and other costs for a total of \$1,885,991.21.

Based on preliminary damage assessments, the State of Alaska determined the total estimated eligible expenses associated with the 2018 Cook Inlet Earthquake was \$48,112,398.

b. FEMA Public Assistance

Alaska’s Division of Homeland Security and Emergency Management has managed the FEMA Public Assistance (PA) funds related to the 2018 Cook Inlet Earthquake. These funds include a 75% federal cost share. The PA unmet need is calculated from the 25% state share plus a 25% resiliency factor on the unmet need.

The table below indicates an unmet need of just under \$13 million for public facilities, including resiliency factors. Two-thirds of the unmet need is for Buildings and Equipment (34 percent) and Roads and Bridges (32 percent). Utilities (16 percent) and Emergency Protective Measures (12 percent) comprise most of the remaining PA unmet need.

Table 7

Estimated Total Cost and Need by PA Category

Category	Approved Amount	25% State Share	25% Resiliency Factor	Unmet Need
A - Debris Removal	\$1,015,049	\$253,762	\$63,441	\$317,203
B - Emergency Protective Measures	\$4,914,207	\$1,228,552	\$307,138	\$1,535,690
C - Roads and Bridges	\$13,438,444	\$3,359,611	\$839,903	\$4,199,514
E - Buildings and Equipment	\$13,996,187	\$3,499,047	\$874,762	\$4,373,808
F - Utilities	\$6,675,073	\$1,668,768	\$417,192	\$2,085,960
G - Parks, Recreation, and Other	\$959,204	\$239,801	\$59,950	\$299,751
Z - Direct Administrative Costs	\$397,674	\$99,418	\$24,855	\$124,273
Total	\$41,395,838	\$10,348,959	\$2,587,240	\$12,936,199

This estimate was based on information gathered through May 2019.

c. Current FEMA Public Assistance

According to the DR-4413 FEMA Emmie/Portal, as of September 10, 2020, the Best Available Cost is over \$174 million for public infrastructure, which includes resiliency factors. This is nearly four times greater than the original estimated need for Public Assistance. The remaining PA unmet need is in Category E – Buildings [including public schools] and Equipment (69 percent), and Category G – Parks, Recreational, and Other (4 percent).

Table 8

Current Best Available Cost by PA Category

Category	FEMA Obligated	CRC Gross Cost	Best Available Cost
A - Debris Removal	\$1,000,725	\$1,001,926	\$63,441
B - Emergency Protective Measures	\$5,211,162	\$15,684,385	\$307,138
C - Roads and Bridges	\$14,061,203	\$16,316,544	\$839,903
D - Water Control Facilities	\$0	\$404,550	\$404,550
E - Buildings and Equipment	\$15,630,892	\$75,541,017	\$121,745,704
F - Utilities	\$8,109,728	\$8,340,736	\$8,946,045
G - Parks, Recreation, and Other	\$2,171,389	\$7,569,967	\$7,640,967
Total	\$46,185,098	\$124,859,125	\$174,392,888

3. Economy

a. Pre-Earthquake Economic Forecast

The following information was extracted from the 2018 Anchorage Economic Development Corporation (AEDC) Economic Forecast Report. (Reference 21) Consistent with AEDC's January 2017 forecast, Anchorage employment dipped 1.4 percent in 2017, a decline of about 2,100 jobs. In terms of employment, 2017 was a repeat performance of 2016, with oil and gas, construction, professional services, and state government all experiencing job loss. Once again, healthcare was the shining star, adding 800 jobs, continuing a decade of uninterrupted growth.

AEDC anticipated further employment decline in 2018, though fewer losses than experienced in 2016 and 2017. Overall, the economy was expected to shed another 1,000 jobs (0.7 percent) in 2018. Much of that decline was expected in the support sector, as the multiplier effects of previous years' losses rippled through the economy. While job losses were anticipated in retail and in the leisure and hospitality sector, the oil and gas and construction industries were expected to show strength compared to 2016 and 2017. Healthcare sector growth was expected to continue into 2018.

Beyond 2018, AEDC predicted a return to growth. Increasing natural resource values, a robust visitor industry, and other forces noted below boded well for Alaska. With Anchorage accounting for more than half of Alaska's total GDP of \$50 billion, what's good for Alaska was good for Anchorage, and vice versa. While AEDC believed 2018 was going to mark the bottom of the recession, without a long-term solution to Alaska's budget deficit, full recovery was going to remain elusive. The absence of State budget and taxation certainty promised to unnecessarily sideline investment.

b. Post-Earthquake Economic Forecast

The following information was extracted from the 2019 Anchorage Economic Development Corporation Economic Forecast Report. (Reference 22) AEDC predicted Anchorage would lose another 1,000 jobs in 2018, mainly in the support sector, as the multiplier effects of previous years' losses rippled through the economy. The final accounting of Anchorage employment in 2018 would likely place the loss at about 1,200 jobs, including 600 jobs in the retail sector.

Anchorage also saw further losses in the professional and business services sector (down 600 jobs) and government (down about 500 jobs). Yet again health care was there to ease the pain, adding another 500 jobs to a remarkable period of growth that totaled 3,000 new jobs over the past five years and more than 5,000 new jobs over the past ten years. There was also good news from the construction sector, which turned a corner in 2018, adding jobs for the first time since 2015, mainly due to the 2018 Cook Inlet Earthquake. The sector showed a 3 percent uptick (about 200 jobs) in employment in 2018.

The loss of 1,200 jobs in 2018 was not good news, but it was an improvement from 2017, when Anchorage lost 2,100 jobs, and from 2016, when the local economy shed 2,900 jobs. The trajectory of employment was in the right direction and 2019 was expected to reflect continuing improvement. As described in the AEDC forecast, further decline was likely in some sectors, but another strong year for the visitor industry, still more health care-related growth, a bump in construction employment, and other forces should have tipped the scales into positive territory, if only slightly.

AEDC expected Anchorage employment to trend up slightly in 2019, with a net increase of 300 jobs. While this employment forecast reflected some optimism for 2019, the state's \$1.6 billion budget deficit loomed large. The AEDC employment forecast began with an overview of a few key indicators, including population, unemployment rate, and rate of inflation. Then the 2019 employment outlook was described for each key sector of the local economy. The forecast concluded with a few big-picture thoughts about the outlook for Anchorage's economy.

c. Current Economic Forecast

The following information was extracted from the 2020 3-Year Economic Outlook prepared by the Anchorage Economic Development Corporation. (Reference 23) Uncertainty is inherent in economic forecasting, but recent events illustrate how quickly things can change. Today it's difficult to predict with any degree of confidence what the next six months might hold, let alone two or three years from now. Lapses in COVID-19 containment in Alaska and elsewhere in the U.S., the timing of vaccine development and distribution, the outcome of November elections, international tensions, and other forces are sure to affect economic activity and investor confidence.

AEDC remains focused on mitigating and repairing the immediate economic damage caused by COVID-19, assisting in any way it can the businesses and residents at greatest risk. It is difficult to know where Anchorage will land after the inevitable decline in federal funding that has been crucial to keeping many businesses and households afloat. Anchorage must be prepared for more difficulty ahead as the breadth and depth of the pandemic-induced recession becomes clearer.

Charting a course ahead for the Anchorage economy requires an understanding of the forces driving long-term population decline and a shrinking labor force. Population is down 10,000 since 2013, including the loss of 2,600 residents in 2019. The Anchorage labor force has been declining steadily, down 12,000 workers since 2014. If the employment estimate for 2020 holds true (down 11,000 jobs from 2019), Anchorage employment will have declined by 18,000 jobs from its peak in 2015 and dropped back to its lowest level in 20 years.

In last year's 3-year forecast, AEDC noted that Anchorage's economy had strength in its diversity, with important contributions from the military, transportation, health care, tourism, education, professional services, oil and gas, and other sectors. In early 2020, AEDC was mainly concerned about the prospect of state fiscal policies pushing Alaska deeper into recession. While state fiscal policy remains a significant unresolved issue, AEDC's current concerns are much broader as the still-unfolding negative impacts of COVID-19 grip the Anchorage economy. But the message still holds true — our economic diversity gives AEDC confidence in the future.

The path toward economic recovery will be difficult. The hard work that lies ahead is daunting. Alaskans can start by recognizing that the days of easy state (oil) money are behind us and can re-learn the importance of shopping locally and supporting local businesses. Alaskans can avoid the self-inflicted wounds that result from the threat of ever-changing tax rates on the oil industry. Alaska can finally establish a stable state fiscal plan, one that gives confidence to investors and all Alaskans who rely on the essential public services government provides. Finally, though perhaps difficult to see today, Alaskans must view this as an opportunity to rebuild a more resilient economy, to reskill for a 21st century workforce, and better leverage Alaska's natural advantages in the global marketplace.

The following information was extracted from the October 2020 Anchorage Employment Report prepared by the Anchorage Economic Development Corporation. (Reference 24) September 2020 experienced a drop of 15,000 jobs compared to September 2019. All sectors lost substantial numbers of jobs, with Leisure & Hospitality most impacted with 5,700 job losses. The number of single-family homes sold year-to-date has increased significantly. The average sale price has risen to a new record high of \$392,201 in September 2020. Single-family home listings decreased, suggesting that the housing market is a seller's market. The top employers are Providence Health and Services, and the Alaska Native Tribal Health Consortium, even though there are job losses in the Healthcare sector. Unemployment is at 11.6% in September 2020, down from the estimated 14.2% in August 2020.

Revised jobs data for the first quarter of 2020 has just been released and show that the period of January through March saw an average 800 jobs lost in the quarter. The downward trend caused by COVID-19 impacts and the continuation of the preexisting recession continues.

4. Post-Earthquake Financial Assistance for Home-Owners & Business-Owners

After the 2018 Cook Inlet Earthquake, there were various forms of financial assistance available for individuals, families, home-owners, and business-owners.

a. Home Insurance

Preliminary Damage Assessments illustrated that while many residents had basic home-owner's insurance, a very low percentage (6% to 10%) of residents had specific earthquake insurance coverage on their homes. In addition, the earthquake and seismic shaking may have caused foundation settling, loss of porosity and permeability, and other uninsurable non-visible damage to wells, septic tanks, and leach fields.

Many residents who were financially capable and had insurance were told the damages from the earthquake were not an insurable loss. Those residents with the best insurance coverage were the most financially resilient and could afford the repair or replacement costs on their own. Those residents who were financially fragile, and most in need of assistance from outside sources, were the least likely to have insurance coverage.

While detailed data is still incomplete, a reasonable assumption is that while many residents may have had sufficient property insurance, they typically did not have specific coverage for earthquake damages. Earthquake insurance typically costs over \$1,000 per year and contains substantial deductibles ranging from 10 to 20 percent depending on the carrier, location, and value of the home. For example, a modest \$300,000 home would have a deductible of \$30,000- \$60,000; a substantial amount of non-covered loss for most low-income to moderate income residents before insurance proceeds. Even if only minor damage was discovered, the average cost for a home inspection to rule out the necessity for an insurance claim ranged from \$250 -\$400.

b. FEMA Individual Assistance

Individual Assistance (IA) data received from FEMA on May 8, 2020 was used to quantify all housing applicants affected by the 2018 Cook Inlet Earthquake. More than 10,000 applications were received. Over 8,000 applicants were determined to have a FEMA Verified Loss (FVL) of more than \$0, either upon initial inspection or following an agent adjustment.

Fifty-seven percent of the applicants determined to have an FVL of more than \$0 still have an unmet need of more than \$0. According to the FEMA data set, only owner-occupied units account for all the remaining unmet housing need.

Table 9

Total IA Applications

Occupancy Type	Total Applications	FVL Over \$0	Unmet Need Over \$0
Owner	9,992	7,760	4,571
Renter	457	158	0
Not Specified	63	1	0
Total	10,512	7,919	4,571

The following tables provide a breakout of remaining unmet need for owner-occupied units. While 41 percent of owner-occupied units with a FEMA Verified Loss have been sufficiently assisted, only six percent of owners whose homes received severe damage have received enough funding to meet identified needs. For example, if FEMA gave an estimate for a roof repair and if the homeowner could find a licensed, insured, and bonded roofing contractor willing to provide a roof repair bid, the amount was almost always greater than the FEMA IA amount. In these instances, the homeowner may not have had sufficient additional funds to have the roof repaired. Due to heavy

snow load during the past two winters, an unrepaired roof could result in a roof collapse.

Table 10

IA Owner-Occupied Units with Unmet Need

Damage Category	Range	Owner Occupied Units with FVL > \$0	Owner Occupied Units with Unmet Need > \$0	Percent FVL > \$0 with Unmet Need > \$0
Severe	\$45,525 and up	215	214	99%
Major-High	\$41,776 - \$45,524	45	45	100%
Major-Low	\$27,265 - \$41,775	167	142	85%
Minor	\$1 - \$27,264	7,333	4,171	57%
Total		7,760	4,572	59%

Within the Municipality of Anchorage, approximately 75% of the earthquake damage occurred to the northeast in the Eklutna, Birchwood, Peter’s Creek, Chugiak, and Eagle River communities, which were closest to the epicenter.

