

The State of Alaska Department of Commerce, Community, and Economic Development

Community Development Block Grant – Disaster Recovery

2022 Typhoon Merbok and 2023 Lower Yukon & 2024 Juneau Flooding

Homeowner Recovery Policy and Procedure Manual

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The State of Alaska Housing Rehabilitation and Reconstruction Program Policy Manual

Purpose and Overview of the Program

Use of this Document

This document is a high-level policy manual created by the State of Alaska Department of Commerce, Community and Economic Development (DCCED) for its subrecipients to understand the requirements that must be followed in the administration of CDBG-DR Housing Rehabilitation and Reconstruction Program that is funded by Community Development Block Grant Disaster Recovery (CDBG-DR) funds from the Department of Housing and Urban Development (HUD). This manual is intended to highlight the key areas of compliance for DCCED subrecipients; however, these funds are subject to all applicable rules, regulations, waivers, and requirements, including applicable Federal Register notices and the State's CDBG-DR Action Plan, as amended; and therefore this manual and compliance requirements may need to be updated over the life of the program.

DCCED expects its subrecipients to maintain their own program policies and procedures, or to adopt this manual for use to ensure compliance with all requirements herein.

1. Program Authorization and Overview

1.1. Program Purpose

The State of Alaska's CDBG-DR Housing Rehabilitation and Reconstruction Program (the "Program") is designed to assist eligible owner-occupied households whose primary residences were damaged by the Typhoon Merbok (DR-4672), the 2023 Lower Yukon Floods (DR-4730), and the 2024 Juneau Floods (DR-4836) (the "Floods"). The Program supports long-term recovery by addressing disaster-related housing needs, restoring safe, decent, and sanitary living conditions, and preserving existing housing stock within the disaster impacted areas throughout the state.

Through the provision of rehabilitation and reconstruction assistance, the Program seeks to reduce unmet housing needs resulting from the disaster, promote housing stability for impacted households, and support community recovery in accordance with federal requirements governing the use of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds.

1.2 Disaster Background and Funding Authorization

In response to damages and unmet needs resulting from Typhoon Merbok (DR-4672), HUD allocated $38,493,000 to the State of Alaska through CDBG-DR funding to be administered by DCCED. These funds were allocated in a Federal Register Notice published on May 18, 2023 (88 FR 32046). This allocation was made available through Public Law 117-328 and is subject to HUD's Consolidated Notice (Appendix B), as amended.

The State later received an additional $18,676,000 in CDBG-DR funding for the 2023 Lower Yukon Floods (DR-4730) and the 2024 Juneau Floods (DR-4836)(the "Floods"), which was allocated in a Federal Register Notice published on January 16, 2025 (90 FR 4759). This allocation was made available through Public Law 118-158 and is subject to HUD's Universal Notice (90 FR 1754), as amended.

CDBG-DR grants are authorized under Title I of the Housing and Community Development Act of 1974 (HCDA) for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the Most Impacted and Distressed (MID) areas resulting from a major disaster.

HUD maintains all federal rules, regulations, and documents related to the CDBG-DR allocation to the State of Alaska. These can be accessed online at https://www.hud.gov/hud-partners/community-cdbg-dr-regulations.

Specifically, housing rehabilitation and reconstruction activities are authorized under Section 105(a)(4) of the Housing and Community Development Act of 1974 (HCDA), as amended.

1.3 Applicable Federal Register Notices and Waivers

The Program is governed by Title I of the Housing and Community Development Act of 1974 (HCDA), as amended, and is implemented pursuant to HUD's Consolidated Notice and Universal Notice, as amended, and any subsequent notices, guidance, waivers, or alternative requirements issued by HUD.

CDBG-DR funds are subject to unique statutory authorities and regulatory flexibilities that differ from the standard CDBG program. Where conflicts exist between standard CDBG regulations at 24 CFR Part 570 and the provisions of the applicable Federal Register notices, the Federal Register notices and their associated waivers and alternative requirements shall govern.

This Policy and Procedures Manual will be updated, as necessary, to reflect changes in federal guidance, additional HUD direction, or clarifications issued during program implementation.

1.4 Program Administration and Roles

DCCED serves as the CDBG-DR grantee and is ultimately responsible for ensuring that all Program activities comply with applicable federal, state, and local requirements.

Program implementation will involve coordination among multiple entities, including but not limited to:

- DCCED (Grantee): Provides overall program oversight, ensures compliance with CDBG-DR requirements, approves key policy decisions, executes subrecipient agreements, conducts monitoring, and submits required reports to HUD.
- Subrecipient(s): Administer day-to-day Program operations in accordance with executed Subrecipient Agreements, including intake, application assistance, initial eligibility screening, Duplication of Benefits (DOB) data collection, construction management, contractor oversight, inspections, recordkeeping, and compliance with cross-cutting federal requirements.
- Contractors and Vendors: Perform eligible construction and professional services in accordance with applicable procurement requirements, construction standards, and contractual obligations.

Roles and responsibilities for each participating entity will be further defined in Subrecipient Agreements, contracts, and incorporated program procedures.

1.5 CDBG-DR Action Plan

This Program is authorized and implemented pursuant to DCCED's HUD-approved CDBG-DR Action Plans and any subsequent Action Plan amendments. The Action Plan identifies unmet housing needs, establishes program priorities, defines eligible activities, and documents compliance with national objective requirements and applicable waivers.

This Policy and Procedures Manual is intended to operationalize the commitments and requirements set forth in the Action Plan. In the event of a conflict between this Manual and the HUD-approved Action Plan, the Action Plan shall govern unless and until amended with HUD approval.

Program activities, eligibility determinations, national objective compliance, and use of waivers will be implemented consistent with the Action Plan and documented accordingly.

2. Program Overview

2.1 Unmet Housing Needs

The Typhoon Merbok and the Floods caused significant damage to owner-occupied housing throughout the state of Alaska, resulting in unmet housing needs that extend beyond immediate emergency response and short-term recovery assistance. While some households were able to access insurance proceeds, FEMA Individual Assistance, or other recovery resources, many homes sustained damage that did not result in total loss but left structures unsafe, uninhabitable, or in need of substantial repair.

DCCED's disaster recovery needs assessment identified housing rehabilitation and reconstruction as one of the most critical long-term recovery needs. Financial constraints, rising construction costs, underinsurance, and gaps in available assistance have delayed or prevented necessary repairs, particularly for low- and moderate-income households and other vulnerable populations. Without targeted intervention, these conditions threaten housing stability, community recovery, and the preservation of existing housing stock.

2.2 Program Goals and Objectives

The Housing Rehabilitation and Reconstruction Program is designed to address disaster-related unmet housing needs by providing eligible assistance to restore owner-occupied homes to safe, decent, and sanitary conditions.

Program goals include:

- Repairing or reconstructing disaster-damaged owner-occupied housing;
- Reducing health and safety risks associated with disaster-related damage;
- Preserving existing housing stock within impacted communities;
- Supporting long-term housing stability for disaster-impacted households; and
- Advancing equitable recovery outcomes in accordance with federal requirements.

The Program prioritizes efficient, compliant, and coordinated delivery of assistance while ensuring responsible stewardship of CDBG-DR funds.

2.3 Program Budget and Allocation

DCCED has allocated $15,423,400 in CDBG-DR funds to the Housing Rehabilitation and Reconstruction Program for Typhoon Merbok recovery and $4,664,940 for the Floods recovery, as identified in each of DCCED's HUD-approved Action Plans. These funds will be used to support eligible rehabilitation and reconstruction activities, including associated soft costs, in accordance with applicable federal requirements.

Program funding levels, award structures, and assistance limits are designed to balance the need to address individual household recovery needs with DCCED's obligation to assist as many eligible households as possible. Budget allocations may be adjusted through Action Plan amendments, as necessary, to respond to evolving recovery needs or implementation considerations.

2.4 Program Design Overview

The Program provides assistance to eligible homeowners through two primary activity types:

- Housing Rehabilitation: Repair of disaster-damaged owner-occupied properties that remain structurally sound and suitable for rehabilitation, with the goal of returning the home to a safe and habitable condition.
- Housing Reconstruction: Replacement reconstruction of owner-occupied properties where rehabilitation is not feasible due to the extent of disaster-related damage, code requirements, or other documented factors.

The determination of whether a property will be rehabilitated or reconstructed will be based on a comprehensive assessment of disaster-related damage, cost reasonableness, compliance requirements, and program thresholds, as further described in this Manual.

Assistance must be provided in a manner that ensures compliance with environmental review requirements, duplication of benefits provisions, labor standards, and other applicable cross-cutting federal requirements.

3 National Objective and Compliance Framework

3.1 National Objective Overview

All activities funded under the Housing Rehabilitation and Reconstruction Program must meet a CDBG-DR national objective, as required under Title I of the HCDA, as amended, and applicable CDBG-DR Federal Register notices.

Consistent with HUD requirements, national objective compliance will be established and documented at the activity level and implemented in accordance with DCCED's HUD-approved Action Plan. The Program will meet a national objective through the Low- and Moderate-Income Housing (LMH) national objective and, where applicable, through the Urgent Need national objective pursuant to alternative requirements authorized by HUD.

3.2 Low- and Moderate-Income Housing (LMH) National Objective

Assistance provided under this Program may qualify under the Low- and Moderate-Income Housing (LMH) national objective at 24 CFR 570.208(a)(3). This national objective applies to housing activities that provide or improve permanent residential structures that are occupied by low- and moderate-income households.

For activities qualifying under LMH:

- The assisted unit must be owner-occupied by a household with income at or below 80 percent of Area Median Income (AMI), as determined using HUD-published income limits.
- Income eligibility will be verified prior to the provision of assistance and documented in the program file.
- Each assisted unit qualifying under LMH must independently meet the LMH criteria.

LMH-qualified assistance is intended to support the rehabilitation or reconstruction of disaster-damaged primary residences to restore safe, decent, and sanitary living conditions.

3.3 Urgent Need National Objective

For the Floods award, DCCED may also meet a CDBG-DR national objective through the Urgent Need national objective pursuant to the alternative requirement provided in the Universal Notice, as amended.

Consistent with this alternative requirement, DCCED has documented in its HUD-approved Floods Action Plan:

- The existence of urgent disaster-related housing needs posing a serious and immediate threat to the health or welfare of the community;
- The identification of this Program as an eligible activity utilizing the Urgent Need national objective; and
- How Program activities respond to the urgency, type, scale, and location of disaster-related impacts.

Under this alternative requirement, documentation of Urgent Need is established at the program and activity level through the Action Plan and is not required to be demonstrated on an individual household basis.

For program eligibility purposes, assistance provided under the Urgent Need national objective will be limited to households with incomes above 80 percent AMI but not to exceed 120 percent of AMI, as established by DCCED in its Action Plan.

3.4 Tracking and Documentation of National Objective Compliance

DCCED and its subrecipients are responsible for ensuring that national objective compliance is accurately documented and maintained for each assisted activity.

National objective tracking will include:

- Documentation of income eligibility;

- Maintenance of supporting documentation in program files; and
- Accurate reporting of national objective compliance in HUD's Disaster Recovery Grant Reporting (DRGR) system.

National objective determinations will be reviewed as part of ongoing monitoring and compliance activities. Failure to properly document national objective compliance may result in corrective action, repayment of funds, or other remedies as required by HUD.

