



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

Community Development Block Grant – Disaster Recovery

2022 Typhoon Merbok

Legal Services Policy and Procedure

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Version History

The following version control log documents each version of this document published, its date of publication, and a summary of changes made. If you have any questions about version control, why changes are made, or what policies and procedures apply, please contact the **xxx**.

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The State of Alaska CDBG-DR Legal Services 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 Legal Services that are 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 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.

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, legal services are authorized under Section 105(a)(8) of the Housing and Community Development Act of 1974 (HCDA), as amended.

1.2 Program Summary

The State of Alaska's CDBG-DR Action Plan ("the Plan"), as approved and amended, provides funding for legal services eligible under CDBG-DR as a public service program (Legal Services Program). The program will provide funding to qualified legal aid and/or legal services providers to deliver assistance necessary to help disaster-impacted residents resolve legal barriers that delay or prevent recovery, particularly barriers that

affect housing stability and access to recovery programs. DCCED may administer the program directly and/or through subrecipients.

Legal services are a critical component of comprehensive disaster recovery. This program will provide access to legal services to help impacted residents attain legal representation needed to resolve legal issues that may result in the denial of recovery resources and/or delays to recovery. These legal services will assist at-risk disaster survivors in efforts to secure stable and affordable recovery housing by helping them navigate legal challenges that serve as barriers to recovery housing.

Eligible participants under the State's CDBG-DR housing recovery programs will be referred to selected legal aid and/or legal services partners to provide legal assistance ("eligible activities"). The subrecipient will perform an initial screening with eligible participants to confirm the case type parameter. Based on the screening, the subrecipient will match the participant with an attorney with the appropriate subject-matter expertise to provide the necessary legal services. The matched attorney will help eligible participants overcome challenges or barriers that restrict access to recovery opportunities through the following types of legal services:

- Replacing identification papers
- Working through insurance claims
- Clearing property titles and working through heirship and probate
- Fighting unlawful evictions and foreclosures
- Combating contractor scams and fraud
- Assistance with school transfers
- Obtaining emergency child custody, visitation, support, and other court orders requiring modification as a result of displacement, injury, or job loss
- Other legal services related to recovery, referred to by one of the other CDBG-DR programs

1.3 Program Allocation and Eligible Uses of Funds

The total program allocation for legal services is \$385,000. Funds are limited to expenses reasonably and necessarily incurred in performing the activities required within this policy necessary to carry out the Legal Services Program. The award cap for legal services is set at \$10,000 per household. Exceptions will be determined on a case-by-case basis.

The State will work directly with selected Subrecipients, where applicable, to establish a payment structure that supports their administrative structure. Subrecipients will establish the cost reasonableness of each case referred and track basic case details for reporting. Attorneys providing legal services will charge fees in accordance with the Subrecipient policies created for the program. If representation exceeds the scope

outlined in the policies, the attorney will request an exception in writing explaining the reason for the request. The Subrecipient will work with DCCED to grant or deny any exception requests, to establish cost reasonability.

1.4 Method of Distribution

DCCED may administer the program directly and/or through subrecipients. While the State intends to mainly enter into agreements with subrecipients, there may be regions or communities in the disaster-impacted areas where services may only be available through the State. The program policies or public funding announcements will provide information on how qualified providers will receive awards to provide eligible services to eligible applicants. The State may allocate funds to eligible subrecipients and/or competitively procure service providers.

1.4.1 Referral Approval and Program Discretion

Legal services under the Legal Services Program are provided by referral only. Referrals may originate from other CDBG-DR housing recovery programs administered by the DCCED or its Subrecipients.

All referrals for legal services are subject to review and approval by DCCED or its designated Subrecipient prior to the initiation of services. Approval of a referral does not guarantee the provision of services at a particular level or duration.

DCCED and its Subrecipients retain discretion to prioritize, limit, defer, or deny referrals for legal services based on program funding availability, case complexity, cost reasonableness, and the requirement that services maintain a direct nexus to housing recovery activities funded through CDBG-DR.

1.5 Roles and Responsibilities

1.5.1 DCCED Responsibilities


DCCED is responsible for:

- Complying with all applicable state and federal requirements contained in this document and within any applicable Subrecipient Agreements, Interagency

Agreements, and any other contractual arrangements between DCCED and their Subrecipients.

- Providing information to Subrecipients on:
 - DCCED policies and procedures relevant to the legal services provided under the Agreement; and
 - DCCED program rules and eligibility criteria to enable Subrecipients to understand the population of referrals for the Legal Services Program.
- Referring eligible participants to the Subrecipient to provide legal assistance, and confirming the national objective.
 - Ensure that at least 51% of program beneficiaries qualify as low- or moderate-income (defined as having gross household income no greater

than 80% of area median income (AMI) as published by HUD for the relevant county).