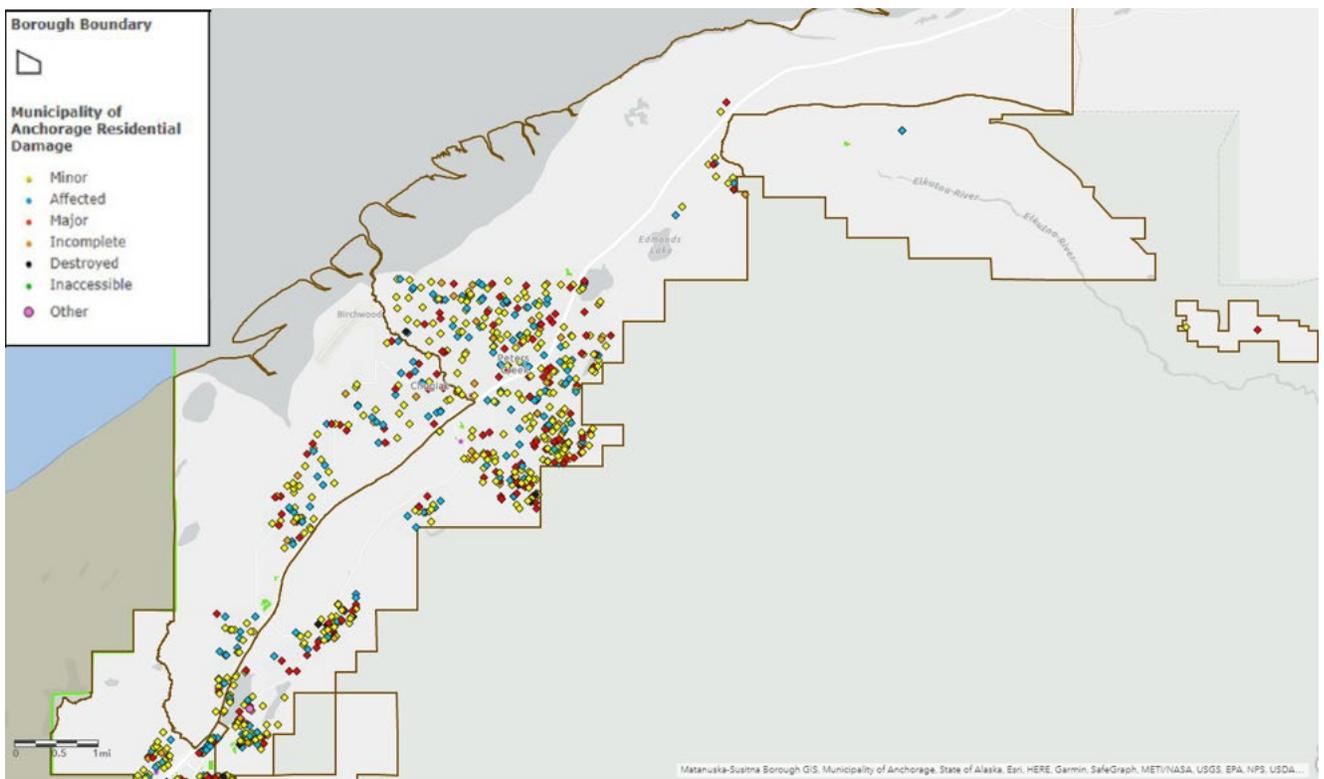


Figure 6

Chugiak is a community bordered by Joint Base Elmendorf-Richardson, Eklutna Native Land, Cook Inlet, and the Chugach State Park.

Overall, the remaining unmet need of IA applicants, including resiliency costs, totals \$12.8 million. Based on the difference between the FEMA estimate for Public Infrastructure Unmet Need and the FEMA Actual Cost to Repair, this amount may quadruple for housing. Also, there was a general consensus among home-owners and contractors that FEMA was unfamiliar with foundation repair costs. Houses that were severely damaged are responsible for three-quarters (77%) of the remaining IA unmet need. The majority of the severely damaged houses may not be suitable for rehabilitation and/or reconstruction. The Actual Resiliency Factor is estimated to be much higher than 25% based on the forecasted cost of construction materials and labor for the next construction season in 2021. Houses built prior to 1980 may not be economically repairable. Therefore, many of these home-owners will be eligible for the Local Buyout or Acquisition Program, depending on the location of the property. Also, the Municipality of Anchorage (MOA) Building Department inspected and tagged over 5,000 damaged properties, which were not fully incorporated into the FEMA data set. “Red-tagged” buildings are considered unsafe/uninhabitable. “Yellow-tagged” buildings are considered limited entry/restricted use. “Green-tagged” buildings are considered safe/habitable. The MOA provided DCCED with a list of “Red-Tagged” Buildings which may be eligible for the one of the Housing Programs.

Table 11

IA Remaining Unmet Need

Damage Category	Range	Owner Unmet Need	25% Resiliency Factor	Unmet Need + Resiliency
Severe	\$45,525 and up	\$7,107,713	\$1,776,928	\$8,884,641
Major-High	\$41,776 - \$45,524	\$316,480	\$79,200	\$395,680
Major-Low	\$27,265 - \$41,775	\$517,860	\$129,465	\$647,325
Minor-Low	\$1 - \$27,264	\$2,316,869	\$579,217	\$2,896,086
Total		\$10,258,921	\$2,564,730	\$12,823,651

Nearly 80% of the remaining IA unmet need (\$10.1 million) is in the Municipality of Anchorage.

The Matanuska-Susitna Borough has an IA unmet need of \$2.5 million, while the Kenai Peninsula Borough has \$225 thousand. These amounts appear to be unusually low, many homeowners may not have reported their earthquake damage to the State of Alaska, FEMA or the SBA.

Table 12

IA Remaining Unmet Need by Jurisdiction

Jurisdiction	Applicants with Unmet Need	Owner Unmet Need	25% Resiliency Factor	Unmet Need + Resiliency
Municipality of Anchorage	3,565	\$8,100,024	\$2,025,006	\$10,125,030
Matanuska-Susitna Borough	946	\$1,978,262	\$494,566	\$2,472,828
Kenai Peninsula Borough	60	\$180,635	\$45,159	\$225,793
Total	4,571	\$10,258,921	\$2,564,730	\$12,823,651

HUD requirements specify that the State of Alaska must expend a minimum of 70 percent to benefit LMI populations. Using self-reported applicant data, 30 percent of the applicants with a remaining IA unmet need are in LMI populations. Twenty-one percent of the remaining identified IA unmet need can be attributed to LMI populations.

Table 13

IA Unmet Need by Income Category

Income Category	Count	Unmet Need	25% Resiliency Factor	Unmet Need + Resiliency	Percent Count	Percent Need
0-30%	371	\$633,065	\$158,266	\$791,331	8%	6%
31-50%	374	\$664,710	\$166,177	\$830,887	8%	6%
51-80%	654	\$922,174	\$230,544	\$1,152,718	14%	9%
Not LMI	2,848	\$6,999,443	\$1,749,861	\$8,749,304	62%	68%
Not Reported	325	\$1,039,530	\$259,882	\$1,299,412	7%	10%
Total	4,572	\$10,258,921	\$2,564,730	\$12,823,651	100%	100%

This Housing Needs Assessment includes estimated damage of \$2M to public housing owned and managed by the Alaska Housing Finance Corporation in the three eligible jurisdictions; the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough.

Based on the FEMA IA data (May 8, 2020), the majority of unmet housing need (82.8% of count/88.2% of unmet need) was for single-family houses and duplexes. Mobile homes made up 6.0% of the units and 6.0% of the unmet housing need, condominiums made up 6.5% of the units and 2.8% of the unmet housing need, townhouses made up 3.2% of the units and 2.1% of the unmet housing need, and all other categories made up roughly 1% of the count and unmet housing need.

Table 14

FEMA Unmet Need by Residence Type 05082020		
Type of Dwelling	CountOfRegistration ID	SumOfUnmet Need
Apartment	74	31,813.75
Condo	368	114,992.78
House/Duplex	4,672	3,626,751.24
Military Housing	1	133.02
Mobile Home	339	247,211.64
Other	5	3,715.08
Townhouse	180	85,010.35
Travel Trailer	3	1,324.94

d. Small Business Administration (SBA) Disaster Home Loans

One source of relief for home-owners whose properties suffered damage during the 2018 Cook Inlet Earthquake was the Small Business Administration’s (SBA) Disaster Home Loans (DHL) program. These loans provided bridge relief for home-owners whose insurance did not fully cover damages suffered during a declared disaster.

Home-owners were eligible to borrow up to \$200,000 to repair or replace their primary residence. Either home-owners or renters were eligible to borrow up to \$40,000 to replace damaged or destroyed personal property. Interest rates for these loans have been issued at either two percent or four percent.

Loans totaling \$64.2 million have been approved by the SBA. Nearly eighty percent (\$50.5 million, 79 percent) of the total loan amounts have been used to repair properties in the Municipality of Anchorage. Twenty one percent (\$13.3 million) have been used to repair properties in the Matanuska-Susitna Borough. Less than one percent (\$0.4 million) of loan funds were dedicated to properties in the Kenai Peninsula Borough.

The Total Verified Loss (TVL) identified by the DHL program was \$117.2 million. Subtracting the loans issued from the TVL leaves an identified unmet need of \$53 million. After factoring in 25% resiliency costs, the total remaining DHL unmet need is \$66.2 million.

Table 15

All Approved Homes Loans (including cancelled and withdrawn)

Jurisdiction	Number of Loans	Total Verified Loss	Loan Amount	Unmet Need	25% Resiliency Factor	Need + Resiliency
Municipality of Anchorage	1,805	\$91,662,450	\$50,498,200	\$41,164,250	\$10,291,063	\$51,455,313
Matanuska-Susitna Borough	505	\$24,820,412	\$13,336,733	\$11,483,679	\$2,870,920	\$14,354,599
Kenai Peninsula Borough	24	\$738,612	\$393,800	\$344,812	\$86,203	\$431,015
Total	2,334	\$117,221,474	\$64,228,733	\$52,992,741	\$13,248,185	\$66,240,926

Federal Emergency Management Administration. February 21, 2019. “FACT SHEET: Applying for Disaster Assistance After the Alaska Earthquake, Release Number: FS 001.”

e. DHS&EM Individual and Family Grants

The Individual and Family Grant (IFG) program is operated by Alaska’s Division of Homeland Security and Emergency Management (DHS&EM). IFG program funds are only issued after individuals have applied for FEMA and SBA funding. IFG funds are generally used to help repair and replace disaster-related damages to owner-occupied properties, essential personal property, and/or primary transportation.

To date, over \$860 thousand has been paid out either upon acceptance of the initial application or upon appeal. The IFG remaining unmet need, including resiliency costs, totals nearly \$260 thousand. Overall, 82 percent of the IFG unmet need is within the Municipality of Anchorage and the remaining 18 percent within the Matanuska-Susitna Borough.

Table 16

IFG Unmet Need by Jurisdiction

Jurisdiction	Amount Requested	Amount Paid	Unmet Need	25% Resiliency Factor	Unmet Need + Resiliency
Municipality of Anchorage	\$838,844	\$669,107	\$169,737	\$42,434	\$212,172
Matanuska-Susitna Borough	\$227,843	\$191,337	\$36,506	\$9,127	\$45,633
Total	\$1,066,687	\$860,444	\$206,243	\$51,561	\$257,805

f. Commercial Property Insurance

The Division of Insurance (DOI), located within DCCED, surveyed commercial property insurers regarding claims filed in response to the 2018 Cook Inlet Earthquake. DOI reports that 71% of commercial property insurers completed its survey. While the results of this survey cannot be used to extrapolate values of non-respondents, what is known is still of value.

Statewide, commercial insurers reported processing 346 claims. Three-quarters (76%) of the claims were for property damage in the Municipality of Anchorage, 14 percent were for damage in the Matanuska-Susitna Borough, and 11 percent were for damage in other parts of the state. There were no commercial property insurance claims reported in the Kenai Peninsula Borough.

Of the 346 claims, 79 percent (273 claims) were closed without payment, likely reflective of the high deductibles typical of earthquake insurance premiums. Of the remainder, 13 percent (44 claims) were closed with payment, and eight percent (29 claims) remain open. Notably, 35 percent of claims outside the declared disaster area are still open, as compared to five percent of the claims in the Municipality of Anchorage and six percent of the claims in the Matanuska- Susitna Borough.

Table 17

Commercial Earthquake Policy Status

Jurisdiction	Policies in force	Claims Reported	Closed with Payment	Closed Without Payment	Open
Municipality of Anchorage	7,420	262	33	216	13
Matanuska-Susitna Borough	2,288	47	6	38	3
Kenai Peninsula Borough	2,202	0	0	0	0
All Other	6,888	37	5	19	13
Total	18,798	346	44	273	29

There has been a total payout of \$34 million for the 44 claims that were reported as closed with payment. There is an additional \$7.8 million in Case Reserves set aside for the 29 open claims. Case Reserves are defined as a reflection of the best estimate of future amounts payable for an open claim.

