

November 8, 2023

MEMO TO: BFED-21(11) File

F R O M: Yuki Lei K. Sugimura, Chair *Yuki Lei Sugimura*  
Budget, Finance, and Economic Development Committee

SUBJECT: **TRANSMITTAL OF INFORMATIONAL DOCUMENT RELATING TO  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG): GRANT  
CANCELLATIONS AND REPROGRAMMING OF FUNDS**  
(BFED-21(11))

The attached informational document pertains to Item 21(11) on the Committee's agenda.

bfed:ltr:021(11)afile01:jgk

Attachment

2023 NOV -8 PM 2:34  
OFFICE OF THE  
COUNTY CLERK

RECEIVED

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

Patience M.K. Kahula  
CDBG Program Director



RECEIVED  
2023 SEP 20 AM 9:34



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

September 18, 2023

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

APPROVED FOR TRANSMITTAL

*Richard T. Bissen* 9-20-23  
Mayor Date

For Transmittal to:

Honorable Alice Lee, Chair  
and Council Members  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

**SUBJECT:** COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
Grant Cancellations and Reprogramming of Funds to Facilitate Recovery to Areas  
Impacted by Maui Wildfires

Dear Chair Lee:

This letter serves to respectfully provide prompt, formal notification to the Maui County Council regarding actions that the CDBG Program Office is taking to facilitate recovery from the Maui wildfires. These actions involve the reprogramming of unspent CDBG funds and use of future CDBG grant funds, which are explained in detail in this letter.

As a result of the devastation caused by Maui Wildfires and wind related to Hurricane Dora, and in addition to County of Maui, Emergency Proclamations, the CDBG Program Office received the following:

- Memorandum dated August 14, 2023 from Marion M. McFadden, Principal Deputy Assistant Secretary for Community Planning and Development (CPD) – U.S. Department of Housing and Urban Development (HUD), entitled “Availability of Waivers of CPD Grant Program and Consolidated Plan Requirements to Facilitate Recover from Hawaii Wildfires” (Waiver for Hawaii Wildfires).

The Waiver packet explains the availability of suspensions and waivers of certain statutory and regulatory requirements associated with several CPD grant programs to address damage and facilitate recovery from Hawaii wildfires in areas covered by a major disaster declaration under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), DR-4724-HI, dated August 10, 2023. This memorandum covers CDBG and is attached for review.

- Letter dated August 14, 2023 from Mr. Mark Chandler, Director of (CPD) - HUD advising that President Joseph R. Biden, Jr. declared the State of Hawaii a disaster area on August 14, 2023.

The letter states that HUD did not have any disaster grant available to aid Maui County and advised that County of Maui, Community Development Block Grant (CDBG) funds may be reprogrammed to assist with disaster recovery efforts. Pursuant to 24 CFR 570.201, CDBG funds may be used for an eligible activity that will assist in meeting the needs attributed to a disaster. Memo dated August 14, 2023 attached for review.

As a result of the aforementioned notifications, the CDBG Program Office reprioritized program objectives to respond to the urgent needs of the victims of the Maui Wildfires.

On September 1, 2023, the CDBG Program Office concluded an internal review of previously approved CDBG Subrecipient Agreements. Identified were a total of six (6) subrecipients agreements [(4) four from Program Year 2022 and two (2) from Program Year 2023] with a cumulative unspent CDBG grant fund balance of \$2,645,000.

Based on this finding, subrecipients were contacted by phone to discuss the likelihood of grant cancellation, postponing program activities or utilizing organization or department resources to fund the intended project. Needless to say, all subrecipients were extremely understanding and supportive of this action as they too were impacted by the Maui Wildfires, some directly and others indirectly. All subrecipients were advised that the sole reason for reprogramming prior awarded CDBG funds is to address significant unmet needs for long-term recovery in disaster-impacted areas, for the benefit of low- and moderate-income individuals and/or families and/or areas. All subrecipients were encouraged to reapply for CDBG funding at a later date.

The following table summarizes the CDBG grant cancellations.

**CDBG Grant Cancellation Action**

Program Year	Subrecipient	Project	Amount Reprogrammed
2022	Dept of Environmental Management	Moloka'i Landfill Wood Hog Grinder	\$920,000

2022	Maui Economic Opportunity, Inc.	Moloka'i Bus (24 passenger)	\$199,000
2022	Hale Makua	Wailuku Rehab (electrical upgrade)	\$311,750
2022	Big Brothers Big Sisters of Hawaii	Hale Makana Mentor Center Restoration (replace windows)	\$ 48,000
2023	Maui Family Support Services, Inc.	Exterior Rehabilitation (rehab of irrigation systems, waterproof walls)	\$216,213
2023	Dept of Fire and Public Safety	Lana'i Fire Tanker	\$950,000
			\$2,645,663

**Incoming, Program Year 2024 CDBG Funds**

For Program Year 2024, the County expects to receive approximately \$1,829,334 for its CDBG Program. With the guidance of HUD CPD, PY2024 CDBG program funds will be administered by the County CDBG Program office to facilitate recovery from the Maui wildfires.

**Program Year 2019 – CDBG CV Funds**

Due to Covid19, the County of Maui received a total of \$3,678,460 in CDBG CV (Cares Act funds). The funds were granted to Maui Economic Opportunity (MEO) and Family Life Center (FLC) for the purpose of rental and mortgage relief payments. Subrecipients Agreements for MEO and FLC have expired and despite substantial unspent balances, subrecipients opted to not extend their contracts. On September 1, 2023, both CDBG CV projects were closed out. As of September 13, 2023, a total of \$1,651,230 in CDBG CV funds remains unspent.

The CDBG Program Office has received guidance from the Department of Housing and Urban Development (HUD), Community Planning Development Department (CPD) in regards to identifying additional CDBG CV eligible activities for the benefit of low to moderate income individuals, families or areas within the County of Maui.

As such, the CDBG Program Office is reprogramming unspent CDBG CV funds, to be managed by the County of Maui for eligible project(s) that will prepare, prevent and/or respond to COVID-19.

**Selection of Maui Wildfire Eligible Activities**

The Waiver for Hawaii Wildfires announced a simplified notification process for the County of Maui to utilize suspension and waiver flexibility of CPD statutory and regulatory requirements identified to expediate the delivery of assistance.

As such, a Request for Proposal(s) for the consideration of reprogramming or for incoming Program Year 2024 CDBG funds will not be utilized, as in prior years. To ensure compliance,

Honorable A. Lee, Maui County Council, Chair

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the CDBG Program Office will seek the guidance of HUD CPD to select unduplicated, eligible CDBG activities with the County of Maui selecting and approving all CDBG eligible projects that will respond to the Maui Wildfires. The requirement of Public Notice(s) will not be interrupted and will continue to provide notice to residents as well as the opportunity to submit written comments.

**MAHALO PIHA**

The CDBG Program Office values the efforts and commitment 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.

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