



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

Community Development Block Grant – Disaster Recovery

2018 Cook Inlet Earthquake Disaster

Planning Activities Policy and Procedure Manual

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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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## 1 Program Overview

In response to damages and unmet needs resulting from the 2018 Cook Inlet Earthquake (DR-4413), the U.S. Department of Housing and Urban Development (HUD) allocated \$35,856,000 to the State of Alaska through Community Development Block Grant - Disaster Recovery (CDBG-DR) funding to be administered by the Department of Commerce, Community, and Economic Development (DCCED). HUD later allocated \$2,288,000 in Community Development Block Grant – Mitigation (CDBG-MIT) funds to support the State's efforts to prepare for and reduce the risk of future disasters.

Of the State's CDBG-DR award, DCCED has allocated \$4,864,460 for planning activities, including both State-level general planning costs and direct awards to subrecipients.

The purpose of the CDBG-DR Planning Program is to support planning, data development, studies, analysis and capacity building efforts that promote sound, sustainable long-term disaster recovery and reduce future disaster risk in areas impacted by the 2018 Cook Inlet Earthquake.

### 1.1 Program Authorization

HUD allocated the CDGB-DR funds in a Federal Register Notice published on January 27, 2020 ([85 FR 4681](#)). This allocation was made available through Public Law 116-20. These funds are subject to additional Federal Register Notices, most notably the noticed published on February 9, 2018 ([83 FR 5844](#)) and August 14, 2018 ([83 FR 40314](#)).

CDBG-DR planning activities are authorized under Title I of the Housing and Community Development Act of 1974 (HCDA), as amended, including Section 105(a)(12), and its implementing regulations at 24 CFR 570.205. For state grantees administering disaster recovery planning-only activities, HUD has established 24 CFR 570.208(d)(4) as an alternative requirement for meeting a national objective ([83 FR 5855](#)).

### 1.2 Planning Activities Overview

The State of Alaska has allocated \$4,864,460 of its CDBG-DR award to support planning activities, including both State-level planning and administration and direct awards to subrecipients.

These planning activities focus on:

- Integration of hazard mitigation and land-use planning
- Seismic hazard identification and mapping
- Updates to comprehensive, neighborhood, and functional plans

- Capacity building to support long-term recovery and resilience

## 2 Allocation and Administration

DCCED administers the Planning Program through:

- Direct subrecipient awards for defined planning projects; and
- State General Planning Costs managed by DCCED.

Each subrecipient is responsible for the direct administration of its planning activities in compliance with all applicable local, state, and federal requirements, as well as the terms of its executed grant agreement. DCCED provides oversight, monitoring, and technical assistance.

### 2.1 State General Planning Costs

Allocated Amount: \$1,549,860

State general planning costs support DCCED's planning and coordination functions to administer and oversee planning activities funded by CDBG-DR, including statewide coordination, program planning, reporting, monitoring preparation, technical assistance to subrecipients, and other eligible general planning activities consistent with Section 105(a)(12) and 24 CFR 570.205. Additionally, DCCED uses HUD's guidance in [CPD-2023-06: Allocating Costs between Program Administration Costs, Activity Delivery Costs, and Planning Costs for Community Development Block Grant Disaster Recovery \(CDBG-DR\) Grantees, Community Development Block Grant Mitigation \(CDBG-MIT\) Grantees, and Community Development Block Grant National Disaster Resilience \(CDBG-NDR\) Grantees](#) to ensure consistency with eligible planning costs.

Eligible activities undertaken by DCCED may include but are not limited to:

- Data gathering, analysis, and the development of the impact and unmet needs assessment used to inform the grantee's action plan
- Fair Housing planning activities, such as the assessment required to determine the impact CDBG-DR funds will have on protected class groups under fair housing and civil rights laws, vulnerable populations, and other historically underserved communities
- Costs related to the required consultation with states, Indian tribes, local governments, Federal partners, nongovernmental organizations, the private sector, and other stakeholders and affected parties in the surrounding geographic area, including organizations that advocate on behalf of members of protected classes, vulnerable populations, and underserved communities impacted by the disaster, to

ensure consistency of the action plan, including costs to consult with other relevant government agencies, including state and local emergency management agencies that have primary responsibility for the administration of FEMA funds, if applicable.