While the majority of claims were for damage in the Municipality of Anchorage, the largest individual paid claim (\$15 million) and the largest Case Reserve for an open claim (\$6.5 million) were for damage in the Matanuska-Susitna Borough. These two claims account for over half (52 percent) of all incurred damage reported as paid claims or Case Reserves.

Table 18

Commercial Earthquake Policy Losses and Case Reserves

Jurisdiction	Closed with Payment	Paid Losses	Open	Case Reserves
Municipality of Anchorage	33	\$17,087,554	13	\$1,004,886
Matanuska-Susitna Borough	6	\$15,267,662	3	\$6,500,000.00
Kenai Peninsula Borough	0	\$0.00	0	\$0.00
All Other	5	\$1,599,911	13	\$284,558.00
Total	44	\$33,955,127	29	\$7,789,444

Again, these figures are not a complete reflection of commercial property insurance claims relating to the 2018 Cook Inlet Earthquake, just the 71% of insurers who responded to the DOI survey. Because the individual outliers make up such a high percentage of the overall damage, there is no responsible means for extrapolating this data into a statewide estimate.

g. Small Business Administration (SBA) Business Disaster Loans

The SBA offered Business Physical Disaster Loans (BPDL) and Economic Injury Disaster Loans (EIDL). Funds of up to \$2 million were available upon request to repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. Funds were also available to help with the cost of improvements to protect, prevent, or minimize the same type of disaster damage in the future. Small businesses and many private nonprofit organizations were also eligible for funds to help meet working capital needs caused by the 2018 Cook Inlet Earthquake, regardless of property damage.¹

The SBA has approved \$14.2 million in BPDL and EIDL funds to cover an unmet need of \$22 million. The remaining unmet need is \$8 million.² Factoring in resiliency costs of 25%, the total SBA BPDL and EIDL unmet need is identified as roughly \$9.8 million.

¹ Small Business Administration. January 31, 2019. "SBA Stands Ready to Assist Alaska Businesses and Residents Affected by the Earthquake, Release Number: AK 15859-01."

² Unmet Need does not precisely equal Verified Loss minus Loan Amount. The reason for this is that when more money was loaned than losses incurred in a given category, a negative need was identified. These negative needs occurred in the cancelled loans category in the Matanuska-Susitna Borough and the approved (not cancelled or withdrawn) category in the Kenai Peninsula Borough. Since actual need cannot be less than zero, these values were reset to \$0.

The majority (95%) of the unmet BPD/L/EIDL need is in the Municipality of Anchorage. With the remaining unmet need (5%) in the Matanuska-Susitna Borough. There is less than \$10,000 in unmet need in the Kenai Peninsula Borough.

Table 19

All Approved SBA BPD/L/EIDL Loan Amounts (including cancelled and withdrawn)

Jurisdiction	Number of Loans	Verified Loss	Loan Amount	Unmet Need ³	25% Resiliency Factor	Need + Resiliency
Municipality of Anchorage	178	\$19,449,953	\$12,002,900	\$7,629,488	\$1,907,372	\$9,536,860
Matanuska-Susitna Borough	34	\$1,492,783	\$1,122,800	\$370,163	\$92,541	\$462,704
Kenai Peninsula Borough	7	\$1,062,519	\$1,079,600	\$7,996	\$1,999	\$9,995
Totals	219	\$22,005,255	\$14,205,300	\$8,007,647	\$2,001,912	\$10,009,559

h. Non-Profits & Faith-Based Organizations

While the federal agencies of FEMA and SBA provided the highest amount of funding to both residential home-owners and public facilities to address damage after the earthquake, several non-profit and faith-based organizations also mobilized to provide support to individuals and facilities. The following table shows the type of assistance and amount as supplied from non-profit agencies.

Table 20

Non-Profits & Faith-Based Organizations

Organization	Assistance Type	Amount of Funding
Rasmuson Foundation	Public	\$162,200
Lutheran Social Services	Individual	\$35,000
Anchorage and Eagle River Earthquake Recovery Group	Public and Individual	\$90,000
Total		\$287,200

5. Summary of Unmet Needs and Allocation of Funds & Proposed Budget

Despite having some data, the State of Alaska/DCCED cannot precisely estimate the remaining unmet needs due to the length of time since the 2018 Cook Inlet Earthquake, the impact of the COVID-19 Public Health Emergency, and the physical condition of each damaged property. DCCED knows the number of houses and businesses damaged and the amount of funds received through FEMA and SBA for housing and business repairs. However, the amounts paid to homeowners and business-owners for repairs through insurance or other sources of funding are unknown. When DCCED begins implementing the proposed programs in this Action Plan, DCCED will be diligent in its efforts to ensure that there is no duplication of benefits when determining the calculation of a homeowner’s or business-owner’s unmet need by requiring the property owner to provide a Comprehensive Loss Underwriting Exchange (C.L.U.E) Report. DCCED will target “Seniors” and “Disabled” residents, as well as, LMI households with the greatest unmet need, whether it is housing, public infrastructure, or economic revitalization, in the areas with the greatest unmet need. When additional funds are allocated by the U.S. Housing and Urban Development, DCCED will amend this Action Plan to target more Low-Moderate Income neighborhoods.

A summary of the State of Alaska unmet need is identified in the table below.

Table 21

Summary of Unmet Needs and Allocation of Funds				
Category	Unmet Needs	% of Unmet Needs	State Program Allocation Amount	% of State Program Allocation
Housing	\$14,823,651	39%	\$28,684,800	80%
Public Infrastructure	\$12,936,199	34%	\$2,689,200	7.5%
Economic Revitalization	\$10,009,559	27%	\$2,689,200	7.5%
State Administration*	\$1,792,800	5%	\$1,792,800	5%
Total	\$37,769,409	100%	\$35,856,000	100%

***5% is allowed for State of Alaska Grant Administration & Planning*

The Housing Unmet Need is projected to be much greater based on the forecasted cost of construction materials and labor.

As required, the Needs Assessment was completed to identify long-term needs and priorities for CDBG-DR funding allocated for the 2018 Cook Inlet Earthquake Disaster Recovery. The Needs Assessment considered a comprehensive set of data sources from the DMVA/DHS&EM, FEMA, SBA, and other sources. The State of Alaska expects to amend the Needs Assessment as additional information becomes available.

The State of Alaska CDBG-DR Proposed Budget is identified in the table below and in Appendix A.

Table 22

CDBG-DR Proposed Budget

State Programs		
Housing*	AHFC Public Housing	\$2,000,000
	Homeowner’s Reimbursement Program	\$16,000,000
	Local Buyout & Acquisition Programs	\$7,684,800
	Temporary Relocation Assistance Program	\$1,000,000
	Manufactured Home Repair or Replacement	\$2,000,000
Local Infrastructure	Reimbursements	\$2,689,200
Economic Revitalization	Business Owners Reimbursement Program	\$2,689,200
	State Administration	\$1,792,800
Total		\$35,856,000

*A minimum of \$28,685,000 must be expended for disaster recovery within the Municipality of Anchorage.

Method of Distribution. The State of Alaska/DCCED does not intend to allocate funds directly to grantees. Instead, DCCED intends to use Cost Reimbursable Agreements with Sub-recipients.

Pre-Agreements. The provisions of 24 CFR 570.489(b) and 570.200 (h) permits a state to reimburse itself for otherwise allowable costs incurred by itself or its subrecipients on or after the incident of the covered disaster (November 30, 2018). The provisions at 24 CFR 570.200(h) and 570.489(b) apply to grantees reimbursing costs incurred by itself or its subrecipients prior to the execution of a grant agreement with HUD. This includes but is not limited to activities supporting program development, action plan development and stakeholder involvement support and other qualifying eligible costs incurred in response to an eligible disaster covered under Public Law 116-20. DCRA incurred pre-agreement costs and will seek reimbursement for these costs that are reasonable and allowable under this regulation. These include the cost for salary, fringe benefits, and direct operating costs for each employee based on their individual percentage of time spent on the planning of the CDBG-DR program.

Upon explicit approval from the U.S. Department of Housing and Urban Development Field Office, DCRA will enter into a Pre-Agreement Negotiation with the Municipality of Anchorage for the Forest Park Mobile Home Park Earthquake Response and Recovery Project.

CDBG-DR pre-award costs incurred by DCRA and its subrecipients are eligible for reimbursement to the extent they would have been allowable after the award, subject to:

1. Inclusion in the Action Plan;
2. Compliance with environmental review requirements;
3. The activity for which payment is being made must comply with all other applicable statutory and regulatory provisions, including qualification as a CDBG-DR assisted activity.

DCRA, consistent with HUD Notice CPD-15-07, may also charge to its CDBG-DR grant the pre-application costs of home-owners, business-owners, and other qualifying entities for eligible costs they have incurred in response to the events covered by the disaster declaration with these conditions:

1. May only charge the costs for rehabilitation, demolition, and reconstruction of single family, multifamily, and nonresidential buildings, including commercial properties, owned by private individuals and entities and incurred before the owner applies for CDBG-DR assistance;
2. For rehabilitation and reconstruction costs, DCRA may only charge costs for activities completed within the same footprint of the damaged structure, sidewalk, driveway, parking lot, or other developed area;
3. Costs must be adequately documented;
4. DCRA must review the Action Plan to determine whether an Amendment will be required (including eligible beneficiaries);
5. DCRA must complete a duplication of benefits check before providing assistance;
6. DCRA must ensure that the expenses are necessary expenses of recovery;
7. Expense eligibility date begins on the date of the disaster, i.e. November 30, 2018;
8. Expenses can only be reimbursed if the individual or entity incurred the expenses within one year after the date of the disaster, i.e. November 29, 2019, and before the date on which they applied for CDBG-DR assistance, but extension of the one-year term may be granted by HUD on a case-by-case basis. (Since the Federal Register Notice was published more than one year after the disaster, HUD needs to grant this extension to all applicants.)

The requirements meet 2 CFR 200.309 authorized pre-award cost guidance.

6. Rehabilitation/Reconstruction of Public Housing, Affordable Housing and other forms of Assisted Housing

The State of Alaska/DCCED, in conjunction with the Alaska Housing Finance Corporation (AHFC), will identify and address the rehabilitation and reconstruction of the following types of housing affected by the 2018 Cook Inlet Earthquake: public housing (including administrative offices), HUD-assisted housing, affordable housing, McKinney-Vento Homeless Assistance Act funded shelters and housing for the homeless, including emergency shelters and transitional and permanent housing for the homeless; and private market units receiving project-based assistance, or with tenants that participate in the Section 8 Housing Choice Voucher Program. In August 2020, the Municipality of Anchorage initiated a robust program to assist the homeless population.

All proposed projects will undergo Affirmatively Furthering Fair Housing (AFFH) review by AHFC

before approval. Such review will include assessments of (1) a proposed project's area demography, (2) socioeconomic characteristics, (3) housing configuration and needs, (4) educational, transportation, and health care opportunities, (5) environmental hazards or concerns, and (6) all other factors material to the AFFH determination. Applications should show that projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard-related impacts.

7. Housing for Vulnerable Populations

The State of Alaska/DCCED, in conjunction with AHFC and homeless service providers within the three CDBG-DR eligible jurisdictions, will promote housing for vulnerable populations, including a description of activities that will address the following: the transitional housing, permanent supportive housing, and permanent housing needs of individuals and families with children (especially those with incomes below 30 percent of the area median) that were homeless and/or became homeless after the 2018 Cook Inlet Earthquake; the special needs of persons who were not homeless but required supportive housing prior the 2018 Cook Inlet Earthquake (e.g., elderly, persons with disabilities, persons with alcohol/drug addictions, persons with HIV/AIDS and their families, and public housing residents, as identified in 24 CFR 91.315(e)).

8. Minimizing Displacement and Ensuring Accessibility

The State of Alaska/DCCED will to make every effort to minimize temporary and permanent displacement of persons due to the delivery of the HUD's CDBG-DR program it administers. DCCED has agreed to follow the plan described in the DCCED Residential Anti-Displacement and Relocation Assistance Plan. DCCED will continue to minimize adverse impacts on persons of low-and-moderate income resulting from acquisition, rehabilitation, and/or demolition activities assisted with funds provided under Title 1 of the Housing and Community Development (HCD) of 1974, as amended, as described in 24CFR 570.606 (b-g).

Further, DCCED, will provide comprehensive training to its subrecipients to adopt the State's Residential Anti-Displacement and Relocation Assistance plan, which complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601 et seq.) ["URA"], for any household, regardless of income which is involuntarily and permanent displaced.

The Uniform Relocation Assistance and Real Property Acquisition Act (URA), is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes and businesses. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects.

- 49 CFR Part 24 is the government-wide regulation that implements the URA.
- HUD Handbook 1378 provides HUD policy and guidance on implementing the URA and 49 CFR Part 24 for HUD funded programs and projects.

