

COUNCIL OF THE COUNTY OF MAUI

**BUDGET, FINANCE, AND ECONOMIC
DEVELOPMENT COMMITTEE**

March 21, 2025

**Committee
Report No. _____**

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget, Finance, and Economic Development Committee, having met on March 11, 2025, makes reference to Bill 32 (2025), entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2025 BUDGET FOR THE COUNTY OF MAUI, APPENDIX A, PART I, DEPARTMENT OF MANAGEMENT, COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY.”

Bill 32’s purpose is to amend the Fiscal Year 2025 Budget by amending Appendix A, Part I, Grants and Restricted Use Revenues - Schedule of Grants and Restricted Use Revenues by Departments and Programs for Fiscal Year 2025, to add a new appropriation under the Department of Management, entitled “Community Development Block Grant - Disaster Recovery” in the amount of \$1,639,381,000 with conditional language to: 1) allow for disbursement for salaries and premium pay for up to 56.0 Limited Term Appointment equivalent personnel; and 2) require a copy of the quarterly report transmitted to the United States Department of Housing and Urban Development to also be submitted to the Council.

Your Committee notes in August 2023, Maui County experienced devastating wildfires, resulting in loss of life, property damage, and disruptions to essential services.

By correspondence dated January 17, 2025, the Grants Management Divisions Director of the United States Department of Housing and Urban Development’s Office of Disaster Recovery informed the County of a \$1,639,381,000 CDBG-DR funding allocation received through the Disaster Relief Supplemental Appropriations Act, 2025 (Public

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Law 118-158). The funds may be used for “disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation” in the areas “most impacted and distressed” by the wildfires.

Your Committee noted the County’s draft CDBG-DR Action Plan, which outlines the County’s priorities for the use of the CDBG-DR funds, proposes allocations for housing (\$903,579,950), infrastructure (\$350,000,000), mitigation (\$213,832,000), public services (\$90,000,000), and administrative costs (\$81,969,050).

Your Committee noted HUD’s approval of the \$81,969,050 administrative cost component despite the Action Plan not being finalized. This approval allows the Office of Recovery to execute a grant agreement, begin hiring, and prepare for the implementation of the final HUD-approved Action Plan.

The Managing Director confirmed that the draft Action Plan was developed based on feedback received by the Office of Recovery at community meetings held over the past eighteen months. The Office will be holding additional meetings on the draft Plan in March.

Based on public input received, the Office intends to revise the draft Plan and submit it to HUD for final approval by April 21, 2025. HUD will review the draft and provide feedback or approval within 45 days.

The Managing Director noted that as part of the approval process, the Administration must provide a reason why a project or request is not included in the Plan, ensuring transparency and accountability in the decision-making process. This requirement helps to assure the community that their input is heard and considered.

A representative from the Department of Management explained that HUD approves the use of CDBG-DR funding for projects based on the Action Plan and does not permit discretionary spending by the County.

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Additionally, projects must show a direct correlation to wildfire recovery and alignment with the community's needs and input. Your Committee noted that copies of the quarterly progress reports submitted to HUD will also be transmitted to the Council.

The Managing Director stressed the urgency of passing Bill 32 because it represents a willingness by the County to expend funding and the Administration to execute a grant agreement. The grant agreement would secure funding for the County and reduce the risk of federal budget cuts affecting the allocation.

Your Committee recognizes that CDBG-DR funds are the last source of recovery funding available after all other forms of disaster assistance have been exhausted. Your Committee further recognizes that CDBG-DR funds are vital to the County's long-term recovery, including rebuilding efforts, economic revitalization, and infrastructure restoration.

Your Committee voted 8-0 to recommend passage of Bill 32 (2025), on first reading. Committee Chair Sugimura, Vice-Chair Kama, and members Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, and U'u-Hodgins voted "aye." Committee member Sinenci was excused.