- Coordinate and prepare all necessary information to file for an exemption from Environmental Review for the grant activities in accordance with 24 CFR Part 58 regulation.
- Meeting all HUD reporting requirements, including compiling, preparing, and submitting any and all reports.
- Meeting with its Subrecipients  at least quarterly, or as needed, to coordinate efforts on program implementation for the purpose of promoting the success of DCCED program(s).
- Providing technical assistance to Subrecipient staff on DCCED's program implementation, including compliance with HUD CDBG-DR rules, statutes, and regulations.
- Monitoring Subrecipient for program compliance.

1.5.2 Subrecipient Responsibilities

DCCED subrecipients are responsible for implementing the CDBG-DR-funded Legal Services Program as follows:

- Comply with all applicable state and federal requirements contained in this document, in Subrecipient Agreements, and within any Interagency Agreements or other contractual documents.
- Assess, classify, and document Survivors' legal needs as they relate to recovery and accept eligible storm-impacted Survivors in the impacted communities of the Bering Strait Regional Education Attendance Area (REAA) – including the City of Nome, Kashunamiut REAA, Lower Yukon REAA, and Lower Kuskokwim REAA, Yupiit REAA, and Pribilof Islands REAA. All legal services must be within the bounds of the applicable programs provided for under the public services section of the Public Action Plan, as amended.
- Assist referred participants for DCCED programs who are in need of legal services provided under the program.
- Complete and submit a monthly report within 30 days following the end of each reporting month, or in accordance with reporting requirements detailed in the Agreements. The report must be submitted in the form and with the content

specified and required by DCCED. DCCED will notify subrecipients in writing of the guidelines and requirements applicable to the submittal of reports.

- Meet with DCCED at least quarterly, or as either Party may need, to coordinate efforts on program implementation for the purpose of promoting the success of DCCED's program.
- Comply with all applicable HUD and CDBG-DR rules, regulations, and statutes, including documenting the summary of case status (cases referred, concluded, etc.), subject matter categorization, hours committed, length of case, amounts billed, and other basic case details for each referred participant. Such documentation must be provided to DCCED or HUD, as those entities may request, within ten (10) business days of a request.
- Ensure that all expenditures funded are eligible legal service activities under DCCED's Action Plan, CDBG-DR regulations, and these program guidelines. Ensure that all grants, contracts, and other agreements made with funding from this Agreement include appropriate language requiring compliance with all applicable HUD and CDBG-DR rules, regulations, and statutes.
- Monitor sub-grantees, if applicable, for program compliance.

2 Programmatic Requirements

2.1 Eligibility Requirements

All CDBG-DR activities must:

- Demonstrate a connection to the disaster (“tie-back”);
- Be CDBG-eligible activities under Title I of the HCDA or otherwise eligible pursuant to a waiver or alternative requirement; and
- Meet a national objective.

2.1.1 Connection to the Disaster (“Tie-Back”)

Services provided under the Legal Services Program must be tied to recovery needs resulting from Typhoon Merbok.

Activities funded under the Program must demonstrate a reasonable connection to recovery needs arising from this disaster event, as described in the State’s CDBG-DR Action Plan and supporting documentation.

2.1.2 CDBG-DR Eligible Activities

Eligible Activities under the Legal Services Program will meet the requirements of Section 105(a) of the Housing and Community Development Act of 1974 (HCDA), applicable waivers identified in the Consolidated Notice (88 FR 32046), and/or other applicable waivers or alternative requirements. Assistance will be provided to eligible subrecipients or DCCED-contracted legal services providers to deliver the following types of assistance:

- Replacing identification papers.
- Working through insurance claims.
- Clearing property titles and working through heirship and probate.
- Fighting unlawful evictions and foreclosures.
- Combating contractor scams and fraud.
- Assistance with school transfers.
- Obtaining emergency child custody, visitation, support, and other court orders requiring modification as a result of displacement, injury, or job loss.
- Other legal services needed for applicants to complete their recovery through one of the other CDBG-DR programs.

2.1.2.1 Levels of Legal Services

Legal services provided under the Legal Services Program shall be limited to recovery-related assistance necessary to remove legal barriers that delay or prevent an eligible household from completing housing recovery activities funded through CDBG-DR.

Legal services may be provided at one or more of the following levels, as determined appropriate by the Subrecipient based on the complexity of the case, funding availability, and the nexus to housing recovery:

- a) Brief Legal Advice – Provision of legal advice to an eligible participant, including review of relevant facts, interpretation of applicable law, and counseling on actions the participant may take to address recovery-related legal issues.
- b) Limited Representation – Provision of legal advice and limited actions on behalf of an eligible participant, such as preparation of legal documents, assistance with administrative filings, or communications with third parties, where such actions are necessary to resolve recovery-related legal barriers.
- c) Full Representation – Provision of legal representation on behalf of an eligible participant in administrative or judicial proceedings, where necessary to resolve legal barriers that directly impede completion of housing recovery and where approved in accordance with Subrecipient policies and funding limitations.

DCCED and its Subrecipients may limit the level or scope of legal services provided based on program funding availability, cost reasonableness, and the requirement that all services maintain a direct and documented connection to the participant’s housing recovery outcome.