DCCED will maintain documentation sufficient to demonstrate that (1) staff time charged is allocable, reasonable, and necessary; and (2) activities are clearly tied to administration and delivery of planning activities.

State costs will be drawn in accordance with DCCED's internal financial procedures and HUD draw requirements, supported by adequate documentation and maintained in DCRA Grants.

## 2.2 Direct Planning Allocations

The following section provides an overview of each direct allocation.

### 2.2.1 Integration of MOA Hazard Mitigation Plan and MOA Comprehensive Land Use Plans Administered by Municipality of Anchorage

Direct Award Amount: \$850,000

#### Project Description

As described in the State's Action Plan Planning and Coordination section, this planning activity supports long-term plans put in place by local jurisdictions that promote sound, sustainable long-term recovery planning informed by post-disaster evaluation of hazard risks. The Subrecipient will integrate the Municipality of Anchorage Hazard Mitigation Plan into the Municipality of Anchorage Comprehensive Land Use Plans and associated neighborhood plans, using FEMA Region X post-earthquake recommendations for mitigation and other applicable guidance.

Upon completion, the subrecipient will submit the final plans to DCCED and include the required CDBG-DR attribution statement in the final plan deliverables (per agreement requirements). The subrecipient must complete all deliverables consistently with the approved scope of work and executed agreement.

### 2.2.2 Seismic Zone Hazards Analysis and Building Code Update

Administered by Municipality of Anchorage

Direct Award Amount: \$695,000

#### Project Description

The Municipality of Anchorage’s seismically induced ground failure hazard zone map is outdated. The Subrecipient will use CDBG-DR funds for seismic hazards analysis and mapping, which may be used to enhance MOA GIS and online platforms and to inform updates to Anchorage Building Code (Title 23) and Zoning Code (Title 21), as authorized by 24 CFR 570.205.

Upon completion, the subrecipient will submit the final plans to DCCED and include the required CDBG-DR attribution statement in the final plan deliverables (per agreement requirements). The subrecipient must complete all deliverables consistently with the approved scope of work and executed agreement.

### 2.2.3 Updating Neighborhood and Targeted Plans within Municipality of Anchorage

Administered by Municipality of Anchorage

Direct Award Amount: \$705,000

#### Project Description

The Subrecipient will complete eligible planning activities consisting of data gathering, studies, analysis, preparation of plans, public meetings/workshops, and consultant services to update neighborhood and targeted plans within the Municipality of Anchorage, including incorporation of all-hazards mitigation goals, policies, and mapping where relevant (as described in the agreement scope of work).

The agreement’s scope explicitly identifies six (6) planning projects that collectively comprise this award. A description of those projects are as follows:

- Planning Project 1 – GIS Land Development Database (R3-2-3): Establish a “live” GIS database of land uses, facilities, housing types, and a vacant/buildable lands inventory, including hazard areas with high concentrations of critical/vulnerable uses; sustainable product fed by ongoing data flows.
- Planning Project 2 – Buildable Land Capacity Study (R3-2-6): Estimate capacity of buildable lands for future uses; identify overlaps with hazard areas; evaluate zoning code needs.
- Planning Project 3 – Anchorage-Wide Housing Forecast Study (R3-2-7): Forecast and allocate housing and employment growth through 2050; translate growth into land needs; assess capacity deficits; includes LMI housing needs.
- Planning Project 4 – Historic Preservation Plan (R3-2-8): Incorporate all-hazards mitigation goals/policies/maps to identify mitigation actions for historic/cultural properties; finalize draft plan with updated data.

- Planning Project 5 – North Anchorage Neighborhood Plans Update (R3-2-9): Update adopted neighborhood plans (Government Hill, Fairview, Mountain View) to incorporate all-hazards mitigation goals/policies/maps.
- Planning Project 6 – Central Anchorage District Plan (R3-2-10): Develop a neighborhood plan for Central Anchorage including Airport Heights and Rogers Park; includes all-hazards mitigation goals/policies/maps.