4 Connection to the Disaster ("Tie-Back")

4.1 Eligible Disaster and MID Areas

All activities assisted under the Housing Rehabilitation and Reconstruction Program must address impacts resulting from the Typhoon Merbok and the Floods, which were the subject of the Presidential Major Disaster Declaration DR-4672, DR-4730, and DR-4836.

Eligible properties must be located within a Most Impacted and Distressed (MID) area for purposes of this CDBG-DR allocation. See section 6.1 for a list of eligible MID areas and 6.2 for additional priorities within MID areas.

4.2 Eligible Disaster-Related Damage

To establish a connection to the disaster, the assisted property must have sustained damage that is directly attributable to the declared disaster events. Eligible damage includes physical damage to residential structures and related systems that resulted from the disaster and that has not been fully addressed through other recovery resources.

Disaster-related damage may include, but is not limited to:

- Structural damage to the dwelling;
- Damage to roofs, siding, windows, or exterior components;
- Damage to electrical, plumbing, or HVAC systems;
- Damage to foundations or load-bearing elements; and
- Damage to attached structures or essential privately owned utilities serving the residence.

DCCED and its subrecipients will verify disaster-related damage using available documentation, which may include FEMA inspections, insurance assessments, local damage assessments, photographs, contractor estimates, or other reasonable and reliable sources.

4.3 Documentation of Disaster Impact

Each assisted activity must include documentation sufficient to demonstrate that the scope of work and associated costs are necessary to address disaster-related damage. Documentation must be maintained in the program file and may include:

- Pre-disaster and post-disaster condition information, where available;
- Damage assessments or inspection reports;
- Photographic evidence of disaster-related damage;
- Cost estimates and scopes of work identifying disaster-related repairs; and

- Documentation demonstrating the gap between total need and other sources of assistance, as reflected in the Duplication of Benefits (DOB) analysis.

The level and type of documentation required may vary based on the nature and extent of damage and the type of assistance provided.

4.4 Necessary and Reasonable Costs

All rehabilitation and reconstruction costs must be necessary, reasonable, and directly related to addressing disaster-related damage. Costs must be consistent with prevailing market rates for similar work within the state at the time of construction.

The subrecipient is responsible for reviewing scopes of work and cost estimates to ensure:

- Costs are limited to eligible, disaster-related repairs or reconstruction;
- Proposed work does not exceed what is necessary to restore the home to a safe and habitable condition, except where required by code or program standards; and
- Costs are supported by appropriate documentation and reasonableness determinations.

Costs unrelated to the disaster, including pre-existing deficiencies not exacerbated by the disaster, luxury improvements, or upgrades beyond program standards, are not eligible for assistance unless otherwise required by applicable codes or federal requirements.

4.5 Consistency with Mitigation and Code Requirements

Where applicable, rehabilitation or reconstruction activities may include additional work required to comply with current building codes, floodplain management requirements, or other federally mandated standards. Such costs may be considered eligible when they are necessary to complete disaster-related repairs or reconstruction in compliance with applicable requirements.

Work undertaken solely to improve the property beyond addressing disaster-related impacts, without a required regulatory nexus, is not eligible for assistance under this Program.

5 Program Eligibility

5.1 Eligible Property Types

The Housing Rehabilitation and Reconstruction Program is limited to single-family, owner-occupied residential properties located within the allowable MID areas.

For purposes of this Program, a single-family residential property is defined as a detached residential structure designed for occupancy by one household. Manufactured housing units are also eligible if they are owner-occupied, permanently affixed to the site, and meet all applicable program and regulatory requirements, including environmental review and construction standards.

Second homes, multifamily properties, and properties held solely for investment purposes are not eligible under this Program.

5.2 Eligible Households

Eligible households must:

- Occupy the assisted property as their primary residence;
- Have been residing in the property at the time of the disaster or demonstrate disaster-related displacement consistent with program requirements;
- Meet income eligibility requirements as described in Section 5.3; and
- Satisfy all program requirements related to ownership, occupancy, and compliance.

Households must cooperate with all program processes, including inspections, environmental review, Duplication of Benefits (DOB) analysis, and construction oversight.

5.3 Income Eligibility and Verification

Household income eligibility will be determined using HUD-published income limits.

Households with incomes at or below 80 percent of Area Median Income (AMI) may be assisted under the Low- and Moderate-Income Housing (LMH) national objective.

Households with incomes above 80 percent but not exceeding 120 percent of AMI may be eligible for assistance under the Urgent Need national objective for the Floods award only.

Income determinations will be completed prior to awarding CDBG-DR assistance and documented in the program file.

Income Definition and Methodology

Household income for purposes of determining eligibility under this Program will be calculated using Adjusted Gross Income (AGI) as reported on the most recent Internal Revenue Service (IRS) Form 1040, consistent with HUD guidance and best practices for disaster recovery housing programs. Where AGI does not reasonably reflect current household income due to disaster-related or other documented circumstances, DCCED may allow alternative documentation consistent with HUD guidance.

Income determinations will be based on the most recent federal income tax return (IRS Form 1040), including all schedules, and corresponding income documentation. Where a household member did not file a federal income tax return for the most recent tax year, alternative documentation demonstrating current income will be used to determine eligibility.

Required Income Documentation

Applicants must submit income documentation sufficient to verify household income for all adult household members. Required documentation may include, but is not limited to:

- Most recent signed IRS Form 1040, including all schedules;
- W-2 forms or 1099 forms corresponding to the tax year submitted;
- Social Security benefit statements;
- Pension or retirement benefit statements;
- Unemployment compensation statements;
- Other documentation of income received, as applicable.

- Where a household member did not file a federal income tax return for the most recent tax year, the applicant must provide:
- A written explanation of non-filing; and
- Alternative documentation demonstrating current income, such as benefit letters, employer statements, or other reliable income verification.

Household Composition Rules

Household income includes the income of all persons who:

- Occupied the assisted property as their primary residence at the time of the disaster; and
- Will occupy the property following completion of rehabilitation or reconstruction.
- Temporary household members or individuals who will not occupy the dwelling following assistance may be excluded from income calculations, subject to documentation and DCCED approval.

DCCED or its subrecipient may require additional documentation to resolve discrepancies or verify household composition.

5.4 Primary Residence Requirements

The assisted property must be the homeowner's primary residence at the time of the disaster and at the time of application for CDBG-DR assistance, except where temporary displacement occurred as a result of the disaster.

Second homes and vacation homes are not eligible for assistance. For purposes of this Program, a second home is defined as a property that was not the primary residence of the owner, tenant, or occupant at the time of the disaster or at the time of application.

Primary residence status will be verified using reasonable documentation, which may include, but is not limited to:

- Government-issued identification;
- Voter registration records;
- Federal or state tax returns;
- Homestead exemption documentation;
- Utility bills or other occupancy records; and
- Insurance or disaster assistance records.

5.5 Ownership and Title Considerations

Applicants must demonstrate ownership and control of the assisted property. Ownership may be documented through:

- deed,
- title,
- mortgage documentation,
- tax receipts or bills,
- home insurance,

- home purchase contracts,
- will or affidavit or heirship naming them as heir,
- receipts of major repairs completed prior to the disaster,
- court documents,
- letter from a manufactured housing community owner or public official,
- self-certification, when supported by additional documentation, or
- utility bills

Where title issues exist, including heirship or unresolved ownership interests, DCCED and its subrecipients may require resolution of such issues prior to the execution of a grant agreement. DCCED may allow reasonable accommodations for title clearance, provided ownership can be adequately demonstrated and program requirements are met.

5.6 Immigration Status

Eligibility for assistance is subject to compliance with applicable federal requirements related to citizenship or eligible immigration status. Documentation and verification will be conducted in accordance with federal law and HUD guidance.

Documentation for U.S. citizens may include:

- U.S. passport,
- U.S. birth certificate, or
- Certificate of Naturalization or Citizenship.
- Documentation for a “qualified alien” may include:
- USCIS/Alien Registration number (A-Number)
- Form I-94, Arrival/Departure Record number
- Student and Exchange Visitor Information System (SEVIS) ID number
- Naturalization/Citizenship Certificate number
- Card Number/I-797 Receipt number
- Social Security number

DCCED and its subrecipients will use SAVE, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.

5.7 Ineligible Properties and Activities

The following are not eligible for assistance under this Program:

- Second homes or vacation homes;
- Properties located outside Alaska;
- Structures that did not sustain disaster-related damage;
- Costs unrelated to addressing disaster-related damage;
- Luxury improvements or amenities not required by code or program standards; and
- Activities otherwise prohibited under applicable federal requirements.

6 Program Priorities and Targeting

6.1 HUD-Identified Most Impacted and Distressed (MID) Areas

HUD and the State have identified several communities as the Most Impacted and Distressed (MID) areas for purposes of DCCED's CDBG-DR allocations. See Appendix C for all eligible MID areas by disaster allocation.

Properties located outside the MID areas are not eligible for assistance under this Program.

6.2 Priority Populations and Vulnerability Factors

Consistent with HUD guidance and DCCED's HUD-approved Action Plans, the Program will prioritize assistance to households that face heightened barriers to recovery and other vulnerable populations. For this Program, these priority populations may include, but are not limited to:

- Low- and moderate-income households;
- Elderly persons (65 or older);
- Persons with disabilities;
- Households experiencing displacement or housing instability as a result of the disaster; and
- Households living in homes damaged by the disaster event.

Prioritization factors may be considered during application review, award determination, or project scheduling, as applicable. The application of prioritization criteria will be implemented in a manner that is equitable, transparent, and consistent with fair housing requirements.

6.3 Prioritization Approach and Flexibility

DCCED may utilize prioritization criteria to manage program demand, sequence assistance, or allocate limited resources. Prioritization does not guarantee assistance and does not supersede eligibility requirements.

DCCED reserves the right to adjust prioritization factors, subject to consistency with the HUD-approved Action Plan, to respond to evolving recovery needs, program performance considerations, or changes in available funding.

7 Alignment with RUSH and Other Recovery Programs

7.1 Coordination with RUSH-Funded Activities

As required by HUD's Universal Notice, the Housing Rehabilitation and Reconstruction Program is designed to align with and complement Rapid Unsheltered Survivor Housing (RUSH) and other interim housing efforts supporting disaster-impacted households.

The Program focuses on long-term housing recovery by rehabilitating or reconstructing owner-occupied homes, while RUSH-funded activities primarily address temporary housing needs. This Program is intended to support a transition from temporary housing solutions to stable, permanent housing by addressing remaining unmet housing needs following the disaster.

7.2 Coordination with FEMA, Insurance, and Other Recovery Resources

The Program is designed to coordinate with other disaster recovery resources, including but not limited to:

- FEMA Individual Assistance (IA);
- Small Business Administration (SBA) disaster loans;
- Private insurance proceeds;
- Charitable or philanthropic assistance; and
- State, local, or nonprofit recovery programs.

Coordination with these resources supports accurate Duplication of Benefits (DOB) determinations, maximizes the use of non-CDBG-DR funding sources, and ensures that CDBG-DR funds are used only to address unmet disaster-related needs.

7.3 Data Sharing and Referrals

DCCED and its subrecipients may enter into data sharing agreements or utilize authorized information-sharing mechanisms, as appropriate, to support program coordination, eligibility verification, and compliance with federal requirements.