As part of condition of compliance with programs subject to URA, DCCED will:

- Provide uniform, fair and equitable treatment of person whose real property is acquired or who are displaced in connection with federally funded projects as well.
- To ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement
- To ensure that no individual or family is displaced unless decent, safe and sanitary (DSS) housing is available within the displaced person's financial means
- To help improve the housing conditions of displaced persons living in substandard housing
- To encourage and expedite acquisition by agreement and without coercion.

In practice, when a tenant is displaced by a CDBG-DR activity, relocation case managers are assigned to both owners and tenants work with applicants to coordinate activities and communicate updates in real time concerning when to expect to move out of their residences, assist the displaced individuals with securing temporary housing arrangements, and all other aspects of moving belongings. One of the case manager's primary goals is to minimize the time that the tenant/owner will be impacted by coordinating the construction calendar in real time and during construction, keeping the displaced individual updated on the construction progress and communicating an expected timeline for construction completion and eventual move in.

DCCED's Local Buyout Program is voluntary and DCCED will not utilize the power of eminent domain. While DCCED has no direct authority to perform eminent domain, it could request the Division of Administration to execute eminent domain on its behalf. Although DCCED does not intend to use the State's eminent domain authority, DCCED will follow the four-part criteria required of eminent domain under 49 CFR 24.101(b)(1) (i-iv) when presenting buyout as an option for buyout program applicants.

Under the reasonable accommodation policy, case managers shall assess the specific needs of each program beneficiary and determine if a 504/ADA modification is required based on the unique facts and circumstances presented by the applicant. To ensure accessibility for applicants, DCCED has adopted a Section 504/Americans with Disabilities Act (ADA) policy which ensures the full right to reasonable accommodations by all program participants. No otherwise qualified individual with disabilities shall solely by reason of his or her disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded with CDBG-DR funds provided by DCCED.

To the maximum extent feasible, alterations made to existing non-housing facilities shall be made to ensure that such facilities are readily accessible to and usable by individuals with disabilities. Any new non-housing facilities constructed by DCCED shall be designed and constructed to be readily accessible to and usable by persons with disabilities.

New housing developed with CDBG-DR funds will comply with accessibility standards set at 24 CFR Part 40. DCCED will utilize the UFAS Accessibility Checklist as a minimum standard for structures with five or more units to assist in the compliance of Section 504 of the Rehabilitation Act. The checklist will be used when reviewing the design of all newly constructed residential structures (other than residential structures that do not receive federal financial assistance). The Fair Housing

Act (including the seven-basic design and construction requirements set in the Fair Housing Act) also applies to buildings with four or more units. New housing developed with CDBG-DR funds will also comply with Titles II and III of the Americans with Disabilities Act, as applicable.

DCCED also complies with the Americans with Disability Act, which prohibits discrimination in employment based upon disability. DCCED complies with Title II of the ADA in its implementation of other non-housing projects, such as infrastructure, to include accessibility features at all improved sites such as curb ramps, sloped areas at intersections, and the removal of any barriers to entry for those with disabilities.

All public facilities that are federally assisted shall also exceed the minimum threshold for 504/ADA compliance. Multifamily and other housing development programs will also be required to have the minimum numbers of mobility units and hearing/vision units in a range of bedroom sizes in accordance with 504/ADA requirements. Along with single family programs, the affordable housing rental programs will be required to have an architect’s/engineer’s signature on a form stating that the designed unit meets 504/ADA compliance. Failure to deliver the appropriately constructed ADA/504 compliant unit(s) will result in the construction firm not being paid and in breach of contract until the deficiencies are corrected.

Alaska qualifies as a safe harbor state in that over 5 percent of its population speaks another primary language outside of English in the home. The adopted LAP is cognizant of these demographics and offers print material of vital documents and will provide other language translation services as needed.

9. Maximum Assistance & Reasonable Cost Assurance

The maximum assistance for the Home-owner’s Reimbursement Program will be capped at the same amount for the SBA Disaster Home Loan, which was \$200,000. The maximum assistance for the Local Buyout and Acquisition Programs will be indexed to the Federal Housing Administration (FHA) Loan limits for 1-4 dwelling units. *Table 23*

Name of Jurisdiction	1-Family	2-Family	3-Family	4-Family	Median Sale Price
Anchorage, AK HUD Metro FMR Area	\$411,700	\$527,050	\$637,050	\$791,750	\$358,000
Matanuska-Susitna Borough, AK HUD Metro FMR Area	\$411,700	\$527,050	\$637,050	\$791,750	\$358,000
Kenai Peninsula Borough	\$331,760	\$424,800	\$513,450	\$638,100	\$227,000

*<https://entp.hud.gov/idapp/html/hicost1.cfm>.

The maximum assistance for the Business-Owner’s Reimbursement Program will be capped at the same amount for the SBA Business Physical Disaster Loan, which was \$2,000,000. The maximum assistance for the Public Infrastructure Program will also be capped at \$2,000,000 per project.

To ensure consistency, as well as, necessary and reasonable cost assurance, DCCED may require HUD 203(k) inspections on all housing units. DCCED may require Peer Reviews by licensed, registered engineering firms for all housing, public infrastructure, and economic revitalization projects. DCCED may require the use of RS Means data and the FEMA Benefit Cost Analysis Process (Reference 26) used by the State of Alaska for the FEMA Hazard Mitigation Grant Program to determine whether a project is cost effective.

10. Planning and Coordination

The State of Alaska's earthquake recovery projects will be developed in a manner that considers an integrated approach to address long-term recovery and restoration of housing, public infrastructure, and economic revitalization in the most impacted and distressed area, the Municipality of Anchorage.

The State of Alaska/DCCED will continue to work with state and local jurisdictions to provide guidance on promoting sound short- and long-term recovery plans in the affected areas by coordinating available resources to help in the recovery and restoration of damaged communities. Disaster recovery presents affected communities with unique opportunities to examine a wide range of issues such as drainage and flood control, housing quality and availability, road and rail networks, environmental issues, and the adequacy of existing infrastructure. DCCED will support long-term plans put in place by local and regional jurisdictions that promote sound, sustainable, long-term recovery planning informed by a post- disaster evaluation of hazard risks due to earthquakes, avalanches, landslides, ground failure, tsunamis, and flooding where applicable, especially land-use decisions that reflect responsible floodplain management in seismic hazard zones 4 and 5.

The State of Alaska/DCCED will coordinate as much as possible with local and regional planning efforts to ensure consistency, to promote community-level and/or regional jurisdictions post-earthquake disaster recovery and mitigation, and to leverage those efforts. As detailed later in this Action Plan, DCCED will utilize partnerships with vendors (term which shall include, but not limited to, governmental entities, non-profit and for profit firms, entities, and organizations) to further coordinate planning, studies and data analysis.

11. Floodplains, Wetlands, Coastal/Riverine Bluffs, Landslides, & Seismic Hazard Zones 4 & 5

The State of Alaska/DCCED does not intend to rebuild any structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1) nor on a coastal/riverine bluff and in a Seismic Hazard Zone 4 or 5. All structures, as defined under 44 CFR 59.1, designed principally for residential use and located in the 100-year (or 1 percent annual chance) floodplain or on a coastal/riverine bluff and in a Seismic Hazard Zone 4 or 5 will be eligible for the Local Buyout Program. This is a voluntary program. Upon acquisition, DCCED, or a designated partner, will plan for de-construction and/or demolition, remediation, as necessary, re-vegetation, and salmon habitat restoration, if adjacent to a salmon stream. Prior to de-construction and/or demolition, DCCED, or a designated partner, may arrange for Tier I or II Environmental Reviews to be conducted by a professional engineering firm licensed and registered in the State of Alaska. Upon completion of the project, DCCED, or a designated partner, will transfer the property to the local jurisdiction, or home owners' association, designated as "greenspace", in perpetuity.

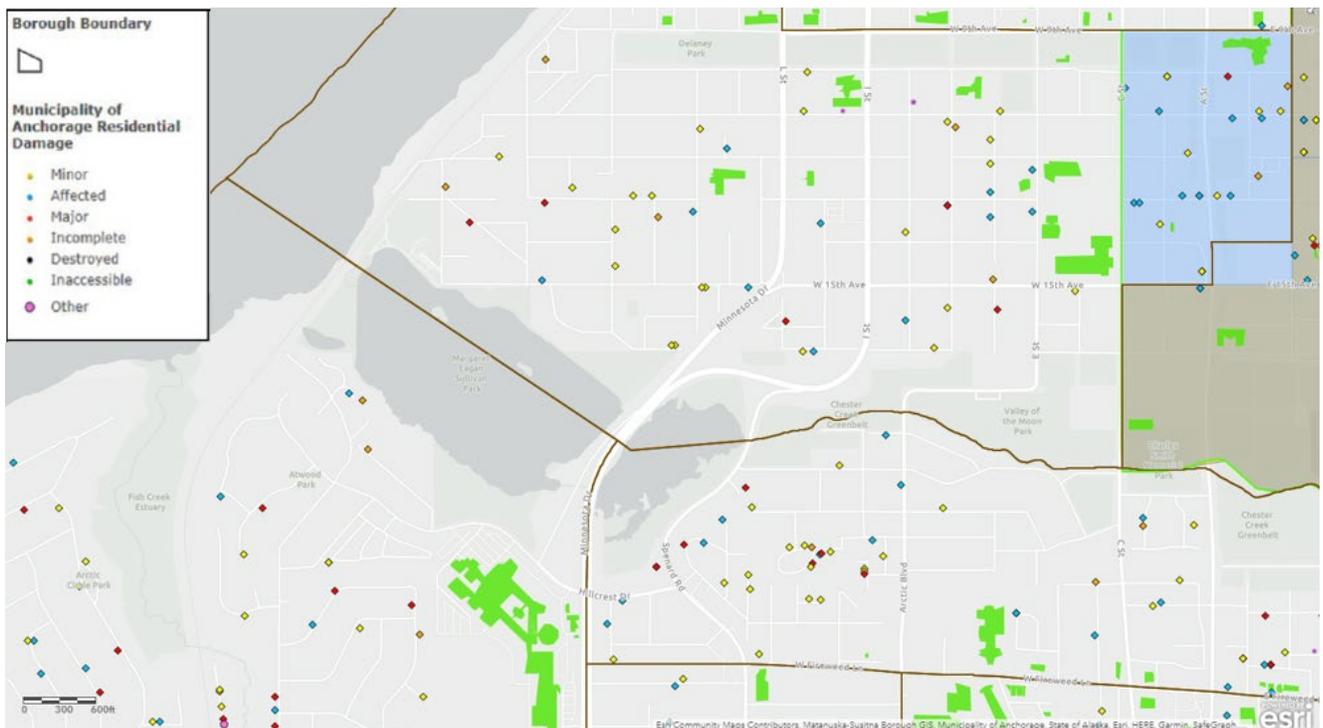


Figure 7

For example, there are some older neighborhoods located adjacent to the Chester Creek Greenbelt, which is owned by the Municipality of Anchorage. These particular neighborhoods are located in a triple natural hazard area with a floodplain, a landslide area, and in a Seismic Hazard Zone 4 or 5. There is both a shallow landslide risk area and a deep transitional landslide risk area, which encompasses Government Hill, Downtown Anchorage, Chester Creek, and Turnagain Heights.