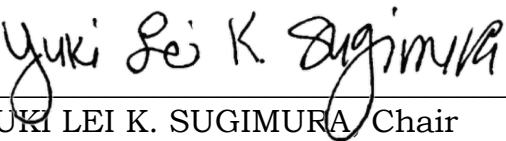
Your Budget, Finance, and Economic Development Committee RECOMMENDS that Bill 32 (2025), attached, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2025 BUDGET FOR THE COUNTY OF MAUI, APPENDIX A, PART I, DEPARTMENT OF MANAGEMENT, COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY," be PASSED ON FIRST READING and be ORDERED TO PRINT.

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This report is submitted in accordance with Rule 3 of the Rules of the Council.



YUKI LEI K. SUGIMURA Chair

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ORDINANCE NO. _____

BILL NO. 32 (2025)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2025 BUDGET FOR THE COUNTY OF MAUI,
APPENDIX A, PART I, DEPARTMENT OF MANAGEMENT,
COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 5657, Bill No. 60, CD1, FD2 (2024), as amended, “Fiscal Year 2025 Budget”, Appendix A, Part I, Grants and Restricted Use Revenues – Schedule of Grants and Restricted Use Revenues by Departments and Programs for Fiscal Year 2025, is amended to add a new appropriation under the Department of Management, entitled “Community Development Block Grant – Disaster Recovery” in the amount of \$1,639,381,000 along with conditional language for 56.0 LTA and submission to the Council of the quarterly report transmitted to the U.S. Department of Housing and Urban Development, to read as follows:

“I. GRANTS AND RESTRICTED USE REVENUES- SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS FOR FISCAL YEAR 2025

<u>REQUEST DEPARTMENT/PROGRAM</u>	<u>APPROPRIATION</u>
7. Department of Management	
a. Urban Forest Management Plan	300,000
b. Private Donations	6,040
<u>c. Community Development Block Grant – Disaster Recovery</u>	<u>1,639,381,000”</u>
<u>(i) Disbursement for salaries and premium pay is limited to 56.0 LTA equivalent personnel.</u>	
<u>(ii) A copy of the quarterly report transmitted to the U.S. Department of Housing and Urban Development will also be submitted to the Council.</u>	

SECTION 2. New material is underscored.

SECTION 3. This Ordinance takes effect upon approval.

APPROVED AS TO FORM AND LEGALITY:



KRISTINA C. TOSHIKIYO
Deputy Corporation Counsel



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

Mr. John R. Smith
Recovery Administrator
Maui County Office of Recovery
200 S. High Street,
Wailuku, HI 96793

Dear Mr. Smith:

The Department of Housing and Urban Development (HUD) is providing this notification to inform you that HUD has allocated Community Development Block Grant Disaster Recovery (CDBG-DR) funds to Maui County for the disaster that occurred in 2023.

The Disaster Relief Supplemental Appropriations Act, 2025 (Public Law 118-158), approved on December 21, 2024, makes available an allocation of CDBG-DR funds for applicable jurisdictions. These CDBG-DR funds are for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the “most impacted and distressed” areas resulting from a qualifying major disaster that occurred in 2023 or 2024. Maui County’s available funding amount is listed below:

CDBG-DR Amount	\$1,639,381,000
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CDBG-DR grant funds are supplemental funds appropriated by Congress and allocated by HUD to support long-term recovery and mitigation in disaster-impacted communities. CDBG-DR grants are designed to help states, units of general local government, or Indian tribes recover from presidentially declared disasters, especially in low- and moderate-income areas. CDBG-DR assistance may be used for a broad range of recovery activities, and HUD is positioned to assist in the county’s efforts to address the recovery and mitigation needs of communities and neighborhoods that have the greatest unmet needs or that face challenges to recover.

The Department is committed to being your partner throughout the planning and implementation process for the use of these funds. The Department has published a *Federal Register* Notice, at https://www.hud.gov/program_offices/comm_planning/cdbg-dr/regulations, which specifies the process and requirements for accessing and implementing the county’s CDBG-DR allocation. The Department requires grantees to submit an action plan detailing the use of their CDBG-DR funds. This plan must include the criteria for eligibility, and how the use of these funds will address long-term recovery and restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas. The action plan must identify unmet recovery needs and address mitigation activities. Grantees may also submit an admin-only action plan to HUD, to access the admin portion of the grant award.