8 Outreach, Engagement, and Citizen Participation

8.1 Outreach Objectives

DCCED is committed to ensuring that disaster-impacted residents are informed of available housing recovery assistance and are provided meaningful opportunities to access program benefits. Outreach and engagement activities are designed to:

- Inform residents about the availability of CDBG-DR-funded housing assistance;
- Promote equitable access to program information and services;
- Encourage participation from populations that face barriers to recovery; and
- Support transparency and accountability in program implementation.

Outreach activities will be conducted in a manner consistent with DCCED's HUD-approved Action Plan, Citizen Participation Plan, and applicable federal requirements. These are available on the State of Alaska Typhoon Merbok and Floods disaster pages.

8.2 Targeted and Equitable Outreach Strategies

Outreach activities will be designed to reach populations with demonstrated barriers to accessing recovery assistance, including low- and moderate-income households, elderly persons, persons with disabilities, and households with limited English proficiency (LEP).

Targeted outreach strategies may include:

- In-person engagement through community meetings, events, and informational sessions;
- Partnerships with local jurisdictions, nonprofit organizations, long-term recovery groups, and trusted community-based organizations;

- Distribution of flyers, fact sheets, and informational materials in accessible formats; and
- Direct outreach to households identified through coordination with other recovery programs.

8.3 Use of Social Media and Digital Communications

Consistent with HUD requirements, DCCED will use social media platforms and other digital communication tools to provide timely notice to residents regarding:

- The opening and closing of applications for CDBG-DR-funded housing activities; and
- The scheduling of public hearings related to CDBG-DR plans, programs, or projects.

Social media outreach will be coordinated with other outreach methods to ensure broad and equitable dissemination of information and will supplement, rather than replace, traditional outreach and notice requirements. DCCED social media is managed by the State of Alaska Commissioners Office Public Information Officer. DCCED currently has a presence on three social media platforms:

- Facebook: DCCEDAK
- Linkedin: https://www.linkedin.com/company/soa-dcced/
- X: @alaskadcced

8.4 Public Hearings and Public Notices

DCCED and its subrecipients will provide opportunities for public input on CDBG-DR plans and activities in accordance with its Citizen Participation Plan and HUD requirements. Public hearings and notices will be conducted and advertised using methods designed to reach a broad audience, including digital platforms, public postings, and community outreach channels.

Public notices and hearing materials will be made available in accessible formats and languages, as required, to ensure meaningful participation by all residents.

8.5 Accessibility, Language Access, and Reasonable Accommodations

All outreach materials and engagement activities will be conducted in compliance with applicable federal requirements related to accessibility, effective communication, and nondiscrimination, including Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, the Americans with Disabilities Act (ADA), and HUD's Limited English Proficiency (LEP) guidance.

DCCED and its subrecipients will:

- Provide reasonable accommodations upon request;
- Offer language assistance services when necessary; and
- Ensure outreach materials are accessible to persons with disabilities.

Requests for accommodations or language assistance will be addressed in a timely and responsive manner.

State of Alaska ADA Coordinator Office
Website: https://doa.alaska.gov/ada/
Phone: (907) 375-7716

9 Application Intake and Required Documentation

9.1 Intake and Application Process

The Housing Rehabilitation and Reconstruction Program utilizes a structured intake and application process to ensure consistent eligibility determinations, transparency, and timely delivery of assistance.

The subrecipient will administer intake and application activities on behalf of DCCED.

Applicants may initiate the intake process through one or more of the following methods:

- Submission of an application through the designated intake platform or process;
- Participation in outreach or community engagement events; or

Subrecipients will be responsible for hiring case managers or taking on case management duties to assist applicants in understanding program requirements, completing application forms, and assembling required documentation.

9.2 Required Application Documentation

To determine eligibility for assistance, applicants must submit documentation sufficient to verify program requirements. Required documentation may include, but is not limited to:

- Identity and Household Composition
- Government-issued photo identification
- Documentation of household members residing in the unit
- Ownership and Primary Residence
- Recorded deed, title documentation, or other acceptable proof of ownership as identified in section 5.5
- Documentation demonstrating primary residence at the time of the disaster as identified in section 5.4
- Income Eligibility
    - Income documentation necessary to verify household income as identified in section 5.3
- Disaster-Related Damage
    - FEMA Individual Assistance inspection reports, insurance assessments, local damage assessments, photographs, or other documentation demonstrating disaster-related damage as identified in sections 4.2 and 4.3
- Insurance and Other Assistance
    - Insurance policies and claim determinations
    - FEMA, SBA, or other disaster assistance award letters, as applicable
- Additional Documentation
- Any other documentation necessary to support eligibility, environmental review, or compliance determinations

The specific documentation required may vary based on household circumstances and the type of assistance requested.

9.3 Applicant Certifications and Authorizations

As part of the application process, applicants must execute certifications and authorizations required to administer the Program and ensure compliance with federal requirements. These may include, but are not limited to:

- Certification of accuracy and completeness of information provided;
- Duplication of Benefits (DOB) certification;
- Authorization to release information necessary to verify eligibility and assistance received;
- Subrogation or repayment agreements related to duplicative assistance, as applicable;
- Right of entry and access authorization; and
- Acknowledgment of program requirements and conditions of assistance.

Executed certifications and authorizations will be maintained in the applicant's program file.

9.4 Application Review and Verification

The subrecipient will conduct an initial review of applications to assess completeness and eligibility and will coordinate with DCCED, as applicable, to verify information provided by the applicant.

Eligibility determinations will not be finalized until:

- Required documentation has been submitted and verified;
- Duplication of Benefits (DOB) analysis has been completed;
- Environmental review requirements have been satisfied; and
- All applicable program conditions have been met.

Applicants may be contacted to provide additional information or clarification during the review process.

9.5 Incomplete Applications and Withdrawal

Applications determined to be incomplete may be placed on hold pending receipt of required documentation. Applicants will be notified of missing information and provided 30 days to respond.

Applicants may voluntarily withdraw from the Program at any time by providing written notice to the subrecipient or DCCED. Withdrawn applications will be documented in the program file.

Failure to respond to requests for information or to comply with program requirements may result in denial or closure of the application, subject to the Program's complaints and appeals procedures.

10 Complaints and Appeals

10.1 Complaints Procedure

Please refer to the DCCED Complaints and Appeals Policy and Procedure Manual hosted on the DCCED public website.

11 Duplication of Benefits (DOB)

11.1 Regulatory Framework

Duplication of Benefits (DOB) occurs when a household receives financial assistance from multiple sources for the same purpose and the total assistance exceeds the total need for that purpose. The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (42 U.S.C. § 5121 et seq.), prohibits the use of federal disaster assistance to duplicate benefits available to a recipient from another source.

CDBG-DR funds may be used only to address unmet disaster-related needs after accounting for all other assistance received or reasonably anticipated to be received for the same purpose.

11.2 DOB Intake and Documentation

As part of the application and eligibility process, applicants must disclose all sources of assistance received or anticipated for disaster-related housing repairs or reconstruction. The subrecipient is responsible for collecting DOB-related documentation during intake and assembling information to support a DOB determination.

Required DOB documentation may include, but is not limited to:

- FEMA Individual Assistance (IA) award letters and inspection reports;
- Insurance policies, claim determinations, and settlement documentation;
- SBA disaster loan approvals or denials;
- Assistance received from charitable organizations or nonprofits;
- Assistance from state, local, or tribal disaster recovery programs; and
- Any other source of assistance related to disaster-damaged housing.

Applicants must certify that all disclosed information is complete and accurate and must agree to notify DCCED or subrecipient if additional assistance is received at any point during program participation.

11.3 Common Sources of Assistance Reviewed

At a minimum, the following sources will be reviewed as part of the DOB analysis, as applicable to the household's circumstances:

- FEMA Individual Assistance (IA);
- Private hazard insurance, including homeowners and flood insurance;
- SBA disaster loans;
- Charitable or philanthropic assistance designated for housing repair or reconstruction;
- State or local disaster recovery programs; and
- Any other federal, state, local, or private assistance received for the same purpose.

The absence of assistance from a particular source must be documented through award letters, denials, or reasonable verification methods.

11.4 DOB Calculation Methodology

The DOB calculation compares the total disaster-related housing need to the total assistance received for the same purpose.

The total housing need is determined based on documented damage assessments, scopes of work, and reasonable cost estimates necessary to restore the home to a safe and habitable condition.

DCCED or subrecipient will follow HUD's established DOB Methodology to:

- Assess applicant's total need
- Identify total assistance
- Exclude non-duplicative amounts
- Identify the DOB amount
- Calculate the maximum CDBG-DR award
- Apply the Program cap as necessary
- Reassess unmet needs when necessary

Exclusions

Exclusions may include the following:

- Funds provided for a different purpose than the CDBG-DR assistance
- Funds provided for the same purpose as the CDBG-DR assistance but used for a different allowable use
- Additionally, declined or cancelled subsidized loans will not be considered duplicative assistance.

DCCED or subrecipient will review and verify the DOB calculation prior to executing any grant agreement or authorizing construction activities.

11.5 Timing and Re-Evaluation of DOB

DOB determinations will be completed:

- Prior to award determination and execution of a grant agreement; and
- Prior to final payment to ensure that no additional duplicative assistance has been received.

DOB information must be updated if new assistance becomes known or is received during the course of program participation. Failure to disclose additional assistance may result in corrective action or recapture of funds.

11.6 DOB Resolution and Gap Determination

Where DOB is identified, assistance will be reduced by the amount of duplicative benefits to ensure that CDBG-DR funds are used only to address unmet needs.

If duplicative assistance is received after CDBG-DR funds have been committed or expended, DCCED may require repayment of funds or take other corrective actions consistent with federal requirements.

Applicants must execute a Subrogation Agreement or similar instrument acknowledging DCCED's right to recover funds if duplicative assistance is later received.

11.7 Recapture of Duplicative Assistance

If duplicative assistance is identified after assistance has been provided, DCCED will pursue recapture in accordance with federal requirements and program policies.

Recapture actions may include:

- Voluntary repayment by the homeowner;
- Offset against future payments, where applicable; or
- Other remedies authorized by law or program agreements.

All recaptured funds will be tracked and reported in accordance with applicable CDBG-DR and program income requirements.

Special Circumstances When Recapture is Not in the Best Interest of the Federal Government

In the Universal Notice, HUD establishes a policy that it is not in the best interest of the Federal government to collect a duplication of federal assistance under certain circumstances. DCCED adopts this policy for the Program. Therefore, a duplication of benefits will not be collected when:

- The duplicative federal assistance was received by low- and moderate-income beneficiaries after the receipt of the CDBG-DR assistance (subject to a cap set by the HUD Secretary); or
- The duplicative assistance was received by beneficiaries that, after the receipt of the CDBG-DR assistance, are:
- Deceased;
- Subject to a foreclosure action on a property rehabilitated, constructed, or reconstructed with CDBG-DR funds; or
- A debtor in a bankruptcy proceeding or who recently exited a bankruptcy proceeding (or similar proceeding for insolvent debtors under state law, such as an assignment for the benefit of creditors).

DCCED and its subrecipients will comply with HUD's CDBG-DR Policy Bulletin 2025-01: HUD's Duplication of Benefits Collection Policy (https://www.hud.gov/sites/dfiles/CPD/documents/CDBG-DR-Policy-Bulletin-2025-01-HUD-DOB-Collection-Policy-English.pdf) when implementing this policy.