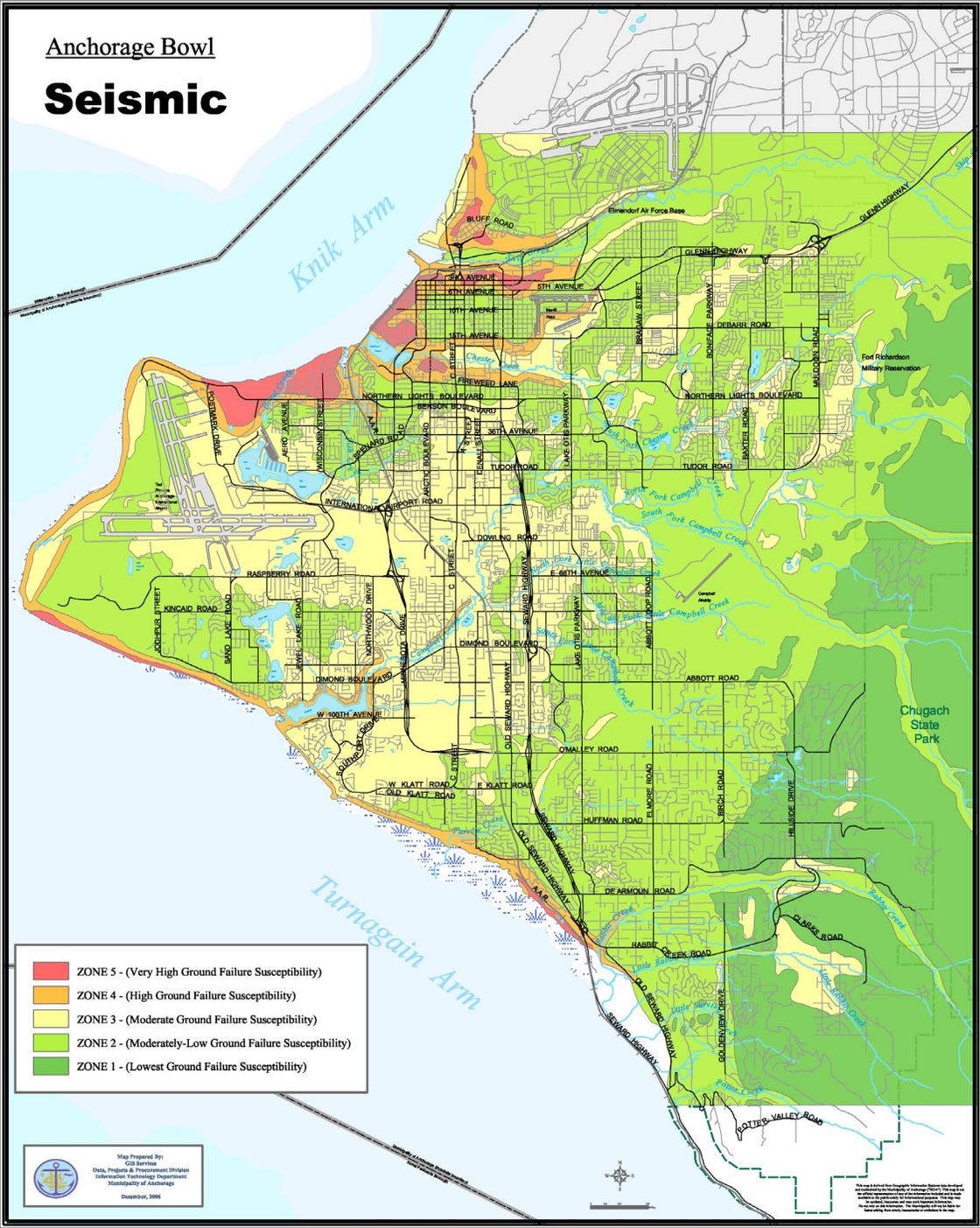


Figure 8 This map is dated December 2006. USGS is updating the Seismic Hazard Maps for Alaska.

12. Protection of People and Property

a. Quality Construction Standards

The State of Alaska/DCCED will require on-site inspections to verify damage. Current State of Alaska Building Energy Efficiency Standards (BEES), a minimum of a 5 Star Rating, will be required. Site inspections will be required on all projects to ensure quality and compliance with applicable zoning and building codes. The current building codes adopted and enforced by the Municipality of Anchorage meet current seismic standards, especially the building codes for the Turnagain Neighborhood, the site of the 1964 earthquake landslide. The Matanuska-Susitna Borough is in the process of adopting similar building codes. DCCED will encourage the Kenai Peninsula Borough to establish and enforce local building codes throughout their jurisdiction to mitigate natural hazard risks.

b. General Contractors Standards

The State of Alaska/DCCED has partially set aside the CDBG-DR program for the State of Alaska Disadvantaged Business Enterprise. DCCED will require subrecipients to have established procedures and standards for the request for qualifications to ensure full and open competition. All subrecipients are required to follow federal procurement and contract requirements outlined in 2 CFR 200.318 – 200.326.

13. Public Infrastructure Activities

The State of Alaska/DCCED will require subrecipients (the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough) to mitigate hazard risks due to earthquakes, avalanches, landslides, ground failure, tsunamis, and flooding where applicable, into their rebuilding activities of public infrastructure. DCCED's goal is to ensure better coordination of projects between jurisdictions to address recovery and mitigation more holistically.

The State of Alaska/DCCED may require subrecipients to use the FEMA Benefit Cost Analysis Process to determine whether a public infrastructure project is cost effective when selecting CDBG-DR eligible projects. (Reference 26) Each public infrastructure activity must demonstrate how it will contribute to the long-term recovery and restoration of housing, primarily serving a Low-Moderate Income neighborhood.

The State of Alaska/DCCED will seek to ensure that public infrastructure activities will avoid disproportionate impact on vulnerable communities and will create, to the extent practical, opportunities to address economic inequities facing local communities.

All proposed projects will undergo Affirmatively Furthering Fair Housing (AFFH) review by AHFC before approval. Such review will include assessments of (1) a proposed project's area demography, (2) socioeconomic characteristics, (3) housing configuration and needs, (4) educational, transportation, and health care opportunities, (5) environmental hazards or concerns, and (6) all other factors material to the AFFH determination. Applications should show that projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard-related impacts.

The State of Alaska/DCCED will coordinate with federal, state, local, private, and nonprofit sources to assist subrecipients to align investments with other planned state or local capital improvements and public infrastructure development efforts. DCCED will also work with subrecipients to foster the potential for additional infrastructure funding from multiple sources, including existing state and local capital improvement projects in planning and the potential for private investment.

14. Resilience to Natural Hazards

The State of Alaska/DCCED has worked closely with the Department of Military and Veterans Affairs (DMVA)/Division of Homeland Security & Emergency Management (DHS&EM) on the development and maintenance of the State of Alaska Hazard Mitigation Plan 2018. (Reference 7) Chapter 9, Mitigation Strategy, addresses resiliency. The Municipality of Anchorage has a FEMA approved All Hazards Mitigation Plan. (Reference 8) Chapter 5, Mitigation Strategy, addresses resiliency. The Matanuska-Susitna Borough has recently received preliminary approval from FEMA on their Hazard Mitigation Plan. The Kenai Peninsula Borough is finalizing their Multi-Jurisdictional Hazard Mitigation Plan. As required by FEMA, each of these plans address mitigation measures and resilience to natural hazards within their jurisdiction. For example, the State of Alaska has the following Earthquake Action Items:

- Continue the State Hazard Mitigation Advisory Commission;
- Encourage communities to adopt the most current International Building Codes (IBC);
- Require all State facilities be designed and constructed IAW current IBC;
- Require and enforce IBC seismic codes in all construction projects receiving State and/or Federal funds.
- Encourage all communities to adopt current IBC for residential construction.
- Continue earthquake safety education and preparedness in Alaska's schools.
- Encourage non-structural mitigation and preparedness activities.

15. Disaster Recovery and Response Plan

The State of Alaska/DCCED consulted with the Department of Military and Veterans Affairs (DMVA)/Division of Homeland Security & Emergency Management (DHS&EM) on the development of this Action Plan. DCCED will encourage the three jurisdictions; the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough to develop a comprehensive disaster recovery and response plan for the 2018 Cook Inlet Earthquake that addresses long-term recovery within their jurisdiction. The DMVA is administering the Community Development Block Grant-Hazard Mitigation Program, which addresses the pre-and post-disaster hazard mitigation from natural hazards. The Matanuska-Susitna Borough has developed an Earthquake Mitigation Plan similar to the State of Alaska Earthquake Mitigation Plan.

In the draft FEMA Region X Risk Report: A Risk Assessment Database Summary published in September 2018, the report identified Areas of Mitigation Interest which include the following:

- 5,092 improved parcels (\$6.3B in exposed value) within a landslide area extending from Government Hill, Downtown Anchorage, Chester Creek, Turnagain Heights to Earthquake Park.
- 432 structures (\$376M in exposed value) in Special Flood Hazard Areas (Zones A, AE, AH, or AO).
- 206 structures (\$124.9M in exposed value) within avalanche hazard areas (111 in Eagle River and 75 in Girdwood).
- 130 buildings (\$39.9M in exposed value) in the Lower Fire Lake Dam inundation area (Eagle River).

In December 2016, FEMA published the draft Risk Report for the Matanuska-Susitna Borough, which included the following:

- \$550M in exposed value due to a M7.5 Castle Mountain Earthquake.
- \$61M in exposed value in Special Flood Hazard Areas.

In December 2017, FEMA published the final Risk Report for the Kenai Peninsula Borough, which included the following:

- \$400M in exposed value due to a M9.2 earthquake, similar to the Great Alaska Earthquake of 1964.
- 338 improved parcels (\$87M in exposed value) in Special Flood Hazard Areas.
- 166 improved parcels (\$36M in exposed value) in coastal erosion areas between the Kasilof River and Ninilchik River.
- 220 improved parcels in tsunami inundation areas.

16. Leveraging Funds

The State of Alaska/DCCED will encourage subrecipients to leverage CDBG-DR funds with funding provided by other federal, state, local, private, and non-profit sources to fully utilize the limited CDBG-DR funds. DCCED will report on leverage funds in the DRGR system. DCCED also intends to collaborate with local governments, local long-term recovery groups, local non-profit organizations, and vulnerable populations advocacy groups. The CDBG-DR Public Infrastructure funds may be used for matching requirements, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity. This includes programs or activities administered by FEMA or USACE.

No disaster recovery assistance will be considered with respect to any part of a disaster loss that is reimbursable by the Federal Emergency Management Agency (FEMA), the Army Corps of Engineers (USACE), insurance, or another source due in part to the restrictions against duplication of benefits outlined in this Action Plan. An activity underway prior to the Presidential Disaster Declaration will not qualify unless the disaster directly impacted said project.

By law, (codified in the HCD Act as a note to 105(a)), the amount of CDBG-DR funds that may be contributed to a USACE project is \$250,000 or less.

17. Construction Standards

The State of Alaska/DCCED will encourage the three CDBG-DR eligible jurisdictions; the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough to establish standards for housing and small business contractors performing work within their jurisdictions.

The State of Alaska/DCCED acknowledges the emphasis in the Notice to institute green building design, specifically when executing new construction or replacement of substantially damaged residential buildings and will follow the guidance located in 84 FR 4844 concerning green building design. Rather than be limited by a single green building design technique, DCCED will require that new construction meet the best fit for new construction from many possible approaches. For all new or replaced residential buildings, the project scope will incorporate Green Building materials to the extent feasible according to specific project scope. Materials must meet established industry-recognized standard that have achieved certification under at least one of the following programs:

- ENERGY STAR (Certified Homes).
- Enterprise Green Communities.
- LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development).
- ICC-700 National Green Building Standard,
- EPA Indoor AirPlus (ENERGY STAR a prerequisite).
- Any other equivalent comprehensive green building program.

For each project subject to the above, the specific green building technique or approach used will be recorded. DCCED will implement and monitor construction results to ensure the safety of residents and the quality of homes assisted through the program. All new housing created in whole or in part with CDGB-DR funds will comply with current HUD Housing Quality Standards (HQS). Rehabilitation of non-substantially damaged structures must comply with the HUD CPD Green

Building Retrofit Checklist available at <https://www.hudexchange.info/resource/3684/guidance-on-the-cpdgreen-building-checklist/>, to the extent that the items on the checklist are applicable to the rehabilitation. DCCED will consult FEMA P-798, Natural Hazards and Sustainability for Residential Buildings, to align green building practices with the increased sustainability and resiliency.

Contractor compliance will be maintained through the review and approval of monthly project performance reports, financial status reports, and documented requests for reimbursement throughout the contract period. The State will utilize the HUD-provided contract reporting template to upload to the Disaster Recovery Grant Reporting (DRGR) on a quarterly basis:

<https://www.hudexchange.info/resource/3898/contractreporting-template/>.

New housing developed with CDBG-DR funds will comply with accessibility standards set at 24 CFR Part 40. DCCED will utilize the UFAS Accessibility Checklist as a minimum standard for structures with five or more units to assist in the compliance of Section 504 of the Rehabilitation Act. The checklist will be used when reviewing the design of all newly constructed residential structures (other than privately owned residential structures). The Fair Housing Act (including the seven-basic design and construction requirements set in the Fair Housing Act) also applies to buildings with four or more units. Titles II and III of the Americans with Disabilities Act also applies to public housing.

B. Projects and Activities

1. Overview

The State of Alaska/DCCED will adapt the policies and procedures used for the DCCED Community Development Block Grant (CDBG) program for the Community Development Block Grant-Disaster Recovery (CDBG-DR) program.

As required by the Federal Register, Vol. 85, No. 17, Monday, January 27, 2020, the State of Alaska/DCCED must describe the method of distribution of funds and the descriptions of specific programs and/or activities. DCCED consulted with the three CDBG-DR eligible jurisdictions; the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough, as well as, the Department of Military & Veterans Affairs, the Alaska Housing Finance Corporation, and the Anchorage Economic Development Corporation.

This Action Plan outlines the following: the subrecipients; criteria for eligibility; the methodology used to reimburse those subrecipients; activities for which funding may be used; and program requirements, including non-duplication of benefits. The Action Plan also defines how the uses of this allocation address necessary expenses related to disaster relief, long-term recovery and restoration of housing, public infrastructure and economic revitalization.

