

**RICHARD T. BISSEN, JR.**  
**MAYOR**

Patience M.K. Kahula  
CDBG Program Director

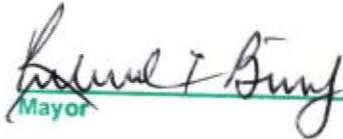


**OFFICE OF THE MAYOR**  
**COUNTY OF MAUI**  
**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**  
200 South High Street  
Wailuku, Maui, Hawaii USA 96793-2155

November 14, 2023

Honorable Richard T. Bissen, Jr.  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

**APPROVED FOR TRANSMITTAL**

  
Mayor 11-14-23  
Date

For Transmittal to:

Honorable Yuki Lei Sugimura, Chair  
Budget, Finance and Economic Development Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

**SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**  
**GRANT CANCELLATIONS AND REPROGRAMMING OF FUNDS**  
**(BFED-21(11))**

Dear BFED Committee Chair Sugimura:

Mahalo Budget, Finance and Economic Development (BFED) Committee and Maui County Council for your request for information in County Communication 230-23, dated November 9, 2023.

In an effort to proactively respond to the recovery of the August 2023, Maui Wildfires, the CDBG Program Office researched opportunities within the Program. We realized that all CDBG Program Funds were encumbered and that incoming CDBG funds or “new money” would not be received until July 2024 or later. Recognizing the urgent needs of the August 2023 Maui Wildfire victims, the CDBG Program Office, with the guidance of HUD CPD, sought grant cancellations as an opportunity to reprogram these funds towards an activity that could provide immediate aide.

The following are prepared responses to your request for information:

10380

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

- 1. Bill 109 (2023) amends the organizations and projects in Fiscal Year 2024. If the organizations that were originally awarded funds for their projects do not receive the funds, what will be the impact to each sub-recipient?**

**RESPONSE:**

*Subrecipients were contacted individually to discuss the above-mentioned concerns and considerations specific to their non-profit agency or department. Unanimously, each subrecipient decided that the recovery of the August 2023 Wildfires was of extreme and significant importance.*

*Through additional conversation(s), Subrecipients confirmed that the approved activity(ies) could be put on "hold" and/or that each subrecipient would reapply for CDBG funds in the future. One subrecipient reported that they currently had their own financial resources to fund the activity on their own.*

- 2. Does the Administration have a list of eligible projects that would facilitate recovery from the wildfires? If so, please provide the list.**

**RESPONSE:**

*The range of eligible activities that may be undertaken with CDBG funds are stipulated in the CDBG Rules and Regulations (Title 24 CFR 570 Subpart C).*

*In addition to identifying a CDBG eligible activity or project, each activity or project must also:*

- A. Address one of the following CDBG National Objectives:*
  - a. Provide benefit to low- and moderate-income persons; or*
  - b. Aid in the prevention or elimination of slums and blight; or*
  - c. Address an Urgent Need (earthquakes, floods, severe hurricanes)*
- B. Be consistent with the County of Maui's 2020 - 2024 Consolidated Plan.*

*The CDBG projects that will be funded to facilitate recovery from the Maui Wildfires will strictly follow the CDBG requirements pursuant to Code of Federal Regulations (CFR). Please see attached chart of CDBG Eligible Activities which is provided for your additional information.*

*Currently, the CDBG Program Office, as approved by Mayor Bissen, is pursuing the purchase of condominium units to provide affordable, permanent housing options for Kupuna displaced by the August 2023 Maui Wildfires. We look forward to the Council's favorable support of this project.*

*Other projects will be considered as we work closely with the Office of Recovery. The CDBG Program Office will continue to oversee the monitoring and compliance of all CDBG funded projects and activities.*

**3. For each canceled project listed in County Communication 230-23, what is the impact each sub-recipient's organization?**

RESPONSE:

*In conversations with subrecipients, each department or agency confirmed the need to eventually replace an existing apparatus and/or perform rehabilitation on an existing building. All subrecipients confirmed that CDBG Grant Cancellations did not cause disruption or loss of services to intended beneficiaries.*

*Please know that the CDBG Program Office carefully deliberated over the impacts on each project and subrecipient as well as the potential risks to beneficiaries. In consideration of HUD and established CDBG regulations relating to monitoring and timely expenditures, only those subrecipients that had not spent any portion of the granted amount were considered for grant cancellation.*

*In relation to grant cancellation(s), the following were taken into consideration:*

- *Subrecipient project funding period*
- *Status of CDBG project activity*
- *Timeliness spend down of funds*
- *Potential hardship to subrecipient and beneficiaries*

*To capture the details as it pertains to each subrecipient, please refer to "CDBG Grant Cancellations and Reprogramming" provided for you additional information.*

**MAHALO PIHA**

The CDBG Program Office recognizes the valued efforts of all subrecipients in providing services or other public facilities and services primarily for the benefit of low-and moderate-income individuals, families and/or areas throughout the County of Maui.