Upon completion, the subrecipient will submit the final plans to DCCED and include the required CDBG-DR attribution statement in the final plan deliverables (per agreement requirements). The subrecipient must complete all deliverables consistently with the approved scope of work and executed agreement.

#### 2.2.4 Updating Hazard Mitigation Plan and Land Use Plans within the Matanuska-Susitna Borough

Administered by Matanuska-Susitna Borough

Direct Award Amount: \$281,250

Project Description

DCCED will provide CDBG-DR funds to Matanuska-Susitna Borough for eligible planning activities consisting of data gathering, studies, analysis, preparation of plans, public meetings or workshops, and consultant services to implement the following:

The goal will be to attempt to coordinate a multi-jurisdictional plan. If there is no agreement between the three cities and the two tribes, then MSB will proceed with the partners that are interested. MSB will contract as needed for the plan update, data collection and hazard analysis.

Upon completion, the subrecipient will submit the final plans to DCCED and include the required CDBG-DR attribution statement in the final plan deliverables (per agreement requirements). The subrecipient must complete all deliverables consistently with the approved scope of work and executed agreement.

#### 2.2.5 Updating Hazard Mitigation Plan and Land Use Plans within the Kenai Peninsula Borough

Administered by Kenai Peninsula Borough

Direct Award Amount: \$281,250

Project Description

This planning-only activity will provide CDBG-DR funds to the Kenai Peninsula Borough (KPB) for the purpose of updating the 2019 Hazard Mitigation Plan; update is based upon a five-year rotation that must be FEMA-approved before December 2024. A current plan is a guiding document to complete post-disaster, resilience, and mitigation-based projects within its jurisdictional boundaries. Objectives within the plan also support the borough's intent to apply for federal funding sources. There will be a minimum of nine (9) community engagement meetings/events and one (1) FEMA-approved Hazard Mitigation Plan.

Upon completion, the Subrecipient will submit the final plans to DCCED and include the required CDBG-DR attribution statement in the final plan deliverables (per agreement requirements). The Subrecipient must complete all deliverables consistently with the approved scope of work and executed agreement.

### 3 Programmatic Requirements

#### 3.1 Eligibility Requirements

All CDBG-DR activities must:

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

##### 3.1.1 Connection to the Disaster (“Tie-Back”)

Planning activities funded under this Program must be reasonably tied back to recovery needs and/or resilience and mitigation needs identified as related to the 2018 Cook Inlet Earthquake impacts and hazard risks. Subrecipient scopes of work may address hazard risks and planning needs including seismic risk, ground failure susceptibility, land use vulnerability, and other relevant disaster-related hazards.

##### 3.1.2 Eligible Activities

Planning activities funded under this Program are required to result in a completed plan, study, database, or other defined planning deliverable. These funds can support plan development and capacity building consistent with 24 CFR 570.205 and Section 105(a)(12) of the HCDA.

Eligible planning activities may include:

- Data gathering, research, studies, and analysis;

- Preparation of comprehensive plans, community development plans, functional plans, hazard mitigation plans, or similar planning deliverables;
- Public meetings, community engagement, and stakeholder coordination;
- Consultant services necessary to complete the planning deliverables; and
- Related policy-planning-management and capacity building activities necessary to develop and adopt the deliverables.

### 3.1.3 Ineligible Activities

Ineligible activities include, but are not limited to:

- Engineering, architectural, and design costs related to a specific construction project such as detailed engineering specifications, blueprints, and working drawings;
- Construction or any costs of implementation of projects or plans;
- Costs not associated with the development of plans, studies, or other planning activities.

### 3.1.4 Primary Benefit to Most Impacted and Distressed (MID) Area

HUD has identified the Municipality of Anchorage as the most impacted and distressed (MID) area for the 2018 Cook Inlet Earthquake (DR-4413).

### 3.1.5 Eligible Entities

The State of Alaska makes direct awards to the Municipality of Anchorage, Matanuska-Susitna Borough, and Kenai Peninsula Borough (and any other entity identified in the Action Plan and supported by an executed agreement).