2. Basis for Allocations

The State of Alaska/DCCED does not intend to make any direct allocations/distribution of funds to any CDBG-DR eligible jurisdiction. DCCED will reimburse each of the three jurisdictions for inspection/re-inspections of earthquake damaged structures, as well as, earthquake repairs, seismic/structural analysis, and seismic/structural upgrades to public infrastructure. (Appendix A, CDBG-DR Budget)

The State of Alaska/DCCED will execute Subrecipient Agreements with the three CDBG-DR eligible jurisdictions and the three Rural Electric Cooperatives serving the three jurisdictions within the Municipality of Anchorage, the Matanuska-Susitna Borough and the Kenai Peninsula Borough, as well as, the Anchorage Water and Wastewater Utility, the Alaska Housing Finance Corporation, and the Rural Alaska Community Action Program, Inc. (RurAL CAP).

3. DCCED Use of Funds

The State of Alaska/DCCED, in conjunction with the AHFC, may implement the Public Housing Earthquake Repair & Seismic Analysis/Upgrade Program, the Homeowner's Reimbursement Program and the Business Owner's Reimbursement Program under the Economic Revitalization Program. The Local Buyout and Acquisition Programs may be implemented by a designated partner. The Temporary Relocation Assistance Program and the Manufactured Home Repair or Replacement Program may be administered by RurAL CAP.

The State of Alaska/DCCED will implement the Local Infrastructure Reimbursement Programs with the three CDBG-DR eligible jurisdictions, the three rural electric cooperatives, and the Anchorage Water and Wastewater Utility.

a. **Public Housing Earthquake Repair, Seismic/Structural Analysis, and Seismic/Structural Upgrade Program**

The Public Housing Earthquake Repair, Seismic/Structural Analysis, and Seismic/Structural Upgrade Program is an opportunity for the State of Alaska/DCCED to provide financial assistance to the Alaska Housing Finance Corporation to evaluate all public housing facilities affected by the 2018 Cook Inlet Earthquake for rehabilitation and/or reconstruction within the three CDBG-DR eligible jurisdictions; the Municipality of Anchorage, the Matanuska-Susitna Borough and the Kenai Peninsula Borough. Additionally, this is an opportunity for AHFC to conduct a seismic/structural analysis by professional engineering firms licensed and registered in the State of Alaska on all public housing facilities affected by the 2018 Cook Inlet Earthquake within the three CDBG-DR eligible jurisdictions. If necessary, AHFC may arrange for additional testing, such as lead-based paint, asbestos, mold and mildew, as well as, radon. A Home Energy Rating System (HERS) test will be required. Upon receipt of the seismic/structural analysis, the cost estimate for the seismic/structural upgrades, and any additional reports, AHFC will use RS Means data to determine cost reasonableness and use the FEMA Benefit Cost Analysis Process to determine whether a public housing rehabilitation/reconstruction project is cost effective. (Reference 26) If a rehabilitation/reconstruction project is not cost effective, then the property will be demolished. (Otherwise, the property will not be eligible for any CDBG-DR reimbursement.)

As required by the Stafford Act, the State of Alaska/DCCED will require AHFC to verify there is not a duplication of benefits on each proposed project.

Under the Public Housing Earthquake Repair, Seismic/Structural Analysis and Seismic/Structural Upgrade Program:

- 1) Allocation Amount: \$2,000,000.
- 2) At least eighty (80) percent of funds must address unmet need in the Municipality of Anchorage.
- 3) Up to twenty (20) percent of funds may address unmet need in the Matanuska-Susitna Borough and the Kenai Peninsula Borough.
- 4) DCCED Requirements:
 - i) Establish objective criteria for the rehabilitation and reconstruction;
 - ii) Develop a citizen participation plan;
 - iii) Conduct a “Public Planning Meeting;”
 - iv) Ensure a public comment period of at least 30 days.
 - v) Ensure a minimum percentage of funds 80% are allocated for public housing within the Municipality of Anchorage; (Appendix A, CDBG-DR Budget)
- 5) Eligible Entities: Alaska Housing Finance Corporation within the Municipality of Anchorage, Matanuska-Susitna Borough and Kenai Peninsula Borough

- 6) Authority: Housing Community Development Act of 1974.
- 7) Ineligible Activities: Other Housing Authorities.
- 8) Program Guidelines: DCCED, in conjunction with AHFC, will adapt and revise the current policies and procedures used for the CDBG to the CDBG-DR program for the Public Housing Earthquake Repair, Seismic/Structural Analysis, and Seismic/Structural Upgrade Program. DCCED will post the revised Guidelines for public comment. The criteria for a rehabilitation/reconstruction project is:
 - i) The public housing must have been damaged or destroyed by the Presidentially declared disaster (the 2018 Cook Inlet Earthquake);
 - ii) The public housing must be within one of the three CDBG-DR jurisdictions; the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough
- 9) National Objectives: Low-Moderate-Income Housing (LMH).
- 10) Must meet Affirmatively Furthering Fair Housing (AFFH) requirements.

b. Homeowner Reimbursement Program

The State of Alaska/DCCED, in conjunction with AHFC, will administer the Homeowner Reimbursement Program (HRP) for eligible expenses and Small Business Administration (SBA) disaster home loans incurred by homeowners for repairs to a primary residence prior to application for these funds and to conduct a thorough home inspection (including an inspection of a private water well and private septic system, as well as, to complete all outstanding repairs, and/or any mitigation enhancements. **This is a voluntary program.** Up to \$200,000 per household may be reimbursed.

- 1) Allocation Amount: \$16,000,000.
- 2) At least eighty (80) percent of funds must address unmet need in the Municipality of Anchorage.
- 3) Up to twenty (20) percent of funds may address unmet need in the Matanuska- Susitna Borough and the Kenai Peninsula Borough.
- 4) The program will first be available to “Seniors/Disabled” households for three months, followed by LMI households for three months, and then all other households for one month.
- 5) Reallocation: Any remaining funds within the Matanuska-Susitna Borough and the Kenai Peninsula Boroughs will be reallocated to the Municipality of Anchorage.
- 6) Maximum Award: \$200,000.
- 7) Eligible Activities, HCDA Section 105(a)(4):
 - i) Expenses incurred by homeowners for repairs to a primary residence prior to application for these funds.
 - ii) SBA disaster home loans by homeowners for repairs to a primary residence prior to application for these funds.

8) Ineligible Activities:

- i) Forced mortgage payoff.
- vi) Incentive payments to households that move to disaster-impacted floodplains.
- vii) Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for rehabilitation assistance or housing incentives.
- viii) Rehabilitation/reconstruction of a home located in a floodplain.
- ix) Rehabilitation/reconstruction of a house in which the combined household income is greater than 120 percent AMI or the national median;

9) Eligibility Criteria for Assistance:

- i) Home must have been owner-occupied at the time of the disaster.
- ii) Home must have served as primary residence.
- iii) Home must be in a CDBG-DR eligible jurisdiction.
- iv) Home must have sustained damage from the 2018 Cook Inlet Earthquake (DR- 4413) and/or during the 10,000 subsequent aftershocks.
- v) Duplication of benefits review.
- vi) All applicants and co-applicants must be current on payments for child support.
- vii) Applicant must furnish evidence that property taxes are current, have an approved payment plan, or qualify for an exemption under current laws.
- viii) Home must be environmentally cleared.
- ix) Subrogation Agreement: Assisted homeowners must agree to a limited subrogation of any future awards related to the 2018 Cook Inlet Earthquake to ensure duplication of benefits compliance. Assisted homeowners must agree to repay any duplicative assistance if they later receive other disaster assistance for the same purpose.
- x) Unsecured Forgivable Promissory Note:
 - a) Assisted homeowners are required to maintain principal residency in the assisted property for one year. Cash-out refinancing, home equity loans or any loans utilizing the assisted residence as collateral are not allowed for one year. A violation of this policy will activate the repayment terms of the Note.
 - b) Taxes are to be paid and in good standing for the properties assisted. Homeowners may be on a payment plan, but it

needs to be submitted to AHFC.

- c) Insurance must be maintained at the assisted property. Hazard, and windstorm (if applicable) will be monitored for the one-year period.

10) Eligibility Criteria, SBA Loan Reimbursement:

- i) All SBA loans must have been used toward a loss suffered as a result of the 2018 Cook Inlet Earthquake and/or during the 10,000 subsequent aftershocks.
- ii) Applicants must continue to make payments on their current SBA loan even if they have applied for CDBG-DR assistance.
- iii) Applicants must comply with any requirements in the loan documents that the applicant use amounts received for reimbursement to repay the loan's outstanding principal and interest.
- iv) Applicants with income exceeding 120 percent of AMI must meet one of the following hardship exceptions:
 - a) *Hardship due to housing cost burden.* Households who spend more than 30 percent of their monthly gross income on housing costs are expected to experience hardship in recovery due to having limited financial resources;
 - b) *Hardship due to SBA loan repayment.* Households who spend more than 15 percent of their monthly discretionary income on SBA loan repayment are expected to experience hardship in recovery due to having limited financial resources;
 - c) *Hardship due to healthcare expenses.* Households who spend more than 20 percent of their income on healthcare expenses as a result of a disability or illness have long-term financial commitments to consider when contemplating incurring additional debt. Additional debt would be a burden and limit available resources needed to pay for these costs;
 - d) *Hardship due to cost of caring for dependents.* Homeowners who spend more than 20 percent of their income on dependent or other care related expenses as a result of being responsible for providing care to parents, children, grandchildren, and other dependents; or
 - e) *Hardship due to Due to Age or Disability.* Households that include a household member who is over the age of 65 or who is disabled (and surviving spouses) who have received a property tax payment waiver or exemption from the local jurisdiction.

11) Ineligible Activities, SBA Loan Reimbursement:

- i) Reimbursing costs that are not otherwise eligible for CDBG-DR assistance such as paying late fees.
- ii) Portion of interest attributable to activities that are ineligible for reimbursement.
- iii) Reimbursement is not permitted if payment of the cost with CDBG-DR funds will cause a duplication of benefits because an exception does not apply or violate the requirement that CDBG-DR funds shall not be used for activities reimbursable by or for which funds are made available by FEMA or the Army Corps of Engineers.

12) National Objective: Low-Moderate-Income Housing (LMH). At least 70 percent of these program funds must be spent on LMH eligible projects. spacing

13) AFFH review: All proposed projects will undergo AFFH review by AHFC before approval. Such review will include assessments of (1) a proposed project's area demography, (2) socioeconomic characteristics, (3) housing configuration and needs, (4) educational, transportation, and health care opportunities, (5) environmental hazards or concerns, and (6) all other factors material to the AFFH determination. Applications should show that projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard-related impacts. spacing

14) Timeline: The proposed program start date is immediately after HUD's approval of this Action Plan. The proposed end date is 3 years from the start date of the program.

c. Local Buyout Program

The Local Buyout Program will remove all "Red-Tagged/Uninhabitable" and "Yellow-Tagged/Restricted Use" residences (with 1-4 dwelling units) which were destroyed or severely damaged during the 2018 Cook Inlet Earthquake and/or during the 10,000 subsequent aftershocks; located in a floodplain or on a coastal or riverine bluff; and located in Seismic Hazard Zone 4 or 5. (A color-tagged structure is a structure in the United States which has been classified by a color to represent the severity of damage or the overall condition of the building.) The State of Alaska/DCCED does not intend to rehabilitate, reconstruct, rebuild, or replace any residence located in a floodplain or on a coastal or riverine bluff and in a Seismic Hazard Zone 4 or 5. **This is a voluntary program.** This program will be administered by a designated partner. Each of the three jurisdictions; the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough, will identify and prioritize "Red-Tagged/Uninhabitable" and "Yellow- Tagged/Restricted Use" residences for acquisition and de-construction and/or demolition, beginning with houses belonging to "Senior" and "Disabled" residents. Buyouts may be used strategically, as a means of acquiring contiguous parcels of land in Disaster Risk Reduction Areas, especially in Floodplains, on coastal or riverine bluffs, and in a Seismic Hazard Zones 4 and 5, for uses compatible with open space, recreational, natural floodplain functions, salmon habitat restoration, or wetlands management practices.

The term “buyouts” as referenced in the Federal Register notice refers to acquisition of properties that is intended to reduce risk from future natural hazards, i.e. earthquakes, avalanches, landslides, ground failure, tsunamis, and flooding where applicable in Disaster Risk Reduction Areas as designated by the State of Alaska.

The Post-Disaster Fair Market Valuation (FMV) method will be used to determine and provide post-disaster FMV to buyout applicants. Thus, the seller is not considered a beneficiary of CDBG–DR assistance.

Regardless of purchase price, all buyout activities are a type of acquisition of real property (as permitted by 42 U.S.C. 5305(a)(1)). However, only acquisitions that meet the definition of a “buyout” are subject to the post-acquisition land use restrictions. The key factor in determining whether the acquisition is a buyout is whether the intent of the purchase is to reduce risk of property damage in a floodplain, on a coastal or riverine bluff, and in a Seismic Hazard Zone 4 or 5, or in a Disaster Risk Reduction Area.