The CDBG Program Office extends our utmost gratitude to the Maui County Council Chair and Members for your continued support and understanding as we, as a community, take all necessary actions to help meet the needs and ensure the recovery of those devastated by the Maui Wildfires.

Honorable Y. Sugimura, BFED Chair

November 14, 2023

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We appreciate this opportunity to provide you with additional information and clarification. Mahalo in advance for your time and attention. If you should have any questions, please feel free to contact me at extension 8299 or at (808) 270-8299.

Respectfully submitted,



Patience M.K. Kahula  
CDBG Program Director

Attachments

## CDBG Eligible Activities

Acquisition or disposition of real property	Community development of deteriorated or undeveloped property Public facilities Preservation of historic sites or conservation activities
Public Facilities	Community/neighborhood centers Senior Centers Child Day Care facilities Parks/Recreation facilities Shelters and Rehab Centers for specified groups Water and sewer improvements Street improvements Fire prevention improvements Removal of architectural barriers
Public Services (Limited to 15% of total grant amount)  Must be a new service or quantifiable increase in the level of an existing service.	Child care Employment services (e.g. job training) Crime prevention and public safety Health services Substance abuse services (e.g. counseling and treatment) Services for senior citizens Services for homeless persons Education programs Energy conservation
Rehabilitation and Preservation	Residential structures Commercial structures Modernization of public housing Code enforcement Economic development
Economic Development	Acquisition of real property Commercial rehabilitation and improvements Grants and loans to private entities for the purposes of economic development Microenterprise development Job training

*\*\* This is not intended to be an inclusive list. Refer to the Federal Register [Appendix C, 24 CFR 570.200 to 570.205](#) for guidance on eligible activities.*

On August 10, 2023, the U.S. Department of Housing and Urban Development (HUD) published a Memorandum “Availability of Waivers of Community Planning and Development Grant Programs and Consolidated Plan Requirements to Facilitate Recovery from Hawaii Wildfires (Memorandum).

The purpose of the Memorandum is to address damage and facilitate recovery from Hawaii Wildfires and further announced a simplified notification for grantees to use the suspension and waiver flexibility of CPD statutory and regulatory requirements identified below to expedite the on delivery of assistance:

Memorandum for CDBG Suspensions and Waivers 08/10/2023

<p>New Housing Construction</p>	<p><b>New housing construction is not generally an eligible activity.</b></p> <p>The Memorandum enables CDBG grantees to replace affordable housing units that were lost as a result of the disaster. To expedite the rebuilding process, HUD permits grantees to directly use CDBG funds for new housing construction activities to address damage from the disaster.</p>
<p>Suspension of Public Services Cap</p>	<p>The Memorandum permits CDBG grantees to exceed the 15 percent cap on public service expenditures.</p> <p>CDBG grantees are permitted to pay for additional support services related to the effects of the disaster on individuals and families.</p>
<p>Citizen Participation Public Comment Period for Consolidated Plan Amendment</p>	<p>Given the need to expedite actions to respond to damage caused by the disaster, the Memorandum waives the 30-day public comment requirement, provided that the public comment period is no less than seven days.</p> <p>A shortened comment period allows for grantees, to quickly assist families dealing with the effects of the disaster while continuing to provide reasonable notice and opportunity for citizens to comment on the proposed uses of CDBG.</p>

*\*\*This is not intended to be an inclusive list. Refer to the Memorandum dated August 10, 2023 entitled Availability of Waivers of Community Planning and Development Grant Program and Consolidated Plan Requirements to Facilitate Recovery from Hawaii Wildfires.*

## Ineligible Activities

Buildings or portions thereof, used for the general conduct of government	<ul style="list-style-type: none"> <li>City halls</li> <li>County administrative buildings</li> <li>State Capitol or office buildings</li> <li>Judicial or general administrative affairs of government</li> </ul>
General government expenses, unless authorized in <a href="#">2 CFR 200 Subpart E</a>	<ul style="list-style-type: none"> <li>Bad debts</li> <li>Contributions and donations</li> <li>Entertainment</li> <li>Fines and penalties</li> <li>Legislative expenses</li> </ul>
Political Activities	<ul style="list-style-type: none"> <li>Candidate forums</li> <li>Voter transportation or registration</li> <li>Financing of facilities or equipment for political purposes</li> </ul>
Purchasing of equipment; with exceptions for projects that qualify under economic development and public service	<ul style="list-style-type: none"> <li>Construction</li> <li>Furnishing and personal property</li> </ul>
Operating and maintenance expenses; with exceptions for operating and maintenance expenses associated with public service activities	<ul style="list-style-type: none"> <li>Repairing, operating or maintaining public facilities, improvements and services</li> </ul>
New housing construction	<ul style="list-style-type: none"> <li>New permanent residential structures</li> </ul>
Income payments for housing	<ul style="list-style-type: none"> <li>Income maintenance</li> <li>Housing allowances</li> <li>Mortgage subsidies</li> </ul>