2.1.3 Most Impacted and Distressed (MID) Areas

DCCED and its subrecipients must use funds to benefit participants (or beneficiaries) impacted by the disaster in the HUD- and Grantee-identified MIDs and who have not achieved a permanent housing solution.

- HUD-identified MID counties: Bering Strait Regional Education Attendance Area (REAA) – including the City of Nome, Kashunamiut REAA, Lower Yukon REAA
- Grantee-identified MID counties: Lower Kuskokwim REAA, Yupiit REAA, Pribilof Islands REAA

2.1.4 Eligible Applicants

To be eligible for the Legal Services Program, applicants must have been referred to the legal aid and/or legal services provider and must meet the following criteria:

- Beneficiaries must be a renter or homeowner actively participating in the CDBG-DR Homeowner Recovery Program and have a household income at or below 80% AMI.

2.2 National Objective

2.2.1 National Objective Selection

Projects under this program will meet the National Objective of Low-Moderate Income Housing (LMH), as described in 24 CFR 570.483(b)(3), and the activity is eligible under Section 105(a)(4) of the Housing and Community Development Act of 1974.

2.2.2 Documentation and Recordkeeping

For purposes of documenting LMH compliance, the State will maintain records demonstrating that assistance is provided in direct support of housing recovery activities and that the assisted housing, upon completion, will be occupied by low- and moderate-income (LMI) households.

Legal services costs will be charged only for cases that are directly tied to an eligible household's participation in the CDBG-DR Homeowner Recovery Program, and that address legal barriers necessary for the household to complete housing recovery. The State and/or subrecipients will document, in each case file, the connection between the legal service provided and the household's housing recovery outcome, consistent with the LMH standard that the assisted housing, upon completion, will be occupied by an LMI household.

2.3 Equity, Access, and Reporting

DCCED is committed to advancing equity and access through the Legal Services Program for households impacted by the 2022 Typhoon Merbok. The disaster and recovery process created significant housing instability and legal barriers for many residents, particularly in remote communities where recovery resources can be difficult to access due to geography, limited local capacity, language barriers, disability access needs, and the high cost and limited availability of legal and housing services. Legal services are intended to help eligible households navigate these barriers so they can maintain legal access to recovery housing and transition to more permanent housing solutions.

DCCED and its subrecipients and/or contracted providers must deliver services in a manner that reduces barriers and promotes equitable recovery for underserved communities and HUD-defined vulnerable populations, including individuals and households with limited English proficiency and people with disabilities. Service delivery must include appropriate access measures, such as translation and interpretation, ADA-accessible service options, and culturally appropriate outreach, including Alaska Native languages where needed—consistent with DCCED/DCRA's Language Access Plan (LAP).

Within their policies and procedures, subrecipients must describe and document how their services reduce or remove barriers and promote equity in recovery for vulnerable populations and underserved communities. Subrecipients must also comply with HUD reporting requirements, including reporting beneficiary demographic information (race and

ethnicity) for households assisted through activities carried out under the Legal Services Program.

3. Participant Intake and Program Operations

Subrecipients are responsible for establishing and implementing written policies and procedures for day-to-day operation of the Legal Services Program. At a minimum, Subrecipient policies and procedures must describe: (1) outreach and engagement practices; (2) referral intake and eligibility screening; (3) service delivery and case management standards; (4) participant communications and consent; (5) limitations and requirements for receiving services; and (6) case closure/termination processes.

3.1 Outreach and Engagement

Legal services are provided by referral; however, Subrecipients must coordinate with DCCED and other CDBG-DR program partners to ensure eligible households are aware of the availability of legal services to resolve recovery-related legal barriers.

At a minimum, outreach and engagement procedures must:

- Describe how Subrecipient (and any legal service providers) will coordinate with referring CDBG-DR programs to identify households with potential legal barriers impacting housing recovery.
- Include processes to reduce barriers to access (e.g., remote service options, translation/interpretation, accessible communications, and culturally appropriate engagement in rural/remote communities).
- Prohibit marketing or intake practices that would create an appearance of open enrollment outside the Program's referral-based structure.

3.2 Referral Intake and Eligibility Screening

Legal services under this Program are provided by referral only. Subrecipients must document and track each referral from receipt through case closure.

At a minimum, referral intake procedures must include:

3.2.1 Referral Receipt and Logging

- Establish a standard referral form or intake record and maintain a referral log that captures, at a minimum: referral date, referring program, household identifier, brief issue description, and intake status (accepted/declined/closed).
- Acknowledge receipt of referrals and document referral disposition.

3.2.2 Eligibility Confirmation and Nexus Review

Before initiating services, the Subrecipient must confirm and document that:

- The household is eligible for the Legal Services Program (including referral through an eligible CDBG-DR housing recovery program and income eligibility as applicable to the underlying housing recovery program requirements); and
- The legal issue has a direct and documented connection to the household's housing recovery and constitutes a legal barrier that delays or prevents completion of CDBG-DR-funded housing recovery activities.