Additionally, information and resources about the Universal Notice, which is applicable for the award, can be found at https://www.hud.gov/program_offices/comm_planning/cdbg-dr/universal_notice_grantees.

The jurisdiction's Chief Elected Official determines the CDBG-DR administering agency. Please confirm that your agency will be administering the CDBG-DR funds for Maui County. If not, please provide contact information for the agency that will be responsible for administering the CDBG-DR funding.

Grantees can request FEMA data for planning purposes to assist in analyzing unmet needs for Action Plan development. There are two paths to requesting this data, via DocuSign or processing the documents via e-mail (paper). Grantees can find information on how to access this data by becoming signatories to the HUD and FEMA Computer Matching Agreement, at https://www.hud.gov/program_offices/comm_planning/cdbg-dr/data-sharing. Please e-mail the jurisdiction's point of contact for data requests to CDBGdr@hud.gov.

The Department remains committed to assisting Maui County in its efforts to address recovery needs and looks forward to working with you and your staff in partnership to achieve this goal. If you have any questions regarding the information in this letter or would like to inquire why your jurisdiction received this letter, please contact Ms. Michelle Cushing, Community Planning and Development Specialist, at 202-717-2048 or by email at Michelle.P.Cushing@hud.gov.

Sincerely,

**WILLIAM
BEDFORD**

William L. Bedford
Director, Grants Management Division
Office of Disaster Recovery

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OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

Mr. John R. Smith
Recovery Administrator
Maui County Office of Recovery
200 S. High St.
Wailuku, HI 96793

Dear Mr. Smith:

The Department of Housing and Urban Development (HUD) is pleased to advise you that it is approving Maui County's Action Plan for program administrative costs for Community Development Block Grant Disaster Recovery (CDBG-DR) funds appropriated by Disaster Relief Supplemental Appropriations Act, 2025 Public Law 118-158. On December 21, 2024, the Department allocated \$1,639,381,000 to Maui County for the purpose of assisting in long-term recovery from a major disaster that occurred in 2023. This letter transmits the enclosed CDBG-DR grant agreement amount of \$81,969,050 to be used for program administrative costs.

Following the execution of the initial grant agreement to obligate funds to be used for program administrative costs, HUD will execute an amended grant agreement with Maui County to allow access to the remaining grant funds. Prior to obligating the remaining funds, the Department must review and approve Maui County's Action Plan, and the Secretary must certify the proficiency of the grantee's financial controls and procurement processes and procedures for proper grant management.

The County must execute the grant agreement to obligate the CDBG-DR funds. Please electronically sign and return for HUD's signature by email to Disaster_Recovery@hud.gov. The date of the Department's signature on the grant agreement is the date the funds are obligated. All funds obligated for this grant must be expended within the six years of this grant agreement's execution date.

HUD remains committed to assisting Maui County in its efforts to address recovery needs and looks forward to working with you and your staff to achieve this goal. If you have any questions, please contact Kevin O'Neill, Assistant Director, Grants Management Division, Office of Disaster Recovery at 202-374-6823, or by email at Kevin.J.Oneill@hud.gov.

Sincerely,

**WILLIAM
BEDFORD**

William L. Bedford
Director, Grants Management Division
Office of Disaster Recovery