### 3.1.6 Eligible Costs

Eligible planning costs are costs related to the preparation, development, updating, adoption, and completion of planning deliverables, including, but not limited to:

- Personnel costs for project management, QA/QC review of deliverables, monitoring, reporting, evaluation, and analysis;
- Research and data collection;
- Community engagement;
- Technology or tools necessary to conduct the activity; and
- Contractual services necessary to complete the planning deliverables.

### 3.1.7 Ineligible Costs

Ineligible uses of funds include, but are not limited to:

- Construction or construction-related activities;
- Engineering, architectural and design costs related to a specific project (e.g., detailed engineering specifications and working drawings);
- Purchase of land or buildings;
- Any expense that does not comply with the cost principles at 2 CFR 200 subpart.

### 3.2 National Objective

Planning activities are eligible under 24 CFR 570.205 and, pursuant to HUD's waiver of certain State CDBG planning requirements, qualify as meeting a national objective under 24 CFR 570.208(d)(4) when funded as disaster recovery planning-only activities.

Accordingly, subrecipients are not required to document low- and moderate-income (LMI) benefit, slum or blight conditions, or urgent need in the same manner as is required for housing, infrastructure, or economic revitalization activities.

### 3.3 Citizen Participation

For direct allocations, if required by the executed subrecipient agreement, the subrecipient must hold a second public meeting/public hearing during the term of the planning activity to review program performance. When required, the subrecipient must provide reasonable public notice, hold the meeting at a time and location convenient to potential or actual beneficiaries, ensure accessibility accommodations, and conduct the meeting in a manner that meets the needs of non-English speaking residents where a significant number can reasonably be expected to participate. Meeting minutes must be provided to DCCED.

### 3.4 Period of Performance

DCCED will establish expenditure deadlines, milestones, and benchmarks for individual projects within the applicable subrecipient agreement. The agreement may be amended to extend the period of performance at DCCED's discretion.

## 4 Cross-Cutting Federal Requirements and Other Requirements

### 4.1 Duplication of Benefits (DOB)

Section 312 of the Stafford Act, as amended, generally prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster for which such person, business concern, or other entity has received financial assistance under any other program or from insurance or any

other source. This is referred to as duplication of benefits (DOB). To comply with Section 312, all subrecipients must ensure that each activity provides assistance to a person or entity only to the extent that the person or entity has a disaster recovery need that has not been fully met. Subrecipients are subject to the DOB requirements described in all applicable Federal Register notice(s), specifically the notice published on June 20, 2019 at [84 FR 28836](#).

See DCCED's Duplication of Benefits Policy and Procedure manual (08-014) for more details on DCCED's duplication of benefits policy as it applies to all CDBG-DR programs.

#### 4.1.1 Supplanting of Funds

Supplanting of funds is the most common example of DOB for CDBG-DR planning programs. It occurs when a state or local government reduces state or local funds for an activity specifically because federal funds are available (or expected to become available) to fund the same activity. Additionally, CDBG-DR funds may not replace state or local funding that is required by law.

All subrecipients must disclose all funding sources available for the project. CDBG-DR funds cannot be used to fund activities funded by other sources. Eligible entities and potential partners may use federal funds to supplement existing funds for CDBG-DR activities but may not replace non-CDBG-DR funds that have been appropriated for the same purpose.

#### 4.1.2 Determining Duplication of Benefits

All subrecipients must disclose all funding sources regardless of the entity providing the funding (federal, state, or local government; non-profit organizations; private entities; etc.) and prepare and submit the DOB spreadsheet.

Subrecipients will be required to certify that the information provided for the purpose of determining DOB is true, accurate, and complete, and agreeing that awarded funds are subject to recapture if it is determined that the subrecipient submitted false, inaccurate, or incomplete information. DCCED will use this information to verify the amount awarded for the activity does not constitute a duplication of benefits. If DCCED finds that DOB exists, the amount of the final award may be reduced by the amount of duplicative benefit identified.