***\*\*This is not intended to be an inclusive list. Refer to the Federal Register [Subpart C, 24 CFR 570.207](#) for guidance in determining eligibility of a project.***



## CDBG Grant Cancellation and Reprogramming

Fiscal Year 2023 (July 1, 2022 to June 30, 2023)

Subrecipient	Project Name	Activity	Grant Start Date	Grant End Date	Grant Amount	Date of Grant Cancellation	Impact to Subrecipient
Hale Makua Health Services	Hale Makua Wailuku Rehabilitation	Rehabilitation to assess the need for electrical re-wiring and to add a restoration coating to roof.	12/19/22	12/20/23	\$311,750	09/6/2023	<p>Hale Makua facilities are fully operational. No loss of services was anticipated as a result of grant cancellation.</p> <p>Subrecipient will submit a CDBG grant application in the future.</p>
Big Brothers Big Sisters of Hawaii dba Big Brothers, Big Sisters of Maui (BBBS)	Hale Makana Mentor Center Restoration	Rehabilitation of windows within the facility.	02/24/23	02/25/24	\$48,000	09/6/2023	<p>The current facility is fully operational despite the need for rehabilitation of windows. No loss of services was anticipated as a result of grant cancellation.</p> <p>BBBS may proceed with their own funds to complete rehab.</p>
Maui Economic Opportunity	MEO Molokai Bus	Acquisition of a 25-passenger ADA compliant bus for the Rural Shuttle Service on Molokai	01/09/23	01/10/24	\$199,000	09/2/2023	<p>MEO confirms the use of a passenger bus currently in use on Moloka'i. No loss of services was anticipated as a result of grant cancellation.</p> <p>Subrecipient will submit a CDBG grant application in the future.</p>
Dept of Environmental Management (DEM)	Molokai Landfill Wood Hog Grinder	Acquisition of a Wood Hog Grinder apparatus to handle green-waste material and composts at the Molokai landfill	12/16/22	12/17/23	\$920,000	09/11/2023	<p>The Moloka'i Landfill currently utilizes a wood hog grinder that will be in need of replacement in the future.</p> <p>Subrecipient will submit a CDBG grant application in the future.</p>

## CDBG Grant Cancellation and Reprogramming

Fiscal Year 2024 (July 1, 2023 to June 30, 2024)

Subrecipient	Project Name	Eligible Activity	CDBG Start Date	Grant End Date	Grant Amount	Date of Grant Cancellation	Reported Impact by Subrecipient
Maui Family Support Services (MFSS)	Exterior Rehab of MFSS Building	Rehabilitation of building to identify exterior leaks, application of product to repair damaged areas; cleaning of exterior walls by high pressure washing; application of stucco to waterproof wall; and rehabilitation of irrigation system.	12/19/22	12/20/23	\$216,913	09/11/2023	<p>MFSS building is fully operational and houses various MFSS services. No loss of services was anticipated as a result of grant cancellation.</p> <p>Subrecipient will submit a CDBG grant application in the future.</p>
County of Maui, Department of Fire and Public Safety	Lanai Fire Tanker	Acquisition of a fire tanker that will replace a current apparatus currently in use.	02/24/23	02/25/24	\$950,000	09/13/2023	<p>MFD confirmed the current use of a fire tanker on Lanai. The tanker will need to be replaced in the future.</p> <p>MFD opted to proceed with grant cancellation vs. reprogramming of funds. Subrecipient may submit a CDBG grant application in the future.</p>

## BFED Committee

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**From:** Michelle Santos <Michelle.Santos@co.maui.hi.us>  
**Sent:** Tuesday, November 14, 2023 11:17 AM  
**To:** BFED Committee  
**Cc:** Chandee Kauhaahaa; Cynthia Sasada; Josiah Nishita; Kekuhaupio Akana; Laurie Fukushima; Leo Caires; Louise Batoon; Patience Kahula; Pili Nahooikaika  
**Subject:** MT#10380 Community Development Block Grant-Grant Cancellations and Reprogramming of Funds  
**Attachments:** MT#10380-BFED Committee.pdf

**NOTE: PLEASE DO NOT FORWARD MY EMAIL TO ANYONE OUTSIDE OF THE COUNTY OF MAUI. YOU MAY CLICK ON THE ATTACHMENT ITSELF AND CREATE YOUR OWN EMAIL TO FORWARD THE DOCUMENT TO ANOTHER PERSON OUTSIDE OF THE COUNTY.**

*Michelle L. Santos*

## Office Operations Assistant

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