3.2.3 Conflict Check and Assignment to Provider

If services will be delivered through partner organizations, contracted providers, or individual attorneys, the Subrecipient must:

- Complete and document conflict checks consistent with applicable professional responsibility requirements and provider policies.
- Match the household to an attorney/provider with appropriate subject-matter expertise.
- Document the assigned provider, assignment date, and authorized level/scope of services.

3.2.4 Participant Consent, Releases, and Initial Disclosures

Prior to sharing information or initiating services, Subrecipients must ensure that:

- Any required participant consents/releases (e.g., Release of Information (ROI) for data sharing with DCCED/program partners) are executed and retained in the case file; and
- Participants receive clear information regarding service scope, confidentiality, and any Program limitations (including award caps and limitations on services not tied to housing recovery).

3.3 Service Delivery Standards and Case Management

Subrecipients must ensure that legal services are delivered in a consistent, compliant manner and are limited to eligible, reasonable, and necessary services that address recovery-related legal barriers.

At a minimum, service delivery policies must:

3.3.1 Define Authorized Services and Service Levels

- Align with the eligible legal service categories identified in Section 2.1.2 and the "Levels of Legal Services" described in Section 2.1.2.1.
- Specify how the Subrecipient determines and documents the authorized service level (brief advice, limited representation, full representation), including when higher-intensity services require additional review/approval.

3.3.2 Document Case Activity and Cost Reasonableness

- Require maintenance of case notes and a case activity log sufficient to demonstrate what was done, why it was necessary for housing recovery, and the outcome/progress achieved.
- Require timekeeping/billing documentation standards (e.g., date, task description, time/hours, rate if applicable) sufficient to support allowability and reasonableness.
- Describe how the Subrecipient will evaluate cost reasonableness for each case and manage any requests for exceptions consistent with Program caps and approval procedures.

3.3.3 Coordinate with Referring Programs

- Establish procedures for communication with the referring CDBG-DR program (as permitted by confidentiality rules and participant consent) to support resolution of legal barriers affecting housing recovery.
- Document key coordination points (e.g., confirmation that the legal issue is blocking an eligibility determination, closing, construction start, or other recovery milestone).

3.4 Participant Communications and Program Requirements

Subrecipients must maintain written procedures describing how participants will be informed of program requirements and kept apprised of case status, consistent with confidentiality obligations.

At a minimum, procedures must include:

- Participant notification of acceptance/denial of services (and the reason for denial, if applicable).
- Expectations for participant responsiveness, documentation provision, and cooperation.
- A process for participants to request updates or raise concerns about service delivery (separate from the formal complaint/appeals process in Section 4.6).

3.5 Termination and Case Closure Procedures

Subrecipients shall establish written procedures for the termination or closure of legal services provided under the Legal Services Program. Termination of services must be documented in the participant's case file and may occur for one or more of the following reasons:

- Legal Services Need Met – The legal issue for which assistance was provided has been resolved or no longer presents a barrier to housing recovery.

- Services Not Appropriate or No Longer Eligible – The Subrecipient determines that further legal services are not necessary, eligible, or reasonably related to the participant’s housing recovery.
- Participant Inaction – The participant fails to respond to reasonable requests for information or does not take required actions necessary to advance the legal matter.
- Participant Declines Services – The participant voluntarily withdraws from receiving legal services.
- Loss of Contact – The Subrecipient is unable to establish contact with the participant after reasonable and documented outreach attempts.

Subrecipients may re-open a closed case if the participant later re-engages and the legal issue remains eligible and directly related to housing recovery, subject to funding availability and Program requirements. Re-opened cases must be documented in the case file, including the reason for re-opening and confirmation that the issue remains an eligible recovery-related legal barrier.

4. Cross-Cutting Requirements

4.1 Title VI Notice, Section 504, Civil Rights Act, Fair Housing, and Accommodating Persons with Limited English Proficiency

4.1.1 Title VI

DCCED, agencies, subrecipients, contractors, and subcontractors who receive federal or state financial assistance for their programs and services must comply with Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) et seq., and the U.S. Department of Labor Revised Guidance Regarding the Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient (LEP) Persons.

4.1.2 Section 504 and Civil Rights

Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, and related federal and state laws and regulations forbid discrimination against those who require accommodation to access facilities, services, and programs. Furthermore, these laws require subrecipients to take affirmative steps to reasonably accommodate ADA-qualified individuals and ensure that their needs are equitably represented in programs, services, and activities, including in disaster recovery, resiliency, and mitigation.

4.1.3 Fair Housing Act

The Fair Housing Act requires all agencies and Subrecipients funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of their age, race, color, creed, religion, familial status, national origin, sexual

orientation, military status, sex, disability, or marital status. DCCED subrecipients must include in their Legal Services Program policies how they will:

- Comply with and enforce the Civil Rights requirements of Title I of the Housing and Community Development Act (HCDA) and the Fair Housing Act;
- Prioritize assistance to protected classes or individuals challenged in achieving eligibility or realizing benefits.