11.8 DOB Resolution Options and Scope Adjustments

Where a Duplication of Benefits (DOB) is identified, the Program will take reasonable steps to ensure that CDBG-DR funds are used only to address unmet disaster-related needs.

At a minimum, DOB must be fully resolved prior to execution of a grant agreement and commencement of construction activities.

Permitted DOB Resolution Methods

DOB may be resolved through one or more of the following methods, as applicable:

- Reduction of the CDBG-DR award amount by the identified duplicative assistance;

- Documentation demonstrating that duplicative funds were expended on an eligible, non-duplicative purpose;
- Voluntary repayment or reimbursement of duplicative assistance; or
- Other resolution methods permitted by HUD guidance and approved by DCCED.

Scope Reduction as a DOB Resolution Tool

Consistent with HUD guidance and subject to DCCED approval, scope reduction may be utilized as a DOB resolution option for rehabilitation projects, where appropriate.

Scope reduction involves modifying the approved scope of work to remove items that have already been addressed through other assistance, while still ensuring that the dwelling will be restored to a safe, decent, and sanitary condition.

Scope reduction:

- May not compromise health or safety requirements;
- May not be used to avoid required code compliance;
- May not be applied where it would result in an uninhabitable dwelling; and
- Is not permitted for reconstruction projects unless otherwise approved by DCCED.

The homeowner must acknowledge and consent in writing to any scope reduction applied as part of a DOB resolution. The use of scope reduction must be clearly documented in the project file and reflected in the approved scope of work and award amount.

12 Award Determination and Assistance Structure

12.1 Eligibility Determination and Award Recommendation

Following completion of intake, eligibility verification, Duplication of Benefits (DOB) analysis, and environmental review clearance, DCCED or its subrecipient will determine whether an applicant is eligible to receive assistance under the Program. Submission of an application or documentation does not create an entitlement to assistance, and assistance is subject to funding availability, eligibility, and compliance with all program requirements.

For eligible applicants, the subrecipient will prepare an award recommendation based on:

- Verification of household and property eligibility;
- Documentation of disaster-related damage;
- Determination of rehabilitation or reconstruction feasibility;
- Development of an approved scope of work;
- Cost estimates demonstrating reasonableness and necessity; and
- Results of the DOB analysis identifying the remaining unmet need.

No award will be finalized, and no construction activities may commence, until all required pre-award conditions have been satisfied.

12.2 Rehabilitation versus Reconstruction Decision Framework

The determination of whether a property will be rehabilitated or reconstructed will be based on a comprehensive assessment of the structure and the extent of disaster-related damage. This determination is intended to ensure that program assistance is cost-effective, compliant with applicable codes and regulations, and results in a safe, decent, and sanitary dwelling suitable for long-term occupancy.

Factors considered in making this determination may include, but are not limited to:

- The extent and severity of disaster-related damage;
- The structural integrity of the existing dwelling;
- The cost effectiveness of rehabilitation compared to reconstruction;
- Compliance with current building codes and regulatory requirements;
- Environmental constraints or site conditions; and
- Health and safety considerations.

Properties may be deemed not suitable for rehabilitation when rehabilitation is no longer a feasible or practical means of addressing disaster-related damage and restoring the home to a habitable condition.

Rehabilitation Feasibility Threshold

DCCED has established a rehabilitation feasibility threshold of 50 percent to guide determinations regarding whether a project should proceed as rehabilitation or reconstruction.

Rehabilitation may be determined infeasible, and the project may instead be classified as reconstruction, when the estimated cost of rehabilitation equals or exceeds 50 percent of the estimated cost to reconstruct the dwelling, as demonstrated through a documented cost comparison.

The cost comparison will be based on:

- An itemized cost estimate necessary to rehabilitate the structure, address all disaster-related damage, and meet applicable code requirements; and
- A reasonable reconstruction cost estimate for a comparable replacement dwelling that meets current program standards and applicable building codes.

Reconstruction cost estimates will be developed using locally prevailing construction costs and will reflect a code-compliant replacement dwelling of comparable size, function, and occupancy, consistent with Program construction standards. Reconstruction estimates will not include premium features, custom finishes, or enhancements beyond what is necessary to provide a safe, decent, and sanitary dwelling.

In addition to the cost threshold, rehabilitation may be deemed infeasible when:

- Required code compliance would necessitate substantial structural modifications that are impracticable within a rehabilitation scope;
- Conditions pose ongoing or unmitigable risks to occupant health or safety; or
- Structural or systemic failures compromise the long-term viability of the dwelling.

The determination of rehabilitation versus reconstruction must be supported by written documentation and approved by DCCED or its designated representative prior to final award determination. The basis for the determination will be maintained in the project file.

12.3 Award Caps and Maximum Assistance Amounts

The Program establishes maximum assistance amounts to ensure the equitable distribution of limited CDBG-DR funds and to assist as many eligible households as possible.

Award caps may be established by DCCED and may vary based on the type of assistance provided (rehabilitation or reconstruction). Award caps will be applied on a per-property basis as established in the approved Action Plan.

The maximum award amount for each household will be the lesser of:

- The total eligible cost of the approved scope of work, or
- The applicable program award cap of $200,000.

Rehabilitation (Rehab) refers to repairing, improving, or upgrading an existing structure to meet local codes or HUD Housing Quality Standards.

Reconstruction involves demolishing an existing structure and rebuilding it on the same lot in substantially the same manner.

Thresholds

- 50% Rule (Substantial Improvement): If rehab costs meet or exceed 50% of the structure's value, it is considered a "substantial improvement" or "substantial damage" project by many building codes, requiring the entire building to meet current, modern codes.
- Structural & Systems Threshold: A project flips from rehab to reconstruction if it involves removing or replacing major structural components, such as the foundation, load-bearing walls, or the entire roof structure.
- "Studs-Out" Rule of Thumb: If the interior is gutted down to the studs, and major plumbing, electrical, and HVAC systems are replaced rather than repaired, the project is considered a reconstruction.

Key Indicators of Reconstruction (vs. Rehab)

- Structural Demolition: Significant demolition of foundations, load-bearing walls, or structural framing.
- Functional Obsolescence: If the layout no longer works and requires complete reconfiguration to achieve the maximum After Repair Value (ARV).
- Extensive Damage: Damage from fire, flood, or neglect that leaves the building unusable without total structural rebuilding.
- Permitting: Reconstruction typically requires engineering plans and more stringent permitting/inspection processes than routine renovation.

12.4 Costs Included in Award Calculations

Award amounts may include eligible hard and soft costs necessary to complete the approved rehabilitation or reconstruction, including but not limited to:

- Construction and labor costs;
- Materials and equipment;
- Architectural, engineering, or inspection services;
- Permit and inspection fees;
- Environmental mitigation measures, as required;
- Accessibility modifications required to meet program or regulatory standards; and
- Reasonable contingencies.

Costs must be necessary, reasonable, and directly related to addressing disaster-related damage. Ineligible costs will not be included in award calculations.

12.5 Exceptions to Award Caps and Program Policies

DCCED may consider exceptions to established award caps or certain program policies on a case-by-case basis, where justified by documented circumstances.

Exceptions may be considered when:

- Required code compliance significantly increases construction costs;
- Health or safety conditions necessitate additional work;
- Accessibility or reasonable accommodation requirements apply; or
- Other extraordinary circumstances exist that are consistent with the Program's purpose.

Exceptions must be supported by written justification, reviewed and approved by DCCED, and documented in the program file. No exception may be granted that would conflict with federal statutes, regulations, or HUD requirements.

12.6 Grant Agreements and Conditions of Assistance

Prior to the provision of assistance, eligible homeowners must execute a grant agreement or similar instrument outlining the terms and conditions of assistance.

Grant agreements will include, at a minimum:

- The approved scope of work and award amount;
- Conditions of assistance and homeowner responsibilities;
- Requirements related to access, inspections, and construction oversight;
- DOB and subrogation provisions;
- Insurance requirements, including flood insurance where applicable; and
- Any additional conditions necessary to ensure compliance with program requirements.

Failure to execute or comply with the grant agreement may result in denial, suspension, or termination of assistance.

12.7 Affordability Period and Forgivable Loan Agreement

Prior to the commencement of construction, eligible homeowners receiving assistance under this Program must execute a forgivable loan agreement as a condition of award. The forgivable loan agreement will set forth the amount of assistance provided, the two-year affordability and occupancy requirements, anti-displacement and anti-flip provisions prohibiting the sale or transfer of the assisted property during the compliance period, recapture provisions applicable in the event of non-compliance, and any prorating terms governing partial repayment. In addition to the executed loan agreement, a recorded legal instrument, such as a lien, mortgage, or deed of trust, will be placed on the assisted property prior to or at the time assistance is provided. Where an existing mortgage encumbers the property, the Program's recorded instrument will be subordinate to that mortgage. The recorded instrument will remain in effect for the duration of the two-year affordability period and will be released upon satisfactory completion of all compliance requirements.

Monitoring and Lien Release

The Program will conduct annual monitoring during the two-year affordability period to verify continued owner-occupancy of the assisted property. Monitoring may include review of homestead exemption status, occupancy attestations, or other reasonable verification methods. Homeowners may be asked to demonstrate compliance at any time during the affordability period. Upon confirmation that all affordability period requirements have been met at the conclusion of the two-year term, the Program will execute and record a release of the lien or other recorded instrument. If a homeowner sells the assisted property, discontinues use of the property as a primary residence, or otherwise violates the terms of the forgivable loan agreement prior to the end of the affordability period, the homeowner may be required to repay all or a portion of the award amount. Repayment obligations will be determined on a straight-line, pro-rated basis over the two-year compliance period, as follows:

Date of Compliance Breach	Amount Subject to Repayment
Month 0 – Month 12	100% of award amount
Month 13 – Month 24	50% of award amount
Month 25 or beyond	0% of award amount

Exceptions to Affordability Period Requirements

The Program may grant forgiveness of affordability period obligations under the following extenuating circumstances, provided the homeowner or the homeowner's designee notifies the Program promptly:

- if the homeowner passes away during the affordability period, compliance period obligations are forgiven and surviving family members or heirs are not required to maintain ownership or occupancy of the assisted property;
- if the homeowner is transferred or deployed due to active military service for a period that prevents continued occupancy, compliance obligations will be forgiven upon written notification to the Program;

- if the homeowner is permanently relocated to a healthcare or nursing facility due to documented medical necessity, compliance obligations will be forgiven upon written notification to the Program; and
- other circumstances beyond the homeowner's reasonable control that prevent continued ownership or occupancy may be considered for forgiveness on a case-by-case basis, subject to written approval.

Any determination to forgive compliance period obligations must be documented in the program file.

13 Subrecipient and Contractor Administration

13.1 Subrecipient Selection

DCCED will select one or more qualified subrecipients to administer the Housing Rehabilitation and Reconstruction Program through a competitive application process, in accordance with applicable federal, state, and local procurement requirements.

Solicitations will be publicly advertised and will describe program requirements, eligibility criteria, evaluation factors, and compliance expectations. Proposals will be evaluated based on criteria that may include organizational capacity, relevant experience, financial stability, staffing qualifications, and demonstrated ability to administer federally funded housing programs.

Funding recommendations will be submitted for approval in accordance with DCCED's established authorization process. Selected subrecipients must execute a Subrecipient Agreement with DCCED prior to the commencement of program activities.

13.2 Subrecipient Eligibility Requirements

Entities eligible to apply for and receive funding as subrecipients may include units of local government, public agencies, or private nonprofit organizations with the legal authority to conduct business within Alaska.