Upon acquisition, a plan will be prepared for de-construction and/or demolition, remediation, as necessary, re-vegetation, and salmon habitat restoration, if adjacent to a salmon stream. Tier I and II Environmental Reviews, conducted by a professional engineering firm licensed and registered in the State of Alaska, may be required. Upon completion of the project, the property will be transferred to the local jurisdiction (if applicable, the Home Owners Association), designated as “greenspace”, in perpetuity.

Under the Local Buyout Program:

- 1) Allocation Amount: \$7,684,800.
- 2) At least eighty (80) percent of funds must address unmet need in the Municipality of Anchorage.
- 3) Up to twenty (20) percent of funds may address unmet need in the Matanuska- Susitna Borough and the Kenai Peninsula Borough.
- 4) Maximum Award: \$411,700 for one-dwelling unit, up to \$791,750 for a 4-dwelling unit.
- 5) DCCED Requirements:
 - i) Establish objective criteria for the buyouts;
 - ii) Develop a citizen participation plan;
 - iii) Conduct a “Public Planning Meeting;”

- iv) Ensure a public comment period of at least 30 days.
- 6) Eligible Entities: Home-Owners/Property-Owners of residential structures (1-4 dwelling units) within the Municipality of Anchorage, Matanuska-Susitna Borough and Kenai Peninsula Borough. For example, residential properties in the Ship, Chester, Fish, Hood, Campbell, Indian, Bird, Winner, and Glacier Creeks, may be eligible. For example, residential properties along Cook Inlet, Knik Arm, and Turnagain Arm may be eligible. Also, residential properties along Eagle River, Knik River, Matanuska River, Susitna River, and the Kenai Rivers (all originating from glaciers) may be eligible.
- 7) Authority: HCDA Section 105(a)(1), 105(a)(7-8) 105(a)(24-25), Buyouts;
- 8) Ineligible Activities: Multi-family structures (5+ dwelling units) and commercial structures.
- 9) Program Guidelines: DCCED, in conjunction with AHFC, will adapt and revise the current policies and procedures used for the CDBG to the CDBG-DR program for the AHFC Local Buyout Program. DCCED will post the revised Guidelines for public comment. The criteria for a buyout is:
 - 10) The residence (1-4 dwelling units) must have been destroyed or severely damaged by the Presidentially declared disaster (the 2018 Cook Inlet Earthquake);
 - 11) The residence must be in a floodplain (FEMA Floodplain map) or on a coastal or riverine bluff;
 - 12) The Disaster Risk Reduction Area (Seismic Hazard Zones 4 and 5) must be clearly delineated so that HUD and the public may easily determine which properties are located within the designated area.
 - i) National Objectives: Elimination of slum/blight and Low-Moderate Income Buyout (LMB), Low-Moderate Housing Incentive(LMHI), Urgent Need.
 - ii) Must meet Affirmatively Furthering Fair Housing (AFFH) requirements.

d. Temporary Relocation Assistance

The State of Alaska/DCCED has adopted an Optional Relocation Policy to provide owner-occupants or households with incomes less than 120 percent AMI with Temporary Relocation Assistance (TRA) for those households who are unable to occupy their home during construction activities. Owner-occupants or households making greater than 120 percent Average Median Income (AMI) may qualify for TRA through a hardship exception. Up to \$12,000 in TRA per applicant is available. This benefit is in addition to program caps for construction assistance.

Uniform Relocation Act (URA) policies and notification requirements will be followed to assist any tenants who are temporarily or permanently displaced due to program activities, when applicable. Any units occupied and paid for with CDBG-DR funds are subject to inspection.

e. **Manufactured Home Repair or Replacement**

Single-wide manufactured homes with damages between \$1,000 and \$5,000 may be eligible for assistance with repairs. Double-wide or larger manufactured homes, including manufactured homes with certain permanent building additions are eligible for repair assistance with damages between \$1,000 and \$10,000. Applicants requiring repairs to manufactured homes exceeding \$5,000 for single-wide and \$10,000 for double-wide or larger units may be eligible for replacement

- 1) Allocation Amount: \$1,000,000.
- 2) At least eighty (80) percent of funds must address unmet need in the Municipality of Anchorage.
- 3) Up to twenty (20) percent of funds may address unmet need in the Matanuska- Susitna Borough and the Kenai Peninsula Borough.
- 4) The program will first be available to selected “Seniors/Disabled” households, LMI households, and other households.
- 5) Reallocation: Any remaining funds within the Matanuska-Susitna Borough and the Kenai Peninsula Boroughs will be reallocated to the Municipality of Anchorage.
- 6) Maximum Award: \$100,000.
- 7) Eligible Activities, HCDCA Section 105(a)(4):
- 8) Expenses incurred by homeowners for repairs to a primary residence prior to application for these funds.
- 9) Ineligible Activities:
 - i. Forced mortgage payoff.
 - ii. Incentive payments to households that move to disaster-impacted floodplains.
 - iii. Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for rehabilitation assistance or housing incentives.
 - iv. Rehabilitation/reconstruction of a home located in a floodplain.
 - v. Rehabilitation/reconstruction of a house in which the combined household income is greater than 120 percent AMI or the national median;
- 10) Eligibility Criteria for Assistance:
 - i. Home must have been owner-occupied at the time of the disaster.
 - ii. Home must have served as primary residence.
 - iii. Home must be in a CDBG-DR eligible jurisdiction.
 - iv. Home must have sustained damage from the 2018 Cook Inlet Earthquake (DR- 4413) and/or during the 10,000 subsequent

aftershocks.

- v. Duplication of benefits review.
- vi. All applicants and co-applicants must be current on payments for child support.
- vii. Applicant must furnish evidence that property taxes are current, have an approved payment plan, or qualify for an exemption under current laws.
- viii. Home must be environmentally cleared.

11) Subrogation Agreement: Assisted homeowners must agree to a limited subrogation of any future awards related to the 2018 Cook Inlet Earthquake to ensure duplication of benefits compliance. Assisted homeowners must agree to repay any duplicative assistance if they later receive other disaster assistance for the same purpose.

12) Unsecured Forgivable Promissory Note:

- i. Assisted homeowners are required to maintain principal residency in the assisted property for one year. Cash-out refinancing, home equity loans or any loans utilizing the assisted residence as collateral are not allowed for one year. A violation of this policy will activate the repayment terms of the Note.
- ii. Taxes are to be paid and in good standing for the properties assisted. Homeowners may be on a payment plan, but it needs to be submitted to RurAL CAP.
- iii. Insurance must be maintained at the assisted property. Hazard, and windstorm (if applicable) will be monitored for the one-year period.

13) National Objective: Urgent Need Low-Moderate-Income Housing (LMH). At least 70 percent of these program funds must be spent on LMH eligible projects. spacing

14) AFFH review: All proposed projects will undergo AFFH review by RurAL CAP before approval. Such review will include assessments of (1) a proposed project's area demography, (2) socioeconomic characteristics, (3) housing configuration and needs, (4) educational, transportation, and health care opportunities, (5) environmental hazards or concerns, and (6) all other factors material to the AFFH determination. Applications should show that projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard-related impacts. spacing

15) Timeline: The proposed program start date is immediately after HUD's approval of this Action Plan. The proposed end date is 3 years from the start date of the program.

f. Local Infrastructure Program

The State of Alaska/DCCED recognizes that as part of a comprehensive long-term recovery program, the repair and enhancements of local infrastructure and mitigation efforts are crucial components. Infrastructure activities are vital not only for the long-term recovery and restoration of housing but for the long-term recovery and viability of communities. The local infrastructure program will provide disaster relief, long-term recovery, and restoration of infrastructure for local communities impacted by the 2018 Cook Inlet Earthquake. Each infrastructure activity must demonstrate how it will contribute to the long-term recovery and restoration of housing and viable neighborhoods.

DCCED will administer this program in conjunction with the three CDBG-DR eligible jurisdictions; the Municipality of Anchorage, the Matanuska-Susitna Borough and the Kenai Peninsula Borough, as subrecipients. This may be expanded to include the State of Alaska Department of Transportation and Public Facilities and the Department of Natural Resources. This may be expanded to include Anchorage Water and Wastewater Utility and the three rural electric cooperatives; Chugach Electric Association, Matanuska Electric Association, and the Homer Electric Association. This may also include local, established real estate developers.

The State of Alaska/DCCED encourages the prioritization of infrastructure for direct repair of earthquake damaged facilities, FEMA cost share and mitigation including seismic and structural analysis, as well as, seismic and structural upgrades, streets and sidewalks, water and wastewater facilities, and electrical power facilities due to the limitations of funds available in this allocation.

- 1) Allocation Amount: \$2,689,200 (Appendix A, CDBG-DR Budget)
- 2) Maximum Award Amount: \$2,000,000/per project.
- 3) Eligible Entities: Municipality of Anchorage, Matanuska-Susitna Borough, Kenai Peninsula Borough, Anchorage Water and Wastewater Utility and three Rural Electric Cooperatives; Chugach Electric Association, Matanuska Electric Association, and Homer Electric Association, and local established real estate developers.
- 4) Eligible Activities: Local infrastructure activities must contribute to the long-term recovery and restoration of housing and viable neighborhoods. All activities allowed under CDBG-DR; HCDA Section 105(a)(1-5), 105(a)(7-9), and 105(a)(11), including but not limited to:
 - i) Flood control and drainage repair and improvements, including the construction or rehabilitation of storm water management system;
 - ii) Restoration of infrastructure (such as streets and sidewalks, water and sewer facilities, electrical power facilities, provision of generators, removal of debris, burying electrical distribution lines, etc.);
 - iii) De-construction and/or demolition, rehabilitation of publicly-owned buildings, and code enforcement;

5) Ineligible Activities:

- i) CDBG–DR funds may not be used to enlarge a dam or levee beyond the original footprint of the structure that existed prior to the 2018 Cook Inlet Earthquake.
- ii) Funds may not be used to assist a privately-owned utility for any purpose;
- iii) Buildings and facilities used for the general conduct of government (e.g., city halls, courthouses, and emergency operation centers);
- iv) No disaster recovery assistance will be considered with respect to any part of a disaster loss that is reimbursable by the Federal Emergency Management Agency (FEMA), the Army Corps of Engineers (USACE), insurance, or another source due in part to the restrictions against duplication of benefits outlined in this Action Plan. An activity underway prior to the Presidential Disaster Declaration will not qualify unless the disaster directly impacted said project.
- v) By law, (codified in the HCD Act as a note to 105(a)), the amount of CDBG–DR funds that may be contributed to a USACE project is \$250,000 or less.

6) National Objectives: Low- and moderate-income, elimination of slum/blight.

7) All proposed projects must meet Affirmatively Furthering Fair Housing (AFFH) requirements.

g. **Economic Revitalization**

The State of Alaska/DCCED recognizes that as part of a comprehensive long-term recovery program, economic revitalization is a crucial component. Economic revitalization creates new opportunities for business investment and job creation. Each economic revitalization activity must demonstrate how it will contribute to the long-term recovery and restoration of housing.

The State of Alaska/DCCED, in conjunction with AHFC, will administer the Business Owner Reimbursement Program (BRP) for eligible expenses and Small Business Administration (SBA) Business Physical Disaster Loans (BPD) incurred by business owners for repairs to a business property prior to application for these funds. This is a voluntary program. Up to \$2,000,000 per business may be reimbursed.

- 1) Allocation Amount: \$2,689,200.
- 2) At least eighty (80) percent of funds must address unmet need in the Municipality of Anchorage.
- 3) Up to twenty (20) percent of funds may address unmet need in the Matanuska- Susitna Borough and the Kenai Peninsula Borough.
- 4) The program will first be available to businesses and private non-profit organizations operating “Assisted Living Facilities”, “Group Homes”, or “Shelters” serving the elderly and disabled populations.

- 5) Reallocation: Any remaining funds within the Matanuska-Susitna Borough and the Kenai Peninsula Boroughs will be reallocated to the Municipality of Anchorage.
- 6) Maximum Award: \$2,000,000.
- 7) Eligible Activities, HCDCA Section 105(a)(4):
 - i) Expenses incurred by business owners and non-profit organizations for repairs to a business property prior to application for these funds.
 - ii) SBA disaster home loans by business owners for repairs to a business property prior to application for these funds.
- 8) Ineligible Activities:
 - i) Forced mortgage payoff.
 - ii) Incentive payments to businesses that move to disaster-impacted floodplains.
 - iii) Rehabilitation/reconstruction of a business located in a floodplain.
- 9) Eligibility Criteria for Assistance:
 - i) Business or private non-profit organization must have been operating at the time of the disaster (November 30, 2018) with an unexpired State of Alaska Business License.
 - ii) Business or private non-profit organization must have served the elderly, disabled, and/or homeless populations.
 - iii) Business or private non-profit organization must be located in a CDBG-DR eligible jurisdiction; Municipality of Anchorage, Matanuska-Susitna Borough, or Kenai Peninsula Borough.
 - iv) Business or private non-profit organization must have sustained damage from the 2018 Cook Inlet Earthquake (DR-4413) and/or during the 10,000 subsequent aftershocks.
 - v) Duplication of benefits review.
 - vi) Applicant must furnish evidence that property taxes are current, have an approved payment plan, or qualify for an exemption under current laws.
 - vii) Business property must be environmentally cleared.
 - viii) Subrogation Agreement: Assisted business owners and non-profit organizations must agree to a limited subrogation of any future awards related to the 2018 Cook Inlet Earthquake to ensure duplication of benefits compliance. Assisted business owners and private non-profit organizations must agree to repay any duplicative assistance if they later receive other disaster assistance for the same purpose.