4.1.4 Accommodating Persons with Limited English Proficiency

Subrecipients must either adopt and describe in their policies how they will follow DCCED's CDBG-DR Language Access Plan (LAP) [\(insert link\)](#), or subrecipients can develop their own plan to ensure individuals with Limited English Proficiency (LEP) receive the language assistance they need to participate in the Legal Services Program. This can include:

- Translation of vital documents
- Language Line Services
- Language Bank
- I Speak Cards for individuals whose first language is not English
- LEP outreach and engagement

4.2 Duplication of Benefits

Section 312 of the Stafford Act prohibits any person, business, or other entity from receiving duplicative financial assistance for the same disaster recovery purpose from multiple sources of federal and other support (42 U.S.C. 5155(a) and (c)). Duplication occurs when an entity receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular disaster recovery purpose. The amount of the duplication is the amount of assistance provided in excess of need.

Subrecipients are required to include policies and procedures for ensuring that no duplication of benefit occurs for subrecipients and/or beneficiaries receiving services under the programs listed herein.

4.3 Environmental Review

Legal services funded under this Program are generally exempt from environmental review requirements pursuant to 24 CFR 58.34, provided that such activities do not involve physical development, construction, rehabilitation, or other choice-limiting actions. Environmental compliance with legal services is generally limited to confirming exempt status and ensuring that no physical or choice-limiting actions are undertaken using CDBG-DR funds.

The following activities are exempt under 24 CFR 58.34:

- Environmental and other studies, resource identification and the development of plans and strategies;
- Information and financial services;
- Administrative and management activities;
- Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned with employment, crime prevention, child care, health, drug abuse, education, counseling, energy conservation and welfare or recreational needs;
- Inspections and testing of properties for hazards or defects;
- Purchase of insurance;
- Purchase of tools;
- Engineering or design costs;
- Technical assistance and training;
- Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration;
- Payment of principal and interest on loans made or obligations guaranteed by HUD; Any of the categorical exclusions listed in § 58.35(a) provided that there are no circumstances which require compliance with any other Federal laws and authorities cited in § 58.5.

DCCED will coordinate and prepare all necessary information to file for an exemption from Environmental Review for the grant activities in accordance with 24 CFR Part 58 regulation. DCCED may request documentation from the Subrecipient to ensure compliance with §58.6 and will complete all necessary documentation and requirements to ensure compliance with §58.6. The Subrecipient will not begin any actions related to the grant activities until the environmental review process is completed and Subrecipient has received written approval and Notice to Proceed from DCCED, provided from DCCED as an official eligible participant.

4.4 Procurement

Subrecipients must follow federal, state, and local procurement standards, including procurement standards set forth at 2 CFR 200.317-200.327. Whenever procurement processes conflict, entities must comply with the more stringent regulation.

4.5 Conflict of Interest

In accordance with 24 CFR 570.489(h), 24 CFR 570.611, 2 CFR 200.317-318, and 2 CFR 200.112, no covered persons (defined as an employee, agent, consultant, officer, or elected official who exercise or have exercised any functions or responsibilities with respect to CDBG-DR activities assisted, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities), may obtain a financial interest or benefit from a CDBG-DR assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-DR assisted activity, or with respect to the proceeds of the CDBG-DR assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

Covered persons who have a potential or actual conflict of interest in relation to activities funded in whole or in part with CDBG-DR are required to disclose this potential or actual conflict to DCCED. This policy and requirement must be included in subrecipient program policies and procedures.

4.6 Prevention of Fraud, Waste, and Abuse

DCCED will provide active, ongoing oversight and monitoring to prevent and detect fraud, waste, and abuse by routinely monitoring, evaluating, and improving internal controls when necessary.

DCCED has taken steps to clarify requirements on reporting any known or suspected cases of fraud or loss with the department's funding. Specifically, all agreements include the following warning language:

“Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. § 287, 1001 and 31 U.S.C. § 3729.”

4.6.1 Definitions of Fraud, Waste, and Abuse

DCCED uses the following definitions of Fraud, Waste, and Abuse.

4.6.2 Fraud

Fraud is a type of illegal act involving the obtaining of something of value through willful misrepresentation; or a false representation of a material fact, whether by words or by conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, which deceives another so that he acts, or fails to act to his detriment; or an intentional deception or misrepresentation made by a person or entity, with the knowledge that the deception could result in some unauthorized benefit to himself/herself or some other person.

4.6.3 Waste

Waste is the overutilization of and/or the misuse of program resources that result in taxpayers not receiving reasonable value for money or other assets in connection with any program funded activities due to an inappropriate act or omission by persons with control over or access to the program resources. Waste is primarily the mismanagement, inappropriate actions, and inadequate oversight of the use of program resources. Waste goes beyond fraud and abuse and includes situations when there is no intent to deceive, misrepresent, commit a crime or violate a law.

4.6.4 Abuse

Abuse is any action that may, directly or indirectly, result in unnecessary costs; or the involvement of any payment for items or services when there is not legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment.

Abuse includes any practices that are inconsistent with good fiscal, business, or professional practices and that result in an unnecessary cost to any DCCED programs, or in seeking reimbursement for goods or services that are not necessary or that fail to meet the program standards.