#### 4.2 Environmental Review

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. Every project undertaken with Federal funds, and all activities

associated with such project, are subject to the provisions of the National Environmental Policy Act of 1969 (NEPA), as amended, 42 U.S.C. § 4321 et seq., as well as to the HUD's environmental review regulations at 24 CFR. Part 58 on Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities. Therefore, an environmental review process is required for all awards to be issued under the Program to ensure that the proposed activities do not negatively impact the surrounding environment and that the geographical area itself will not have an adverse environmental or health effect on end users.

#### 4.2.1 Environmental Review Exemption

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. All activities undertaken with federal funds are subject to the provisions of the National Environmental Policy Act of 1969 (NEPA), as amended, and HUD's environmental review regulations at 24 CFR Part 58. However, most planning activities are exempt under 24 CFR 58.34 (except for the applicable requirements of 24 CFR 58.6). For planning awards under this Program, environmental compliance is generally limited to confirming exempt status and ensuring that no choice-limiting actions or physical activities are undertaken using planning 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.

#### 4.3 Davis-Bacon, Section 3, URA, & Related Requirements

Only planning and capacity building activities are eligible under this Program. Therefore, regulations related to construction work, such as the Davis-Bacon Act, Section 3 of the Housing and Urban Development Act, and the Uniform Relocation Act (URA) do not apply to CDBG-DR activities funded under this planning program.

#### 4.4 Procurement

Any consultants or other vendors paid for with CDBG-DR funds must be procured in compliance with the federal procurement standards identified in the applicable Federal Register notice(s), as well as applicable state and local procurement policies. All subrecipients must maintain written policies and procedures for procurement using federal funds. DCCED staff will be available to provide technical assistance to subrecipient procurement staff throughout the period of performance.

#### 4.5 Financial Management

All subrecipients must manage CDBG-DR funds in accordance with their organization's financial management policies and internal controls, as well as applicable cost principles under 2 CFR 200 subpart E. Subrecipients must maintain written policies and procedures for financial management and internal controls reflecting these requirements, specifically:

- Cost reasonableness
- Procurement
- Compensation
- Travel
- Records retention
- Conflict of interest
- Administration of federal grants
- Insurance and indemnification

DCCED staff will be available to provide technical assistance to subrecipient financial management staff throughout the period of performance.

##### 4.5.1 Invoice Reimbursement

Grant funds shall be released monthly to subrecipients on a cost reimbursable basis, upon receipt and approval of monthly Performance Reports with source documentation (vendor

billings, timesheets, payroll tax forms, etc.) as requested by DCCED. DCCED will issue payment to the subrecipient for costs paid out during the reporting period in accordance with the subrecipient agreement. In no case shall the total amount of payments exceed the total amount authorized under the subrecipient agreement. Under no circumstances shall DCCED release funds unless all required financial and progress report forms are current.

The type of documentation required to approve an invoice will depend on the specific subrecipient and the specific eligible activities carried out. Documentation may include, but is not limited to:

- Payroll records for subrecipient staff working on Program-funded activities
- Invoices for purchases of eligible equipment, materials, and services that can be directly attributed to Program-funded activities
- Indirect cost calculation using a cost allocation plan, a negotiated indirect cost rate. A copy of the organization's cost allocation plan or negotiated indirect cost rate agreement (NICRA) must be provided to DCCED before submitting the first invoice.
- Invoices from consultants and other vendors procured by a subrecipient to carry out funded activities
- Other relevant documentation identified by DCCED staff as appropriate

Upon execution of a subrecipient agreement, DCCED staff will work with all subrecipients to identify the specific appropriate forms of documentation to be submitted with each invoice. Subrecipients are encouraged to communicate consistently with DCCED staff regarding invoicing throughout their period of performance to ensure timely reimbursement.

#### 4.5.2 Advance Payment

In most instances, DCCED will make payment on a cost reimbursable basis. If cost reimbursement significantly inhibits the subrecipient's ability to implement the project, DCCED may advance an amount not to exceed a projected thirty (30) day cash need, or twenty percent (20%) of the award amount, whichever is less, subject to written request and DCCED approval. Advances will be recovered with the subrecipient's next Progress Report.

#### 4.5.3 Withholding of Ten Percent

DCCED shall withhold ten percent (10%) of the award amount until DCCED determines that the subrecipient has satisfactorily completed the terms of the subrecipient agreement, including all required reporting.