Eligible subrecipients must:

- Possess a valid Unique Entity Identifier (UEI) and maintain active federal registration, as applicable;
- Maintain a current W-9;
- Demonstrate the organizational, financial, and administrative capacity necessary to administer federally funded activities;
- Maintain required insurance coverage, including commercial general liability insurance naming State of Alaska DCCED as an additional insured; and
- Not be debarred, suspended, or otherwise prohibited from participating in federally funded programs.

Subrecipients must demonstrate the ability to operate on a reimbursement basis unless otherwise authorized by DCCED.

13.3 Subrecipient Roles and Responsibilities

Subrecipients are responsible for administering day-to-day Program operations in accordance with the Subrecipient Agreement and all applicable requirements. Responsibilities may include, but are not limited to:

- Implementing program policies and procedures;
- Conducting intake and eligibility verification;
- Procuring and overseeing contractors and vendors;
- Developing scopes of work and cost estimates;
- Managing construction activities and inspections;
- Maintaining complete and accurate program and financial records;
- Ensuring compliance with cross-cutting federal requirements;
- Submitting required reports and supporting documentation to DCCED; and
- Cooperating with monitoring, audits, and reviews.

Additional roles, performance standards, and reporting requirements will be specified in the Subrecipient Agreement.

13.4 Contractor Procurement and Selection

Subrecipients must procure contractors and vendors in accordance with 2 CFR 200.318–327, 2 CFR 200.214, and applicable state and local procurement requirements. Procurement processes must promote full and open competition and ensure cost reasonableness.

Subrecipients may utilize one or more procurement approaches, such as:

- Procuring a single general contractor;
- Establishing a pool of pre-qualified contractors; or
- Procuring multiple contractors by trade or project type.

All contractors must:

- Possess required licenses and insurance;
- Meet bonding requirements, where applicable;
- Comply with federal labor standards and other cross-cutting requirements; and
- Not be debarred or suspended from federal programs.

Local Procurement Requirements

Alaska Procurement Policy is outlined in Alaska Administrative Manual 81: Procurement.

13.5 Contractor Oversight and Performance Monitoring

Subrecipients are responsible for overseeing contractor performance and ensuring that all work is completed in accordance with approved scopes of work, construction standards, and program requirements.

Oversight activities must include:

- Verification of contractor qualifications and compliance;

- Review and approval of invoices and payment requests;
- Inspection-based verification of completed work prior to payment;
- Review and approval of change orders; and
- Documentation of performance issues and corrective actions, as necessary.

DCCED reserves the right to impose additional oversight or corrective measures if contractor performance or compliance concerns are identified.

13.6 Conflict of Interest and Standards of Conduct

DCCED, subrecipients, and contractors must comply with applicable federal conflict of interest requirements and maintain written standards of conduct at 24 CFR 570.611 and 2 CFR 200.318.

Any real or perceived conflicts of interest must be disclosed in accordance with program requirements. Appropriate mitigation measures must be implemented when conflicts are identified.

See DCCED's Conflict of Interest Policy and Procedure Manual which is hosted on the DCCED public website.

14 Pre-Construction Requirements

14.1 Environmental Review Clearance

All activities assisted under the Program are subject to environmental review requirements under the National Environmental Policy Act (NEPA) and related federal authorities, as implemented through HUD regulations at 24 CFR Part 58.

Prior to the commitment of funds or commencement of any physical work, DCCED must complete the applicable environmental review process and issue the appropriate environmental clearance. No choice-limiting actions may occur prior to environmental clearance.

Environmental review responsibilities, including the use of tiered reviews, are further described in Section 18 of this Manual.

14.2 Property Assessments and Inspections

Prior to construction, the subrecipient must conduct a comprehensive assessment of the assisted property to:

- Verify disaster-related damage;
- Identify health and safety hazards;
- Evaluate the feasibility of rehabilitation versus reconstruction; and
- Identify conditions that may affect project scope, cost, or compliance.

Property assessments may include visual inspections, professional assessments, or evaluations conducted by licensed or qualified personnel, as appropriate to the scope of work.

14.3 Scope of Work Development

A detailed scope of work must be developed for each assisted property based on the results of the property assessment and applicable program standards.

The scope of work must:

- Address all identified disaster-related damage necessary to restore the home to a safe and habitable condition;
- Incorporate required code upgrades, environmental mitigation measures, and accessibility requirements;
- Reflect eligible and allowable activities under the Program; and
- Be sufficiently detailed to support cost estimation, contractor procurement, and inspection.

The homeowner must be informed of the proposed scope of work prior to construction.

14.4 Cost Estimates and Reasonableness Review

A detailed cost estimate must be prepared for each project and must reflect reasonable and necessary costs based on local market conditions at the time of construction.

Cost estimates must include:

- Construction costs and materials;
- Applicable soft costs;
- Permit and inspection fees;
- Required mitigation measures; and
- Appropriate contingencies.

The subrecipient must review all cost estimates for accuracy and reasonableness prior to approval and prior to award determination.

The state will allow the subrecipient/contractor to use standardized cost estimating software such as Xactimate, with the conditions that:

- Subrecipients/contractors using Xactimate or similar cost estimating software must have certified training and provide proof to the state.
- Subrecipients/contractors may be authorized to supplement Xactimate estimates with local subcontractor bids if the software pricing does not reflect the accurate expense of Alaskan construction. Estimates varying from Xactimate must be specified to DCCED and justified with data proving the expenses (ie, prior material, labor, transportation invoices).
- Subrecipients/contractors will use "reconstruction" or "remodel" settings rather than "new construction" for repair projects to avoid systematic underpayment.
- Adjustments may be allowed to the standardized material and labor rates when they do not reflect actual, necessary costs for the project. Adjustments must be specified to DCCED and justified data proving the expenses (ie, prior material, labor, transportation invoices).

14.5 Pre-Construction Conference

Prior to the start of construction, the subrecipient must conduct a pre-construction conference with the homeowner and contractor.

At a minimum, the pre-construction conference must address:

- The approved scope of work;
- Project schedule and anticipated timelines;
- Roles and responsibilities of the homeowner, contractor, and subrecipient;
- Inspection and payment procedures;
- Change order process;
- Temporary relocation requirements, if applicable; and
- Key program contacts and communication protocols.

Documentation of the pre-construction conference must be maintained in the project file.

14.6 Readiness to Proceed

Construction may not begin until all pre-construction requirements have been satisfied, including:

- Completion of environmental review and issuance of clearance;
- Finalization of eligibility and award determination;
- Execution of a grant agreement and contractor agreements;
- Completion of required permits; and
- Verification that insurance requirements, including flood insurance where applicable, are in place.

Failure to meet readiness requirements may result in delays or suspension of construction activities.

15 Construction and Standards

15.1 Applicable Codes and Property Standards

All rehabilitation and reconstruction activities assisted under the Program must comply with applicable federal, state, and local laws, regulations, and building codes in effect at the time of construction.

At a minimum, assisted properties must meet:

- Applicable state and local building codes;
- HUD Housing Quality Standards (HQS), where applicable;
- Manufacturer installation standards for materials and equipment; and
- All requirements imposed through the environmental review process.

Work must address identified health and safety deficiencies and result in a dwelling that is safe, decent, sanitary, and suitable for occupancy.

Program Construction Standards

The Housing Rehabilitation and Reconstruction Program is designed to restore disaster-damaged homes to a safe, decent, and sanitary condition. Assistance is not intended to replicate the exact pre-disaster condition, quality, or aesthetic features of the home.

Accordingly, the Program applies a “not like-for-like” construction standard.

Under this standard:

- Replacement materials, fixtures, and finishes will be builder-grade or equivalent, unless higher specifications are required by code or necessary to address health or safety concerns;
- Program assistance does not cover custom features, high-end finishes, or premium materials that exceed program standards; and
- Functional equivalency, durability, and code compliance take precedence over aesthetic matching.
- Examples of non-eligible “like-for-like” replacements may include:
- Custom cabinetry replaced with standard stock cabinetry;
- Specialty flooring replaced with durable standard flooring;
- Decorative architectural features not required for habitability; and
- Designer fixtures replaced with standard fixtures meeting applicable codes.

This standard applies to both rehabilitation and reconstruction activities.

Appliances and Fixed Equipment

Appliances and fixed equipment may be eligible for assistance under the Program when they are necessary to restore the dwelling to a safe, decent, and sanitary condition and were damaged or rendered unusable as a direct result of the disaster.

Eligible appliances and fixed equipment may include, but are not limited to:

- Ranges or cooktops;
- Ovens;
- Refrigerators;
- Dishwashers;
- Permanently installed heating, ventilation, and air conditioning (HVAC) systems;
- Water heaters; and
- Other permanently installed equipment necessary for habitability.

Portable appliances and non-essential equipment, including but not limited to washers, dryers, microwave ovens, and specialty or luxury appliances, are generally not eligible unless required to address a documented health or safety condition or required by applicable code.

All appliance and equipment replacements must:

- Be permanently installed;
- Meet applicable code, manufacturer, and energy efficiency requirements; and
- Be limited to standard, builder-grade models or equivalent.

The Program does not cover premium brands, upgraded features, custom finishes, or aesthetic enhancements beyond program standards. Replacement is intended to restore basic functionality rather than replicate pre-disaster brand, model, or appearance.

The eligibility, necessity, and cost reasonableness of appliances and fixed equipment must be documented in the approved scope of work and supported by appropriate cost estimates.

15.2 Rehabilitation Standards

Rehabilitation activities are intended to repair disaster-related damage and restore the home to a safe and habitable condition. Rehabilitation work must:

- Address all disaster-related damage identified in the approved scope of work;
- Correct health and safety hazards;
- Bring repaired systems into compliance with applicable codes; and
- Avoid cosmetic or luxury improvements not required for habitability or code compliance.

Rehabilitation does not require the entire structure to be brought into full compliance with current building codes unless triggered by local code requirements or specific program standards.

15.3 Reconstruction Standards

Reconstruction activities involve the replacement of a disaster-damaged structure when rehabilitation is not feasible. Reconstruction must:

- Occur on the same site and within the same footprint, unless otherwise approved;
- Result in a dwelling comparable in size, function, and occupancy to the pre-disaster structure, subject to program standards;
- Comply fully with all applicable building codes and zoning requirements; and
- Incorporate required elevation, floodplain, and resilience measures, where applicable.

Reconstructed homes must meet all requirements for issuance of a certificate of occupancy or equivalent documentation prior to final acceptance.

Manufactured Housing Units

Reconstruction of manufactured housing units must comply with all applicable HUD, state, and local siting, installation, and construction standards, including requirements related to foundations, anchoring, utilities, and habitability.

15.4 Elevation and Floodplain Requirements

For properties located within Special Flood Hazard Areas (SFHAs) or other flood hazard areas identified through the environmental review process, rehabilitation and reconstruction activities must comply with all applicable federal, state, and local floodplain management requirements.

Floodplain compliance measures, including elevation or floodproofing, will be required only where mandated by applicable regulations, building codes, or environmental review conditions. Elevation is not a standard program requirement and will apply solely to properties where floodplain regulations necessitate such measures.

Where elevation or other floodplain mitigation is required:

- Requirements must be incorporated into project design and construction;
- Compliance must be verified through appropriate documentation, such as elevation certificates or equivalent records; and
- Any additional conditions imposed through the environmental review process must be satisfied prior to final project acceptance.