4.7 Appeals, Complaints and Section 504 Complaints and Grievances

Subrecipients are required to have a written process for addressing applicant grievances for decisions, including termination or reduction of services, denial of services or other grievance. At a minimum, the process must include the following components:

4.7.1 Program Appeals

Subrecipients must describe the appeals process for applicants or participants to appeal decisions made by subrecipients.

4.7.2 Program Complaints

A formal complaint can be filed by any interested party that takes issue with the programmatic, operational, or administrative activities of the Program. Typically, complaints originate from an individual or entity who is experiencing some difficulty with program services, including eligibility, application process, award calculation, etc. DCCED and/or its subrecipients must provide a response to the interested party's complaint within fifteen (15) working days within receipt of the complaint or will document why additional time is needed for a response.

The complaint may also be treated as an administrative review when the complaint is related to program staff interpretation of program policies or rules. An administrative review may take longer than 15 working days to complete. The complainant will be notified when their complaint is going to receive administrative review and will be provided an estimate of time needed for a response.

Complaints regarding fraud, waste, or abuse of funds will be forwarded to the HUD OIG Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov).

4.7.3 Submitting a Complaint

Formal complaints to the State can be submitted in one of the following ways:

1. Through the Alaska State Ombudsman Complaint System at <https://ak-ombuds.insight.com/portal>
2. By mail to
Alaska Ombudsman
1500 West Benson Blvd.,
Anchorage, AK 99503
3. By email to ombudsman@akleg.gov
4. By Telephone at 907-269-5290

Formal complaints should include a detailed description of the problem to be addressed and attached documentation of the problem (records of communication/lack of communication with staff, photographs, relevant application documents, etc.).

Verbal complaints, such as those made over the phone, in an in-person conversation with staff, or any other verbal means of communication, are considered informal complaints. Staff will attempt to resolve any verbal complaints received, but they are not subject to the formal complaint process described above.

4.7.4 Tracking Complaints

DCCED and its subrecipients will maintain an electronic tracker for collecting, categorizing, and tracking formal complaints through resolution.

4.7.5 Section 504 Complaints and Grievances

Section 504 prohibits discrimination on the basis of disability in programs receiving federal financial assistance, in federal employment and in the employment practices of federal contractors. Each subrecipient must designate a Section 504 Coordinator and publish their contact information and include a process for filing a grievance, such as:

- Applicants may file grievances alleging Section 504 violation in writing with the Program within 180 calendar days of the alleged violation. Grievances must include detailed information to allow an investigation, including:
 - Alleged violation date, location, and description of the problem
 - Applicant name, address, telephone number, and Applicant ID, if applicable
- Once a grievance is received, the Subrecipient will contact the applicant within three (3) to five (5) business days, by phone or in writing, to acknowledge receipt

of the grievance, and to arrange for the Section 504 Coordinator to meet with the complainant to discuss the grievance and possible resolution. Within fifteen (15) business days after the meeting, the Section 504 Coordinator will respond in writing. The response shall be in a format accessible to the complainant (such as large print or audio tape). The response will explain the position of the Subrecipient and offer options for resolving the grievance.

4.8 Data Sharing and Referrals to Other Recovery or Assistance Programs

DCCED will establish processes and data-sharing agreements with municipalities and local Subrecipients, Community Based Organizations, Long-Term Recovery Groups, public housing authorities, and other providers for referring participants to services and/or supports for which they may qualify.

DCCED and its subrecipients will develop a process and data sharing processes for referring program participants to state recovery programs managed by DCCED.

Subrecipients shall share specific participant Personally Identifiable Information (PII) with DCCED, as is necessary, to carry out any assistance or service for the benefit of the participant. Subrecipients may disclose this PII to DCCED with an authorized Release of Information (ROI) from the participant.

4.9 Confidentiality and Personally Identifiable Information

Subrecipients must have policies and procedures to maintain all participant information and records securely and confidentially. Confidential records include applications, records, files, and communications relating to participants.

Subrecipients must have procedures for ensuring confidentiality in electronic collection of participant information, including:

- Computer terminals must be in a secure location, limiting access to only those persons who have a legitimate interest in and are responsible for participant records;
- Computer monitors must be cleared (or a screen saver activated) immediately after accessing a participant record;
- Computer terminals must be on a “locked” mode or turned off if the terminal is unattended; and
- Access to personally identifiable data shall be given to only authorized personnel as necessary for performing the work required for CDBG-DR-funded programs.

Personally, Identifiable Information (PII) is protected by federal laws (Privacy Act of 1974, as amended) and will be collected for the purpose of providing assistance/service,

reporting and monitoring. PII is information that can be used to distinguish or trace individual's identities. Examples of PII include names, addresses, income verification documents, disability status, employment status, etc., which can be linked or is linkable to a specific applicant and/or Applicant of the Program. As the Subrecipient receives direct applications from applicants requesting assistance, the Subrecipient keeps all PII information for the duration of the project in the system of record.