10) Unsecured Forgivable Promissory Note:

- i) Assisted business owners and non-profit organizations are required to operate in the assisted property for one year. Cash-out refinancing, or any loans utilizing the assisted residence as collateral are not allowed for one year. A violation of this policy will activate the repayment terms of the Note.
- ii) Taxes are to be paid and in good standing for the properties assisted. Business owners and non-profits may be on a payment plan, but it needs to be submitted to AHFC.
- iii) Insurance must be maintained at the assisted property. Hazard, and windstorm (if applicable) will be monitored for the one-year period.

11) Eligibility Criteria, SBA Loan Reimbursement:

- i) All SBA loans must have been used toward a loss suffered as a result of the 2018 Cook Inlet Earthquake and/or during the 10,000 subsequent aftershocks.
- ii) Applicants must continue to make payments on their current SBA loan even if they have applied for CDBG-DR assistance. Spacing
- iii) Applicants must comply with any requirements in the loan documents that the applicant use amounts received for reimbursement to repay the loan's outstanding principal and interest.

12) Ineligible Activities, SBA Loan Reimbursement:

- i) Reimbursing costs that are not otherwise eligible for CDBG-DR assistance such as paying late fees.
- ii) Portion of interest attributable to activities that are ineligible for reimbursement.
- iii) Reimbursement is not permitted if payment of the cost with CDBG-DR funds will cause a duplication of benefits because an exception does not apply or violate the requirement that CDBG-DR funds shall not be used for activities reimbursable by or for which funds are made available by FEMA or the Army Corps of Engineers.

13) National Objective: Low-and moderate-income housing (LMH). At least 70 percent of these program funds must be spent on LMH eligible properties.

14) AFFH review: All proposed projects will undergo AFFH review by AHFC before approval. Such review will include assessments of (1) a proposed project's area demography, (2) socioeconomic characteristics, (3) housing configuration and needs, (4) educational, transportation, and health care opportunities, (5) environmental hazards or concerns, and (6) all other factors material to the AFFH determination. Applications should show that projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard-related impacts.

15) Timeline: The proposed program start date is immediately after HUD's approval of this Action Plan. The proposed end date is 3 years from the start date of the program.

h. Administrative Funds

The State of Alaska/DCCED will retain the full 5% allocated for administrative costs associated with the CDBG-DR allocation for purposes of oversight, management, and reporting. State administrative costs including subrecipient administration costs will not exceed five (5) percent, \$1,792,800. Pursuant to 24 CFR §58.34(a)(3), except for applicable requirements of 24 CFR §58.6, administrative and management activities are exempt activities under this Action Plan. Once contracted, DCCED will allow the drawdown of pre-agreement costs associated with eligible disaster recovery activities dating back to the date of the disaster (November 30, 2018) for subrecipients and DCCED with appropriate documentation.

III. Citizen Participation – State Action Plan

The primary goal of this Action Plan is to provide Alaskans with definitive opportunities to involve themselves in the three core areas of recovery – housing, infrastructure, and economic revitalization and participate in the planning process within the three CDBG-DR eligible jurisdictions; the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough.

The State of Alaska/Department of Commerce, Community, and Economic Development (DCCED) Citizen Participation Plan for the 2018 Cook Inlet Earthquake is based on the requirements outlined in the Federal Register notice published on February 9, 2018 at 83 FR 5844.

According to the Federal Register notice published on August 14, 2018 at 83 FR 40314, "To permit a more streamlined process, and ensure disaster recovery grants are awarded in a timely manner, provisions of 42 U.S.C. 5304(a)(2) and (3), 42 U.S.C. 12707, 24 CFR 570.486, 24 CFR 1003.604, and 24 CFR 91.115(b) and (c), with respect to citizen participation requirements, are waived and replaced by the requirements below. The streamlined requirements do not mandate public hearings but do require the grantee to provide a reasonable opportunity (at least 30 days) for citizen comment and ongoing citizen access to information about the use of grant funds."

The most current version of the State of Alaska Department of Commerce, Community, and Economic Development Citizen Participation Plan for the 2018 Cook Inlet Earthquake will be placed on the official DCCED website at

<https://www.commerce.alaska.gov/web/dcra/GrantsSection/CDBG-DR>.

The State of Alaska Action Plan for the 2018 Cook Inlet Earthquake identifies the earthquake related physical damage to housing and public infrastructure and the unmet needs in the three core areas of recovery. The Action Plan outlines the eligible use of CDBG-DR funds and specific programs that will be allowable by DCCED.

A. Publication

Before DCCED adopts the Action Plan for this grant or any substantial amendment to this grant, DCCED will publish the proposed plan or amendment on the DCCED's main website at

<https://www.commerce.alaska.gov/web/dcra/GrantsSection/CDBG-DR>.

The State of Alaska/DCCED and/or subrecipients will notify affected citizens through electronic mailings, press releases, statements by public officials, media advertisements, public service announcements, newsletters, contacts with neighborhood organizations, and/or through social media. DCCED may allow other means as necessary.

The State of Alaska/DCCED will ensure that all citizens have equal access to information about the programs, including persons with disabilities and limited English proficiency (LEP). DCCED will ensure that program information is available in the appropriate languages for the three CDBG-DR eligible jurisdictions.

The State of Alaska, Department of Commerce, Community, and Economic Development (DCCED), complies with Title II of the Americans with Disabilities Act of 1990. This publication is available in alternative communication formats upon request. Please contact the DCRA publication Specialist at 1- 907-269-4560 or DCRA.publications@alaska.gov to make any necessary arrangements. The Alaska Relay is 711 or 1-800-770-8973\TTY, 1- 800-770-8255\Voice.

After publication of the Action Plan or Substantial Amendment, DCCED will provide a reasonable opportunity of at least 30 days and have a method(s) for receiving comments.

DCCED will take comments via USPS mail, fax, email, or through the DCCED's website: Department of Commerce, Community & Economic Development Division of Community & Regional Affairs
550 West 7th Ave, Ste 1650
Anchorage, AK 99501
Fax: 907-269-4563
Email: anita.baker@alaska.gov
Online Form: <https://www.commerce.alaska.gov/web/dcra/GrantsSection/CDBG-DR>.

B. Consideration of Public Comments

DCCED will consider all written comments regarding the Action Plan or any substantial amendment. A summary of the comments and DCCED's response to each will be located in the Appendix Section and will be submitted to HUD with the Action Plan or substantial amendment.

There were no Public Comments received during the 30-day Public Comment Period, which began October 13, 2020 and ended on November 13, 2020.

C. Citizen Complaints

DCCED will provide a timely written response to every citizen complaint. The response will be provided within fifteen (15) working days of the receipt of the complaint, when practicable.

D. Substantial Amendment

As additional information and funding becomes available through the grant administration process, amendments to this Action Plan are expected. Prior to adopting any substantial amendment to this Action Plan, DCCED will publish the proposed plan or amendment on the DCCED's official website and will afford citizens, affected local jurisdictions, and other interested parties a reasonable opportunity to examine the plan or amendment's contents. At a minimum, the following modifications will constitute a substantial amendment:

- A change in program benefit or eligibility criteria;
- The allocation or reallocation of more than \$3.856 million; or
- The addition or deletion of an activity.

E. Non-Substantial Amendment

The State of Alaska will notify HUD when it makes any plan amendment that is not substantial. HUD will be notified at least five (5) business days before the amendment becomes effective. HUD will acknowledge receipt of the notification of non-substantial amendments via email within five (5) business days.

F. Community Consultation

The Disaster Assistance Section of the Division of Homeland Security and Emergency Management accepted more than 13,800 applications for the State of Alaska Individual and Family Grant Program and the Temporary Housing Program to provide emergency sheltering, hotel stays and rental assistance. Applications were accepted from November 30, 2018 through February 28, 2019. DCCED has access to the data collected from these applications.

On January 31, 2019, a federal disaster declaration was approved for the Municipality of Anchorage, Matanuska-Susitna Borough and the Kenai Peninsula Borough. The Federal Emergency Management Agency accepted disaster assistance applications from more than 10,500 individuals and households in those jurisdictions through May 31, 2019. DCCED has access to the data collected from these applications.

Additionally, the U.S. Small Business Administration accepted low-interest disaster loan applications from 1,772 homeowners and renters, as well as, 112 businesses. DCCED has access to the data collected from these applications.

Those sources include; individuals, state agencies, local jurisdictions, non-profit organizations, and the private sector.

G. Public Website

DCCED will maintain a public website that provides information accounting for how all grant funds are used and managed/administered, including: links to all Action Plans; Action Plan Amendments; CDBG-DR program policies and procedures; performance reports; citizen participation requirements; and activity/program information for activities described in its Action Plan, including details of all contracts and ongoing procurement policies. DCCED will make the following items available at <https://www.commerce.alaska.gov/web/dcra/GrantsSection/CDBG-DR>.

- (1) The Action Plan (including all amendments); each Quarterly Performance Report (QPR) as created using the Disaster Recovery Grant Reporting (DRGR) system;
- (2) Procurement, policies, and procedures;
- (3) Executed CDBG-DR contracts;
- (4) Status of services or goods currently being procured by DCCED (e.g. phase of procurement, requirements for proposals, etc.)

In addition to the specific items listed above, the DCCED will maintain a comprehensive website regarding all disaster recovery activities assisted with these funds.

This includes reporting information on the official DCCED website at <https://www.commerce.alaska.gov/web/dcra/GrantsSection/CDBG-DR>. The website will be updated on a timely manner to reflect the most up-to-date information about the use of these funds and any changes in policies and procedures, as necessary. At a minimum, DCCED will make monthly updates.

H. Waivers

The Appropriations Act authorizes the Secretary of HUD to waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary, or use by the recipient, of these funds and guarantees, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment (including requirements concerning lead-based paint), upon: (1) A request by the grantee explaining why such a waiver is required to facilitate the use of such funds or guarantees; and (2) a finding by the Secretary that such a waiver would not be inconsistent with the overall purpose of HCDA. Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

As allowed in the Federal Register notice published on August 14, 2020 at 85 FR 50041, the State of Alaska requested a 75-day extension for the submission of the State of Alaska Action Plan for the Community Development Block Grant-Disaster Recovery (CDBG-DR) Grant Program for the 2018 Cook Inlet Earthquake on August 24, 2020. (Reference 27) On September 3, 2020, the U.S. Housing and Urban Development Anchorage Field Office approved the request, extending the submission due date to November 16, 2020. (Reference 28)

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V. Appendix A - Budget

CDBG-DR 2018 Cook Inlet Earthquake Total Allocation Budget Estimate							
Programs	HUD Most Impacted Area (80%)	State Most Impacted Areas (20%)	LMI Amount (70%) of Total Allocation	Total	% of Total Allocation by Program	% of Total Allocation	Total
State Programs							
State Housing	AHFC Public Housing	\$1,600,000	\$400,000		\$2,000,000		
	Homeowner's Reimbursement Program	\$12,800,000	\$3,200,000		\$16,000,000		
	Local Buyout & Acquisition Program	\$6,147,840	\$1,536,960		\$7,684,800		
	Temporary Relocation Assistance	\$800,000	\$200,000		\$1,000,000		
	Manufactured Home Repair/Replacement	\$1,600,000	\$400,000		\$2,000,000		
	Housing Assistance Total	\$22,947,840	\$5,736,960	\$20,079,360	\$28,684,800	80.00%	\$28,684,800
State Infrastructure and Economic Revitalization	Category C (Roads & Bridges)						
	Category D (Water Control Facilities)						
	Category E (Buildings & Equipment)						
	Category F (Utilities)						
	Category G (Other, Parks, Recreational Facilities, Fish Hatcheries)						
		Local Infrastructure Program Total	\$2,151,360	\$537,840	\$1,882,440	\$2,689,200	7.50%
	Economic Revitalization Program	\$2,151,360	\$537,840	\$1,882,440	\$2,689,200	7.50%	
State Planning and Administration	State Planning			N/A			
	State Administration	\$1,434,440	\$358,360	\$1,254,960	\$1,792,800	5.00%	\$1,792,800
State Allocation Subtotal							
Grand Total Allocation							
		\$28,685,000	\$7,171,000	\$25,099,200	\$35,856,000	100%	\$35,856,000

Revised by Anita Baker on 11/16/2020

(70% of \$35,856,000)

No less than \$28,685,000 must be expended for recovery in MOA.

No less than 70% must be expended for recovery of LMI households and neighborhoods.

In the future, additional funds may be requested/allocated.