15.5 Resilience and Hazard Mitigation Measures

Where feasible and appropriate, the Program encourages the incorporation of resilience and hazard mitigation measures that reduce the risk of future damage and improve long-term housing durability.

Eligible resilience measures may include, but are not limited to (a larger list can be found in Appendix D):

- Elevation of residential structures above Base Flood Elevation (BFE) or other locally applicable flood elevations where required by floodplain management regulations or environmental review conditions;
- Installation of flood-resistant construction materials and methods below the design flood elevation in accordance with FEMA and applicable building codes;
- Elevation or protection of critical building systems (e.g., electrical panels, HVAC systems, fuel tanks, and mechanical equipment) to reduce vulnerability to flood damage;
- Structural anchoring and foundation systems designed to address flood forces, storm surge, or unstable soil conditions, including pile foundations where appropriate;
- Site grading, drainage improvements, and installation of drainage systems designed to reduce localized flooding and water intrusion;
- Reinforcement of building envelopes to improve resistance to high winds and severe storm conditions associated with coastal storms;
- Installation of secondary water barriers, improved flashing, or other moisture protection measures to prevent water intrusion during severe weather events;
- Measures that improve resilience to extreme cold climates, including enhanced insulation, air sealing, and moisture control strategies to prevent freeze-related damage;
- Structural or site stabilization measures necessary to address erosion, coastal storm impacts, or permafrost-related soil instability; and
- Resilience measures must be directly related to addressing disaster-related risks, consistent with program eligibility, and included in the approved scope of work.

15.6 Energy Efficiency and Green Building Standards

Rehabilitation and reconstruction activities must meet the Alaska Minimum Construction Standards and Building Energy Efficiency Standard. These activities should also incorporate cost-effective energy efficiency improvements where feasible, consistent with applicable codes and standards.

Where required by program design or applicable regulations, reconstruction or substantially damaged properties may be required to meet additional green building or energy efficiency standards.

15.7 Change Orders

All changes to the approved scope of work must be documented and approved prior to implementation.

Change orders must:

- Be limited to unforeseen conditions, code requirements, health and safety issues, or necessary adjustments to complete the project;
- Include written justification and a detailed cost estimate;
- Be reviewed for cost reasonableness and eligibility; and
- Not result in duplication of benefits or exceed established award caps without approved exceptions.

Significant change orders (over 10% of total budget) may require DCCED's approval in accordance with program thresholds. All approved change orders must be maintained in the project file.

16 Construction Oversight and Inspections

16.1 Construction Monitoring

The subrecipient is responsible for overseeing all construction activities to ensure compliance with the approved scope of work, construction standards, and program requirements.

Construction monitoring must include ongoing coordination with contractors, timely resolution of issues, and verification that work is progressing in accordance with approved plans and schedules.

16.2 Progress Inspections

Progress inspections must be conducted at when 50% of the work is completed and 100% of the work is completed to ensure the work was completed in accordance with the approved scope of work and applicable standards.

Inspections may be conducted by qualified inspectors, construction managers, or other authorized personnel. Inspection documentation must:

- Identify the work inspected;
- Confirm satisfactory completion of the work;
- Note any deficiencies or corrective actions required; and
- Support authorization of contractor payments.

No payment may be authorized for work that has not been inspected and approved.

16.3 Construction Draws and Milestones

Construction payments will be scheduled for 50% work complete and 100% work complete, tied to documented progress and inspection approval.

The subrecipient may establish draw schedules or milestones appropriate to the scope and complexity of the project.

At a minimum for all projects:

- Partial payments may be authorized based on completed work and approved inspections; and
- Final payment may not be authorized until all required work has been completed and verified.

Draw schedules and payment procedures must be clearly communicated to contractors and homeowners prior to construction.

16.4 Construction Warranties

Contractors must provide written warranties covering workmanship and materials in accordance with state and local requirements, but not less than one year. Contractors must provide homeowners with written notice of warranty coverage and expiration dates, including advance notice prior to warranty expiration where feasible.

Warranty documentation must be provided to the homeowner and retained in the project file prior to final acceptance of the work.

16.5 Final Inspection and Acceptance

A final inspection must be conducted upon completion of all construction activities to verify that:

- The approved scope of work has been fully completed;
- All deficiencies identified during prior inspections have been corrected;
- All required permits have been closed; and
- The property meets applicable program and construction standards.

For rehabilitation projects, a certificate of completion or equivalent documentation is required prior to final acceptance. For reconstruction projects, issuance of a certificate of occupancy or equivalent documentation is required prior to final acceptance.

Documentation of final inspection and acceptance must be maintained in the project file.

17 Financial Management and Payments

17.1 Payment Structure and Disbursement Controls

All CDBG-DR funds under the Housing Rehabilitation and Reconstruction Program will be managed in accordance with applicable federal requirements, including 2 CFR Part 200, 24 CFR Part 570, and HUD's Consolidated Notice and Universal Notice.

The Program operates on a reimbursement basis. No payments will be made directly to homeowners. Program funds may be disbursed only to contractors, vendors, or other approved entities for eligible costs incurred in connection with approved rehabilitation or reconstruction activities.

The subrecipient must maintain internal controls sufficient to ensure that:

- Funds are used solely for eligible, allowable costs;
- Expenditures are consistent with approved scopes of work and award amounts; and
- Payments are supported by appropriate documentation and inspection verification.

17.2 Partial Payments and Progress Draws

Construction payments may be made in the form of partial payments or progress draws based on completed work.

Partial payments:

- Must be supported by detailed contractor invoices;
- Must correspond to work completed and verified through progress inspections;
- Must not exceed the value of work satisfactorily completed; and
- Must be reviewed and approved by the subrecipient prior to submission to DCCED.

Progress draws may be structured based on construction milestones or percentages of completion, as appropriate to the project scope and complexity.

17.3 Retainage and Final Payment Conditions

To ensure satisfactory completion of construction activities, the Program may withhold 10% of payments as retainage until all final requirements have been met.

Final payment, including release of any retainage, may not be authorized until:

- All construction work has been completed in accordance with the approved scope of work;
- All deficiencies identified during inspections have been corrected;
- Required permits have been closed;
- A certificate of occupancy or equivalent documentation has been issued for reconstruction projects, as applicable;
- All required warranties have been received; and
- All required compliance documentation, including DOB re-verification where applicable, has been completed.

17.4 Invoicing, Payment Authorization, and Draw Requests

The subrecipient must establish written procedures governing invoicing, payment authorization, and draw requests.

At a minimum:

- Contractors must submit detailed invoices supported by appropriate documentation;
- The subrecipient must review invoices for eligibility, accuracy, and consistency with the approved scope of work;
- Inspection documentation must support authorization of payment;
- Draw (reimbursement) requests submitted to DCCED must include all required supporting documentation; and
- Payments must be authorized only by individuals with appropriate approval authority.

Subrecipients are required to complete and submit both a Progress Report and a Reimbursement Request through the DCRA Grants Management System (DCRAGrants). DCRAGrants is the State of Alaska's official grant management platform used to administer and monitor federally funded programs, including CDBG-DR. It serves as the primary point of interaction between subrecipients and DCCED for

all grant-related activities. Subrecipients must submit a Progress Report and Reimbursement Request on a monthly basis, even if no expenditures have occurred during the reporting period. A narrative component is required for each Progress Report, regardless of spending activity. This narrative should include:

- key accomplishments, milestones achieved or anticipated
- any significant problems, issues, or concerns, and explanations for any delays

In addition to the Reimbursement Request, subrecipients must provide supporting documentation for all reported expenditures. Acceptable documentation includes, but is not limited to, invoices, bills, receipts, copies of checks, certified payroll records, signed timesheets, payroll checks, and records of fringe benefit payments.

DCCED will review reimbursement requests prior to disbursement to ensure compliance with program requirements.

17.5 Financial Controls and Internal Oversight

The subrecipient must maintain a financial management system with effective internal controls over all Program funds.

Required controls include, but are not limited to:

- Segregation of duties related to authorization, payment processing, and reconciliation, where feasible;
- Written approval processes for expenditures;
- Regular reconciliation of financial records;
- Source documentation supporting all costs;
- Verification of cost reasonableness; and
- Budget controls to prevent expenditures exceeding approved award amounts.

DCCED may impose additional financial oversight requirements based on risk assessments, monitoring results, or program complexity.

17.6 Program Income

Program income generated as a result of CDBG-DR-funded activities must be identified, tracked, and reported in accordance with applicable federal regulations and DCCED guidance.

The subrecipient must:

- Promptly notify DCCED of any program income received;
- Maintain records documenting the receipt, tracking, and use of program income; and
- Expend program income in accordance with program requirements and DCCED direction.

Program income must be expended prior to requesting additional CDBG-DR funds unless otherwise authorized by DCCED.

18 Cross-Cutting Federal Requirements

All activities funded under the Housing Rehabilitation and Reconstruction Program must comply with applicable federal statutes, regulations, executive orders, and HUD guidance governing the use of Community Development Block Grant–Disaster Recovery (CDBG-DR) funds.

DCCED and its subrecipients are responsible for ensuring that cross-cutting requirements are incorporated into program design, procurement, construction, financial management, and reporting practices. Compliance with these requirements must be documented and maintained in program files.

18.1 Uniform Administrative Requirements (2 CFR Part 200)

As required by HUD's CDBG-DR Federal Register notices, the Program is subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards set forth in 2 CFR Part 200.

Subrecipients must:

- Maintain financial management systems compliant with 2 CFR Part 200;
- Establish internal controls sufficient to safeguard federal funds;
- Ensure costs are allowable, reasonable, and allocable; and
- Comply with audit and record retention requirements.

DCCED will monitor subrecipient compliance with these requirements.

18.2 Environmental Review

All Program activities are subject to environmental review requirements under the National Environmental Policy Act (NEPA) and related laws and authorities, as implemented through 24 CFR Part 58.

Environmental review requirements include, but are not limited to:

- Floodplain management;
- Historic preservation (Section 106);
- Hazardous materials;
- Noise;
- Endangered species; and
- Other environmental factors identified through the review process.

Environmental reviews must be completed and documented before any physical or choice-limiting actions (as defined at 24 CFR 58.22) are taken.

18.3 Labor Standards

Federal labor standards, including the Davis-Bacon and Related Acts, may apply depending on the scope, configuration, and funding of construction activities.

Subrecipients and contractors must comply with all applicable federal and state prevailing wage requirements and maintain supporting payroll and labor documentation, as required.

18.4 Section 3

Projects receiving covered HUD financial assistance must comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, and implementing regulations.

Section 3 requirements are intended to promote employment, training, and contracting opportunities for low- and very low-income persons and Section 3 businesses.

Subrecipients must:

- Implement Section 3 procedures;
- Track labor hours and contracting activity, as required; and
- Submit required reports to DCCED.

18.5 Uniform Relocation Assistance (URA) and Minimizing Displacement

DCCED is committed to minimizing displacement and mitigating adverse impacts on persons or entities affected by CDBG-DR-funded activities. The DCCED Residential Anti Displacement and Relocation Assistance policy and procedure is posted on the DCCED public website. All activities under the Housing Rehabilitation and Reconstruction Program will be implemented in compliance with:

- Section 104(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(d)) and implementing regulations at 24 CFR Part 42;
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, and its implementing regulations at 49 CFR Part 24;
- 24 CFR 570.488 or 24 CFR 570.606, as applicable; and
- Section IV.F. of HUD's Consolidated Notice and Section III.B.15.a. of HUD's Universal Notice, as amended.