If records containing PII are subject to Freedom of Information Act or Alaska Public Records Act requests, Subrecipients shall only release such records in accordance with state and federal law. The Program, including Subrecipients, shall only store PII records as long as is necessary, in accordance with record retention requirements at 2 CFR part 200.334 and 24 CFR part 570.502(a)(7).

4.9.1 File Security

Subrecipients must have adequate procedures in place to collect and process participant-provided information and to handle PII properly and with sufficient protection.

Subrecipients will:

- Maintain all records in an electronic format
- Secure all files to ensure privacy of all applicant PII located within the files
- Save electronic files containing PII in password-protected electronic folders
- Back up files on a routine basis

Required reports to HUD and/or DCCED may include participant identification numbers or property addresses, but will not include unique identifiers such as social security number, names, date of birth, etc.

4.10 Fixed Assets (Personal Property): Reporting, Tracking, and Disposition

If a subrecipient receives funds to purchase equipment or personal property with a life of more than one year and an acquisition cost of \$5,000 or more, they will be required to manage these assets and to ensure that the assets continue to be used for their intended purposes in accordance with the CDBG-DR regulations and property standards.

Subrecipients must maintain appropriate records of their assets, whether in their possession or in the possession of a sub-awardee organization. Specifically:

- For personal property, subrecipients must maintain a fixed assets ledger that includes: a description of the property; any identifying information such as a serial number; the funding source (grant number); the acquisition date and cost; the federal share of the cost; and the location, use, and condition of the property; and disposition data. Subrecipients are required to conduct a physical inventory of personal property biannually to ensure that the property is being maintained in good

condition and that there are procedures in place to prevent loss, damage, or theft of the property.

Prior to disposing of any equipment purchased with CDBG-DR funds, subrecipients must request disposition instructions from DCCED.

5. Reporting, Monitoring, and Closeout

5.1 Subrecipient Progress Reports

Subrecipients must submit a Progress Report each month during the period of performance of the Subrecipient Agreement, accompanied by source documentation as requested by DCCED (e.g., attorney invoices, billing statements, time records, case logs, or other supporting documentation).

Monthly Progress Reports are due within thirty (30) days following the end of each reporting month. The reporting period shall be the first day of the month through the last day of the month.

Progress Reports must reflect legal services provided and costs paid during the reporting period and must be sufficient for DCCED to:

- Verify eligibility and allowability of costs;
- Confirm that services are tied to eligible legal service activities; and
- Ensure compliance with CDBG-DR requirements and the approved scope of work.

The final Progress Report must be submitted within thirty (30) days following completion of the project. Under no circumstances shall DCCED release funds unless all required financial and progress reports are current, accurate, and complete.

Legal Services Program reporting requires the collection and submission of participant-level and case-level data sufficient to demonstrate compliance with the national objective and other Program requirements. Narrative descriptions must clearly explain how reported expenditures relate to eligible legal services and how those services support housing recovery outcomes. Inaccurate, incomplete, or delayed submissions may impact reimbursement timelines and reflect negatively on program performance.

5.2 Monitoring and Oversight

Throughout the period of performance of a Subrecipient Agreement, DCCED will monitor subrecipients for compliance with applicable federal, state, and Program-specific requirements, as well as the terms and conditions of the Subrecipient Agreement.

Monitoring activities may include, but are not limited to:

- Desk reviews of reports and supporting documentation;

- Invoice and billing reviews;
- Scheduled coordination meetings or check-ins;
- Virtual or onsite monitoring reviews; and
- Pre-closeout compliance reviews.
- Monitoring may assess, at a minimum, the following areas:
 - Financial management and internal controls;
 - Compliance with cross-cutting federal requirements;
 - Eligibility of activities and consistency with the approved scope of work;
 - Adherence to Subrecipient Agreement terms;
 - Adequacy of participant case files and documentation; and
 - Progress toward completion of approved legal service activities.

If issues of noncompliance are identified, DCCED will provide written notice to the subrecipient and work collaboratively to identify corrective actions and establish a reasonable timeline for resolution.

5.3 Monitoring of Subrecipient Contractors and Legal Service Providers

Subrecipients must establish and maintain procedures for monitoring any contractors, legal aid organizations, or individual attorneys engaged using CDBG-DR funds to ensure compliance with all applicable federal, state, and Program requirements.

Subrecipient monitoring responsibilities include, but are not limited to:

- Verifying that services billed were actually performed and are eligible;
- Ensuring compliance with cost reasonableness and allowable cost requirements;
- Confirming adherence to conflict-of-interest and confidentiality requirements; and
- Maintaining sufficient documentation to support services rendered.

DCCED will provide technical assistance to subrecipients, as needed, regarding applicable requirements for contractors and legal service providers.

5.4 Performance Outcomes and Program Metrics

Subrecipients must collect and report performance information sufficient for DCCED to assess program implementation, demonstrate progress toward recovery objectives, and support HUD quarterly and ad hoc reporting requirements. Performance data must reflect the scope, scale, and outcomes of legal services provided and must demonstrate how

those services support eligible households in overcoming legal barriers to housing recovery.