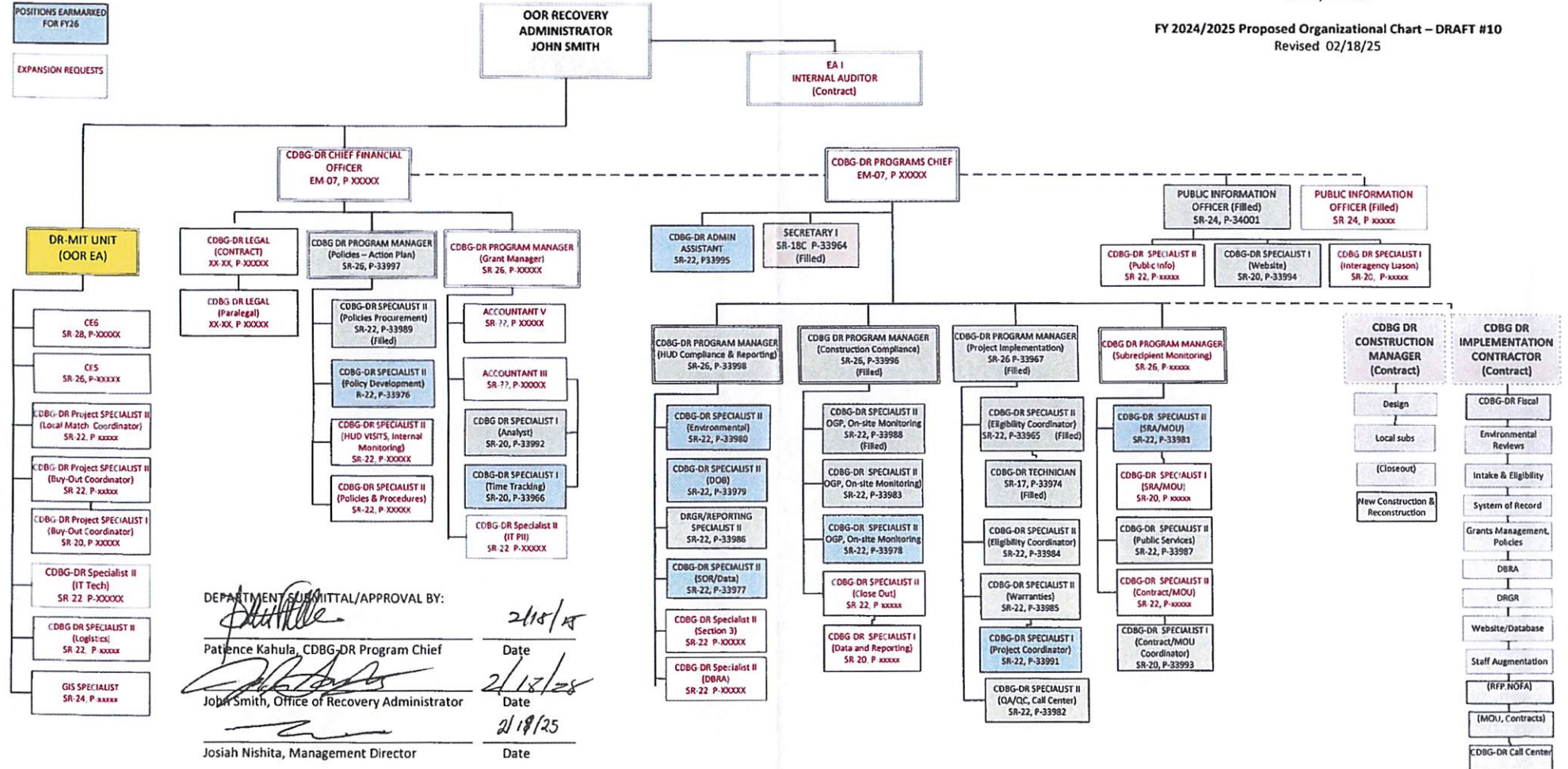
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OFFICE OF RECOVERY
COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY
(CDBG-DR) PROGRAM OFFICE

County of Maui

FY 2024/2025 Proposed Organizational Chart – DRAFT #10
Revised 02/18/25

- POSITIONS CREATED &/ OR FILLED
- POSITIONS EARMARKED FOR FY26
- EXPANSION REQUESTS



DEPARTMENT SUBMITTAL/APPROVAL BY:

Patience Kahula 2/18/25
Patience Kahula, CDBG-DR Program Chief Date

John Smith 2/18/25
John Smith, Office of Recovery Administrator Date

Josiah Nishita 2/19/25
Josiah Nishita, Management Director Date

APPROVED BY:
Richard Bissen 2-19-25
Richard Bissen, Mayor Date

INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "Chris Lee", is written above a horizontal line.

Upon the request of the Mayor.