Minimizing Displacement

The Program is designed to minimize displacement to the greatest extent feasible. Because activities primarily involve the rehabilitation or reconstruction of owner-occupied single-family homes, permanent displacement is not anticipated.

To minimize displacement:

- Rehabilitation will be prioritized over reconstruction where feasible;
- Scopes of work will be structured to allow homeowners to remain in the dwelling during construction when safe and practicable;
- Construction schedules will be managed to reduce the duration of any necessary temporary relocation;
- Acquisition or demolition activities that would result in permanent displacement are not contemplated under this Program.

Where temporary relocation is necessary due to health, safety, or construction conditions, the duration will be limited to the shortest feasible period.

Temporary Relocation

If temporary relocation is required:

- The homeowner will be provided with advance written notice describing the nature and expected duration of the relocation;
- Advisory services will be provided to explain relocation rights and available assistance;
- Reasonable and necessary out-of-pocket moving and temporary housing costs will be covered, as applicable under URA or applicable relocation policy;
- Accessibility needs of displaced persons with disabilities will be identified through consultation and accommodated in any temporary housing arrangement.

Temporary relocation exceeding 12 months will be treated as permanent displacement under URA, and the household will become eligible for permanent relocation assistance in accordance with federal requirements.

Permanent Displacement (If Applicable)

Although permanent displacement is not anticipated under this Program, if any activity results in permanent displacement of a homeowner, tenant, or business, DCCED will ensure full compliance with URA and, where applicable, Section 104(d).

Eligible displaced persons may be entitled to:

- Relocation advisory services;
- A minimum 90-day notice to vacate;
- Reimbursement of moving expenses; and
- Replacement housing payments necessary to secure comparable replacement housing.

All required notices will be issued in accordance with federal regulations.

Residential Anti-Displacement and Relocation Assistance Plan (RARAP)

DCCED has adopted a Residential Anti-Displacement and Relocation Assistance Plan (RARAP) applicable to CDBG-DR activities. The RARAP outlines policies and procedures for minimizing displacement and providing relocation assistance, as required by Section 104(d) and HUD's Consolidated Notice and Universal Notice.

Subrecipients must:

- Adopt DCCED's RARAP or implement a local RARAP that meets or exceeds DCCED's requirements;
- Incorporate RARAP provisions into program implementation procedures;
- Coordinate with DCCED prior to undertaking any activity that could result in displacement.

The RARAP must be in place prior to implementation of any activity that could cause displacement.

Planning and Budgeting for Relocation

Prior to undertaking any activity that may cause temporary or permanent displacement, DCCED and its subrecipients will:

Evaluate the likelihood and scope of potential displacement;

- Identify potentially displaced persons through site visits, interviews, and occupancy verification;
- Assess the needs of displaced persons, including accessibility and household composition;

- Develop a relocation budget accounting for:
- Local housing market conditions;
- Estimated relocation payments;
- Temporary housing costs; and
- Moving expenses.

Planning and budgeting for relocation will occur prior to any action that would trigger displacement.

18.6 Flood Insurance and Floodplain Management

Properties assisted under the Program that are located within Special Flood Hazard Areas (SFHAs) must comply with federal flood insurance requirements.

Where applicable:

- Flood insurance must be obtained and maintained for the required coverage period;
- Elevation and floodplain management standards must be met; and
- Documentation of compliance must be maintained in the program file.

18.7 Lead-Based Paint and Hazardous Materials

Assisted properties must comply with HUD's Lead Safe Housing Rule (24 CFR Part 35), as applicable.

For properties constructed prior to 1978:

- Lead-based paint inspections or risk assessments must be conducted, as required;
- Identified hazards must be addressed using appropriate hazard reduction methods; and
- Clearance testing must be completed prior to project closeout, where applicable.

Other hazardous materials identified through environmental review must be addressed in accordance with applicable requirements.

18.8 Fair Housing and Accessibility

Program activities must comply with:

- The Fair Housing Act;
- Section 504 of the Rehabilitation Act;
- The Americans with Disabilities Act (ADA); and
- Other applicable civil rights requirements.

Subrecipients must ensure equal access to program benefits and provide reasonable accommodations when necessary.

18.9 Affirmatively Furthering Fair Housing (AFFH)

The Program must be administered in a manner that affirmatively furthers fair housing by reducing barriers to housing choice and promoting equitable access to recovery assistance.

Outreach, eligibility, prioritization, and service delivery will be conducted in a manner consistent with DCCED's fair housing obligations.

18.10 Fraud, Waste, and Abuse Prevention

DCCED and its subrecipients must implement safeguards to prevent fraud, waste, and abuse of CDBG-DR funds.

At a minimum, safeguards must include:

- Competitive procurement practices;
- Independent cost reasonableness reviews;
- Inspection-based payment authorization;
- Segregation of duties, where feasible; and
- Maintenance of complete and accurate records.

Suspected fraud, waste, or abuse must be reported promptly to DCCED. Reports may also be made directly to HUD's Office of Inspector General.

Reporting Fraud, Waste, and Abuse

The subrecipient must inform DCCED if it receives credible evidence of violations of Federal criminal law involving fraud, bribery, or gratuities or a violation of the civil False Claims Act that could potentially affect the Federal award.

DCCED and its subrecipients must promptly inform in writing the OIG and HUD at https://www.hudoig.gov/hotline/report-fraud.

All other instances of fraud, waste, and abuse should be referred to the HUD OIG Fraud Hotline (phone: 1–800–347– 3735 or email: hotline@hudoig.gov)

19 Monitoring, Reporting, and Recordkeeping

19.1 Monitoring and Oversight

DCCED is responsible for providing ongoing oversight of the Housing Rehabilitation and Reconstruction Program to ensure compliance with all applicable federal, state, and local requirements.

DCCED will conduct risk-based monitoring of subrecipients and program activities, which may include:

- Desk reviews of program and financial records;
- On-site monitoring visits;
- File reviews and inspections;
- Review of procurement and contracting practices; and
- Verification of compliance with cross-cutting federal requirements.

Monitoring activities will be conducted in accordance with DCCED's monitoring procedures and may occur at any point during program implementation. See DCCED's Subrecipient Oversight Policy and Procedure which is incorporated by reference into this Manual.

19.2 Subrecipient Monitoring Responsibilities

Subrecipients are responsible for establishing internal controls and procedures sufficient to ensure compliance with program requirements and to support DCCED's monitoring activities.

Subrecipients must:

- Maintain complete and accurate program and financial records;
- Provide timely access to records and staff during monitoring activities;
- Respond promptly to monitoring inquiries or requests for documentation; and
- Implement corrective actions for any identified deficiencies.

Failure to cooperate with monitoring activities or to address findings may result in corrective action, suspension of activities, or other remedies authorized under the Subrecipient Agreement.

19.3 DRGR Reporting

The Disaster Recovery Grant Reporting (DRGR) system is HUD's official system of record for CDBG-DR activities.

DCCED is responsible for submitting Quarterly Performance Reports (QPRs) and other required reports to HUD through DRGR. Subrecipients must provide complete, accurate, and timely data to support DCCED's reporting obligations.

Subrecipient responsibilities include:

- Submitting required financial and performance data monthly;
- Maintaining source documentation sufficient to support all reported expenditures and accomplishments;
- Reconciling reported data with financial and program records; and
- Assisting DCCED in resolving reporting discrepancies or HUD inquiries.

Accurate reporting is required to demonstrate regulatory compliance and responsible stewardship of federal funds.

19.4 Recordkeeping and Record Retention

DCCED and its subrecipients must maintain records sufficient to demonstrate compliance with all applicable program requirements.

Records must include, but are not limited to:

- Eligibility and income documentation;
- Disaster damage verification;
- Duplication of Benefits (DOB) analyses;
- Environmental review records;
- Construction documents, inspections, and warranties;
- Financial records and supporting documentation;
- Monitoring reports and corrective actions; and
- Correspondence related to complaints and appeals.

Records must be retained in accordance with 2 CFR Part 200 and HUD record retention requirements, and must be made available to HUD, DCCED, or other authorized entities upon request.

20 Program Closeout

20.1 Project Closeout Requirements

Project closeout occurs after all approved rehabilitation or reconstruction activities have been completed and verified in accordance with program requirements.

Prior to project closeout, the subrecipient must ensure that:

- All construction work has been completed in accordance with the approved scope of work;
- All deficiencies identified during inspections have been corrected;
- All required permits have been closed;
- A certificate of completion or equivalent documentation has been issued for rehabilitation projects, as applicable;
- A certificate of occupancy or equivalent documentation has been issued for reconstruction projects, as applicable;
- All required inspections have been completed and documented; and
- All required warranties and closeout documentation have been provided to the homeowner.

Project files must be complete and include all documentation necessary to demonstrate compliance with program requirements.

20.2 Final Payments and Financial Closeout

Final payment, including release of any retainage, may be authorized only after all project closeout requirements have been satisfied.

The subrecipient must:

- Submit all outstanding invoices and supporting documentation;
- Certify that all work has been satisfactorily completed;
- Verify that all compliance requirements, including Duplication of Benefits (DOB) re-verification where applicable, have been met; and
- Ensure that total expenditures do not exceed the approved award amount.

DCCED will review final payment requests prior to disbursement to confirm compliance with program and financial management requirements.

20.3 Final DRGR Reporting

Following completion of all program activities, DCCED will submit final performance and financial data to HUD through the Disaster Recovery Grant Reporting (DRGR) system.

Subrecipients must provide DCCED with all information necessary to support final reporting, including:

- Final beneficiary counts;
- Income determinations supporting national objective compliance;
- Final outputs and outcomes;
- Final expenditure data; and

- Narrative descriptions of program accomplishments.

All reported data must be supported by source documentation maintained in the program file.

20.4 Financial Reconciliation and Program Completion

Financial reconciliation will be conducted to ensure that all CDBG-DR funds are properly accounted for and expended in accordance with approved budgets and program requirements.

Reconciliation activities include:

- Review of all financial transactions and supporting documentation;
- Reconciliation of financial records with DRGR data;
- Resolution of any outstanding reimbursement requests, adjustments, or corrections; and
- Identification and disposition of any remaining balances or program income.

Program closeout is completed when DCCED has validated compliance with all requirements and issued written confirmation of closeout. Records must be retained in accordance with applicable federal requirements following program closeout.

21 Appendices

A. Definitions

Affordability Period: A designated timeframe during which the assisted property must remain affordable to low- and moderate-income households. The length of the affordability period varies based on the amount of assistance provided and is outlined in the Subrecipient Agreement.

Area Median Income (AMI): The median income level for a specific geographic area, as determined annually by the U.S. Department of Housing and Urban Development (HUD). AMI is used to establish income eligibility for housing programs.

Contractor: An entity that provides goods or services for the recipient’s use. Contractors typically operate in a competitive environment, establishing a procurement relationship with the subrecipient(s).

Duplication of Benefits (DOB): The receipt of financial assistance from multiple sources for the same purpose that exceeds the total need for that purpose. CDBG-DR funds may not be used to duplicate benefits received from other sources such as FEMA, insurance, or SBA loans.