At a minimum, Subrecipients must track and report the following information, as applicable to the approved scope of work:

- Number of households referred for legal services;
- Number of households accepted for services;
- Number of cases opened and closed during the reporting period;
- Level of legal service provided, categorized as:
 - Brief Legal Advice
 - Limited Representation
 - Full Representation
- Primary legal issue category addressed, including but not limited to:
 - Insurance claims
 - Property title clearance
 - Heirship and probate matters
 - Eviction or foreclosure proceedings
 - Contractor fraud, disputes, or scams
 - School transfer assistance
 - Other recovery-related legal issues necessary to complete housing recovery
- Duration of services and hours expended per case, as applicable;
- Narrative description of case outcomes and how the legal services provided supported or enabled the household's progress toward completing housing recovery activities funded through CDBG-DR.

DCCED may require Subrecipients to provide additional performance information or refined metrics, as necessary, to support program management, oversight, and HUD reporting, including DRGR and Quarterly Performance Report (QPR) requirements.

5.5 Records Retention and Access

All Subrecipients are required to maintain complete, accurate, and accessible records for all activities carried out under the Legal Services Program. Program records must be maintained within the applicable system of record identified in the Subrecipient

Agreement and must be sufficient to demonstrate compliance with all federal, state, and Program-specific requirements.

Subrecipients shall create and maintain records documenting program performance, expenditures, and compliance. The Alaska Division of Corporation, Business, and Professional Licensing, the federal government, DCCED, and their duly authorized representatives shall have access to the books, documents, papers, and records of Subrecipients that are directly related to the Program for the purposes of audit, examination, excerpt, and transcript.

Subrecipients shall retain all Program records pertinent to legal services and expenditures incurred in accordance with applicable state and federal requirements, including but not limited to those set forth in 2 CFR Part 200 and 24 CFR Part 570. Unless a longer retention period is required by law, Subrecipients shall retain and keep accessible all fiscal and Program records, participant records, digital and electronic records, books, documents, papers, plans, and writings for five (5) years after the closeout of the grant between HUD and DCCED, or such longer period as may be required by applicable law, whichever is later.

5.5.1 Participant Files

Documentation of participant eligibility, services received, and case outcomes must be maintained in participant case files within the applicable system of record by the assigned Subrecipient. Participant files must include documentation for:

- Participants determined to be eligible for services;
- Participants determined to be ineligible for services; and
- Participants who are no longer receiving services.

At a minimum, participant files must document the participant's request for services, eligibility determination, services provided, case status, and how eligibility or termination decisions were communicated to the participant.

DCCED will use Subrecipient program policies, procedures, and participant file documentation as the basis for monitoring to ensure compliance with Program requirements and applicable regulations.

5.5.2 Legal Services Reporting Requirements

In addition to general reporting requirements, Subrecipients providing legal services must collect and report standardized information for each participant served through the Legal Services Program. At a minimum, reporting must include:

- a) Level of Legal Service Provided, categorized as:
 - Brief Legal Advice
 - Limited Representation

- Full Representation
- b) Primary Legal Issue Category, including but not limited to:
- Insurance claims
 - Property title clearance
 - Heirship and probate matters
 - Eviction or foreclosure proceedings
 - Contractor fraud, disputes, or scams
 - School transfer assistance
 - Other recovery-related legal issues necessary to complete housing recovery
- c) Basic Case Information, including:
- Case status (open, ongoing, closed)
 - Hours expended
 - Duration of services
 - Amounts billed or reimbursed
 - Documentation demonstrating the connection between the legal service provided and the participant's housing recovery outcome

Such documentation must be maintained in the participant case file and made available to DCCED or HUD upon request for monitoring, reporting, or audit purposes.

5.6 Project Closeout

Project closeout is the process that occurs after the DCCED and the subrecipient determine that the project has been successfully completed and no work remains. For projects comprised of multiple funding sources, closeout occurs when all funds are spent, not just the CDBG-DR funded portions. The DCCED will perform a complete review of the application and the project file to ensure all necessary documentation is present and to ensure the grant is ready for project close out.

Projects will be considered successfully closed out when the following requirements are met:

- All milestones have been met and deliverables submitted, and each in accordance with all requirements of this Program;
- All eligibility, DOB, and supplanting documentation are found to be in accordance with all requirements of this Program;
- All required Program forms have been duly completed;
- Grant funds allocated to the project have been expended on necessary and reasonable costs;

- All funds used for the Program, whether CDBG-DR or received using a subrogation of funds, have been properly accounted for and reconciled with payments made to the corresponding parties, such as the subrecipient and any procurement vendors;
- All payments have been issued to subrecipients and/or vendors, including applicable retainages;
- All reporting requirements are completed and submitted;
- Any special conditions are met;
- All audit and monitoring issues affecting the project and/or grant are resolved; and
- Other requirements for closeout as established in the subrecipient agreement are met.

Program staff may request additional information from a subrecipient or vendor if required to establish completion of the project, eligibility of expenditures, compliance with Program requirements, etc.