## 4.6 Subrecipient Progress Reports & Monitoring

### 4.6.1 Monthly Reporting

Subrecipients must submit a Progress Report and Financial Report through DCRA Grants each month during the period of performance of the subrecipient agreement, accompanied by source documentation (e.g., vendor billings, timesheets, payroll tax forms, and other documentation, as requested by DCCED). Monthly reports are due thirty (30) days after the end of the month being reported. The reporting period is the first day of the month through the last day of the month.

Progress and Financial Reports must reflect activities completed and costs paid out during the reporting period. The final Progress and Financial Reports 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 report forms are current.

Subrecipients are not required to collect and report beneficiary data for planning activities. However, subrecipients are still required to submit complete narrative progress descriptions sufficient for DCCED to determine that expenditures are tied to eligible planning activities and approved scope(s) of work. This information supports drawdown requests, performance tracking, and quarterly reporting to HUD. Inaccurate or delayed submissions can impact funding timelines and reflect negatively on program performance. Additionally, DRGR data is used by HUD to assess risk and determine monitoring priorities, so it is essential that subrecipients maintain complete and well-organized records that align with the information reported in the system

### 4.6.2 Subrecipient Monitoring

Throughout a subrecipient agreement's period of performance, DCCED staff will monitor the subrecipient for compliance with federal, state, and Program-specific rules and regulations, as well as the terms of the subrecipient agreement. Monitoring may include desk reviews, invoice and documentation reviews, scheduled check-ins, and/or formal monitoring reviews (virtual or onsite), as determined by DCCED.

Areas monitored may include, but are not limited to:

- Financial management/internal controls
- Cross-cutting federal requirements
- Activity eligibility/scope of work
- Contractual obligations
- Progress toward completion of a plan(s)

DCCED may conduct a formal monitoring review during implementation and/or prior to project closeout. DCCED will notify the subrecipient of documentation needs and, as applicable, provide written results. If issues of noncompliance are identified, DCCED will provide written notice and work with the subrecipient to identify corrective actions and a timeline for resolution.

#### 4.6.3 Monitoring Subrecipient's Contractors

Subrecipients will be required to establish a system for monitoring any contractors they procure with CDBG-DR funds to ensure compliance with relevant state and federal laws and regulations, as well as Program-specific rules and requirements. DCCED staff will be available to provide technical assistance to subrecipient staff regarding what laws, regulations, rules, and requirements apply to subcontractors.

#### 4.7 Recordkeeping and Record Retention

DCCED and its subrecipient(s) are required to maintain electronic records related to this Program. DCCED will retain records for at least five (5) years after the end of its grant agreement with HUD. Subrecipient records must be retained for at least five (5) years after the date of final payment from DCCED. At no additional cost, these records shall be subject at all reasonable times to inspection, review, or audit by DCCED staff, DCCED's authorized representatives, contracted internal auditors, and other appropriate federal and state officials. If any litigation, claim, or audit is started before the expiration of the five (5) year period, records must be retained until all litigation, claims, or audit findings involving the records have been resolved.

In instances where personally identifiable information (PII) is collected and maintained by a subrecipient, the subrecipient must take all reasonable measures to prevent the illegal or inappropriate disclosure of such information. DCCED staff will be available to provide technical assistance regarding the protection of PII throughout the subrecipient's period of performance. Records maintained by DCCED will be subject to agency policies and procedures regarding the protection of PII.

#### 4.8 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, closing, or planning activities. While these types of complaints are unlikely under the Planning Program, 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](mailto:hotline@hudoig.gov)).

#### 4.8.1 Submitting a Complaint

Formal complaints 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](mailto: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.

#### 4.8.2 Tracking Complaints

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

#### 4.9 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.”

#### 4.9.1 Definitions of Fraud, Waste, and Abuse

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

##### 4.9.2 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.

##### 4.9.3 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.

##### 4.9.4 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.

## 5 Project Close Out

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 or MOU 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.

Once DCCED has determined compliance and documentation requirements have been satisfied according to the subrecipient agreement, the DCCED will provide written notice to the subrecipient's signatory that the project has been satisfactorily closed.