Eligible Activity: An activity that meets the criteria established by HUD for the use of CDBG-DR funds, including activities that address disaster-related unmet needs.

Environmental Review: An assessment conducted to evaluate the potential environmental impacts of a proposed project, as required under the National Environmental Policy Act (NEPA) and related authorities. All CDBG-DR funded activities must complete the environmental review process prior to the commitment of funds or commencement of work.

Low- and Moderate-Income (LMI): Individuals and households with incomes at or below 80 percent of the Area Median Income (AMI) and considered eligible for programs that meet the Low- and Moderate-Income national objective.

Monitoring: The process by which DCCED reviews and evaluates the performance and compliance of subrecipients and contractors to ensure adherence to program requirements, financial management standards, and regulatory obligations.

National Objective: A requirement that all CDBG-DR activities meet one of the following objectives: benefiting low- and moderate-income persons, preventing or eliminating slums or blight, or addressing an urgent need resulting from conditions that pose a serious and immediate threat to the health or welfare of the community.

Primary Residence: The dwelling where an individual or household resides for the majority of the year and considers their permanent home. Eligibility for assistance typically requires that the assisted property be the applicant's primary residence at the time of the disaster and at the time assistance is provided.

Procurement Standards: The regulations and procedures that subrecipients must follow when acquiring goods and services using CDBG-DR funds, ensuring compliance with 2 CFR 200.318–327 and promoting full and open competition.

Program Income: Gross income received by the subrecipient that is directly generated from the use of CDBG-DR funds. Program income must be used for eligible activities in accordance with program requirements.

Single-Family Reconstruction: The rebuilding of previously destroyed residential structures within the same footprint, limited to owner-occupied private properties.

Single-Family Rehabilitation: The repair or rehabilitation of a structure damaged, but not destroyed, by the disaster in order to return the property to pre-disaster conditions.

Subrecipient: A non-federal entity that receives a subaward to carry out a portion of a federal program. Subrecipients are responsible for adhering to the compliance requirements of the federal award and play a significant role in programmatic decision-making to achieve program objectives.

B. Applicant Documentation Checklist

This checklist identifies documentation that applicants should gather to apply for DCCED's CDBG-DR Housing Rehabilitation and Reconstruction Program. Applicants are encouraged to begin gathering documentation early. DCCED or the subrecipient may assist in identifying acceptable alternatives where standard documents are unavailable.

Not all documents will apply to every household. The subrecipient will review submitted documentation and may request additional information as needed to complete eligibility, Duplication of Benefits (DOB), environmental review, or compliance determinations.

Submitting documentation does not guarantee assistance. Applicants are encouraged to keep copies of all documents submitted and DCCED or its subrecipient may ask for additional documentation if needed.

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1. Proof of Identity

☐ Government-issued photo identification for all homeowner(s), such as:

- Driver's license
- State-issued identification card
- Passport

☐ Social Security Number or alternative identifier, as required

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2. Proof of Citizenship or Eligible Immigration Status

Applicants must provide documentation demonstrating U.S. citizenship or eligible immigration status, as applicable.

U.S. Citizens

☐ U.S. passport; or
☐ U.S. birth certificate; or
☐ Certificate of Naturalization or Citizenship

Qualified Non-Citizens

☐ USCIS/Alien Registration Number
☐ Form I-94
☐ I-797 Notice of Action
☐ Naturalization or Citizenship Certificate Number
☐ Other immigration documentation sufficient for SAVE verification

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3. Household Composition

☐ Documentation identifying all household members who lived in the home at the time of the disaster and are expected to live in the home after repairs, such as:

- Federal income tax return listing dependents
- Birth certificates
- School enrollment records
- Benefit or assistance letters
- Other documentation requested by the Program

☐ Written explanation of household composition (if requested)

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4. Proof of Ownership

Applicants must demonstrate ownership or legal control of the property.

☐ Recorded deed or title
☐ Mortgage statement or loan documents
☐ Property tax bill or receipt
☐ Homeowner's insurance policy
☐ Home purchase contract
☐ Probate documents, affidavit of heirship, or court records (if applicable)
☐ Letter from a manufactured housing park owner or public official (if applicable)
☐ Receipts for major home repairs completed prior to the disaster (if applicable)

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5. Proof of Primary Residence

☐ Government-issued ID showing property address
☐ Utility bills (electric, water, gas, trash)
☐ Voter registration records
☐ Homestead exemption documentation
☐ Federal or state tax returns
☐ FEMA or insurance records showing occupancy
☐ Other documentation demonstrating the property was your primary residence

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6. Income Documentation

Applicants must provide income documentation for all adult household members.

☐ Most recent signed IRS Form 1040 (including all schedules)
☐ W-2 and/or 1099 forms corresponding to the submitted tax year
☐ Social Security benefit statements
☐ Pension or retirement benefit statements
☐ Unemployment compensation statements

If no federal tax return was filed

☐ Written explanation of non-filing
☐ Alternative income documentation, such as:

- Pay stubs
- Employer income verification
- Benefit letters

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7. Disaster-Related Damage Documentation

☐ FEMA Individual Assistance (IA) inspection report or award/denial letter
☐ Insurance inspection reports or adjuster estimates

☐ Local government damage assessments (if available)
☐ Photographs of disaster-related damage
☐ Contractor repair estimates or scopes of work (if available)

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8. Insurance and Other Disaster Assistance (Duplication of Benefits)

☐ Homeowner's insurance policy (declarations page)
☐ Insurance claim determinations and payment records
☐ FEMA Individual Assistance award or denial letters
☐ SBA disaster loan approval or denial letters
☐ Documentation of assistance from charitable or nonprofit organizations
☐ Documentation of state or local disaster recovery assistance

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9. Flood Insurance (If Applicable)

☐ Flood insurance policy declarations page (if the property is located in a Special Flood Hazard Area or flood insurance is otherwise required)

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10. Program Certifications and Forms

Applicants should be prepared to sign required program forms, which may include:

☐ Certification of accuracy and completeness of information
☐ Duplication of Benefits (DOB) certification
☐ Authorization to release information
☐ Right of entry and property access authorization
☐ Subrogation or repayment agreement (if applicable)
☐ Grant agreement or conditions of assistance acknowledgment

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11. Additional Documentation (If Applicable)

☐ Temporary relocation or displacement documentation (if applicable)
☐ Accessibility or reasonable accommodation requests
☐ Appeals or complaint submissions (if applicable)
☐ Any additional documentation requested by the Program to support eligibility or compliance

C. HUD and State Identified MID Communities

Typhoon Merbok MIDs			
Village Name	**Region**	**HUD or State MID**	**2023 Flood MID**
Akiachak	Yupiit REAA	State Identified MID	
Akiak	Yupiit REAA	State Identified MID	
Alakanuk	Lower Yukon REAA	HUD Identified MID	Y
Atmautluak	Lower Kuskokwim REAA	State Identified MID	
Bethel	Lower Kuskokwim REAA	State Identified MID	
Brevig Mission	Bering Straight REAA	HUD Identified MID	
Chefornak	Lower Kuskokwim REAA	State Identified MID	
Chevak	Kashunamiut	HUD Identified MID	
Diomede	Bering Straight REAA	HUD Identified MID	
Eek	Lower Kuskokwim REAA	State Identified MID	
Elim	Bering Straight REAA	HUD Identified MID	
Emmonak	Lower Yukon REAA	HUD Identified MID	Y
Gambell	Bering Straight REAA	HUD Identified MID	
Golovin	Bering Straight REAA	HUD Identified MID	
Goodnews Bay	Lower Kuskokwim REAA	State Identified MID	
Hooper Bay	Lower Yukon REAA	HUD Identified MID	
Kasigluk	Lower Kuskokwim REAA	State Identified MID	
Kipnuk	Lower Kuskokwim REAA	State Identified MID	
Kongiganak	Lower Kuskokwim REAA	State Identified MID	
Kotlik	Lower Yukon REAA	HUD Identified MID	Y
Koyuk	Bering Straight REAA	HUD Identified MID	
Kwethluk	Lower Kuskokwim REAA	State Identified MID	
Kwigillingok	Lower Kuskokwim REAA	State Identified MID	
Marshall	Lower Yukon REAA	HUD Identified MID	Y
Mekoryuk	Lower Kuskokwim REAA	State Identified MID	
Mountain Village	Lower Yukon REAA	HUD Identified MID	Y
Napakiak	Lower Kuskokwim REAA	State Identified MID	
Napaskiak	Lower Kuskokwim REAA	State Identified MID	
Nightmute	Lower Kuskokwim REAA	State Identified MID	
Nome	Bering Straight REAA	HUD Identified MID	
Numan Iqua	Lower Yukon REAA	HUD Identified MID	Y
Nunapitchuk	Lower Kuskokwim REAA	State Identified MID	
Oscarville	Lower Kuskokwim REAA	State Identified MID	
Pilot Station	Lower Yukon REAA	HUD Identified MID	Y
Platinum	Lower Kuskokwim REAA	State Identified MID	
Quinhagak	Lower Kuskokwim REAA	State Identified MID	
Russian Mission	Lower Yukon REAA	HUD Identified MID	Y
Savoonga	Bering Straight REAA	HUD Identified MID	
Scammon Bay	Lower Yukon REAA	HUD Identified MID	
Shaktoolik	Bering Straight REAA	HUD Identified MID	
Shishmaref	Bering Straight REAA	HUD Identified MID	
St George Island	Pribilof Islands REAA	State Identified MID	
St Paul Island	Pribilof Islands REAA	State Identified MID	
St. Michael	Bering Straight REAA	HUD Identified MID	
Stebbins	Bering Straight REAA	HUD Identified MID	
Teller	Bering Straight REAA	HUD Identified MID	
Toksook Bay	Lower Kuskokwim REAA	State Identified MID	
Tuluksak	Yupiit REAA	State Identified MID	
Tuntutuliak	Lower Kuskokwim REAA	State Identified MID	
Tununak	Lower Kuskokwim REAA	State Identified MID	
Unalakleet	Bering Straight REAA	HUD Identified MID	
Wales	Bering Straight REAA	HUD Identified MID	
White Mountain	Bering Straight REAA	HUD Identified MID	

D. Examples of Specific Mitigation Measures

- Elevation of residential structures above Base Flood Elevation (BFE) or other locally applicable flood elevations where required by floodplain management regulations or environmental review conditions;
- Installation of flood-resistant construction materials and methods below the design flood elevation in accordance with FEMA and applicable building codes;
- Elevation or protection of critical building systems (e.g., electrical panels, HVAC systems, fuel tanks, and mechanical equipment) to reduce vulnerability to flood damage;
- Structural anchoring and foundation systems designed to address flood forces, storm surge, or unstable soil conditions, including pile foundations where appropriate;
- Site grading, drainage improvements, and installation of drainage systems designed to reduce localized flooding and water intrusion;
- Reinforcement of building envelopes to improve resistance to high winds and severe storm conditions associated with coastal storms;
- Installation of secondary water barriers, improved flashing, or other moisture protection measures to prevent water intrusion during severe weather events;
- Measures that improve resilience to extreme cold climates, including enhanced insulation, air sealing, and moisture control strategies to prevent freeze-related damage;
- Structural or site stabilization measures necessary to address erosion, coastal storm impacts, or permafrost-related soil instability; and
- Other mitigation measures necessary to address identified flood, coastal storm, or climate-related hazards affecting the property. Elevation of residential structures above Base Flood.