



SINGLE-FAMILY HOMEOWNER RECONSTRUCTION AND REIMBURSEMENT POLICY

CDBG-DR

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Version History

Version	Date	Summary Description	Approved By
1.0	08/08/2025	Original Document	Patience Kahula
2.0	10/03/2025	Substantial Revisions and Clarifications	

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Version Policy

Version history is tracked in the Version History Table (page i), with notes regarding version changes. Dates of each publication are also tracked in this table. Substantive changes in this document that reflect a policy change will result in the issuance of a new version of the document. For example, a substantive policy change after the issuance of Version 1.0 would result in the issuance of Version 2.0, an increase in the primary version number. Non-substantive changes such as minor wording and editing or clarification of existing policy that do not affect interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number (i.e., Version 2.1, Version 2.2, etc.).

Policy Change Control

Policy clarifications, additions, or deletions may be needed during the course of the program to more precisely define the rules by which the Program will operate. Policy decisions will be documented and will result in the revision of the document in question. Unless otherwise noted, policy revisions are applied prospectively, made effective on the date of document approval

1. Introduction

In 2025, the County of Maui was awarded a Community Development Block Grant – Disaster Recovery (CDBG-DR) grant through the U.S. Department of Housing and Urban Development (HUD) to address remaining unmet disaster recovery needs in areas impacted by the Maui Wildfires in 2023. Federal Register Vol. 90, No. 10, published January 16, 2025 allocated a total of \$1,639,381,000 in disaster recovery funds to the County¹. CDBG-DR funds have been allocated to housing, economic revitalization, infrastructure, public services, and mitigation programs. Program budgets were determined based on information gathered during the unmet needs assessment, as outlined in the Action Plan.

The County of Maui, Office of Recovery (County OOR) is the agency responsible and accountable to HUD for the administration of CDBG-DR funding. This document serves as the program policies and procedures for the County OOR CDBG-DR Single-Family Homeowner Reconstruction and Reimbursement Program (the Program). These policies and procedures were developed to serve as a basis for the County OOR's Program and to provide guidance on program implementation that follows U.S. Department of Housing and Urban Development (HUD) standards and best practices. This document may also serve as a reference for property owners, applicants, and other interested parties who want to understand how the program operates. Note that these policies and procedures are only intended to address the Single-Family Homeowner Reconstruction Program.

The County has allocated \$298,579,950 in CDBG-DR funding for the Single-Family Homeowner Reconstruction and Reimbursement Program.

Each of the other recovery programs outlined in the County OOR Action Plan for the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant – Disaster Recovery (CDBG-DR) Funding (“Action Plan”) is governed by its own Program policies and procedures document.

2. Program Overview

The Single-Family Homeowner Reconstruction and Reimbursement Program (the Program) provides assistance to eligible applicants for reconstruction of single-family housing units affected by the Maui Wildfires in August 2023 (“qualifying event” or “disaster”).

¹ For full text of the Federal Register Notice, see: <https://www.govinfo.gov/content/pkg/FR-2025-01-16/pdf/2025-00943.pdf>

a. Purpose and Objective

The purpose of the Single-Family Housing Reconstruction and Reimbursement Program (the Program) is to assist the most vulnerable wildfire-impacted households with priority given to those in or closest to the burn zone through the provision of decent, safe, and sanitary housing for eligible applicants. The Program is intended to reconstruct homes destroyed in the 2023 Wildfires and will not complete minor repairs or rehabilitate partially damaged homes. Reconstruction is based on the last-permitted square footage or to meet the needs of the household as allowable but will incorporate mitigation activities to make assisted homes more resilient to future disasters.

b. Reconstruction

Eligible applicants who have not started any reconstruction work on their fire destroyed single-family homes may be awarded up to \$1,200,000 in CDBG-DR funds to reconstruct their home in place. Maximum awards under the reconstruction pathway will include funding for mitigation and resilience actions, including fire resistant building techniques, universal accessibility designs to help families age in place, or elevation if the property is located in a special flood hazard area.

Reconstruction program funds will not be distributed to homeowners directly, instead funds will be distributed to program-selected Construction Managers and used to pay for the cost of construction activities.

c. Reimbursement

Eligible applicants who have completed the reconstruction of their wildfire destroyed homes may be awarded up to \$400,000 in CDBG-DR funds to reimburse them for completed eligible costs related to the reconstruction of their destroyed single-family homes in-place based on the last permitted square footage or meet the needs of the household as allowable.

The County OOR has set aside \$20 million to reimburse households who have completed reconstruction of the fire-impacted single-family housing unit. Reimbursement may be available to eligible homeowners who initiated reconstruction after the disaster but prior to applying for the program. All applicable CDBG-DR requirements, as explained in these program policies and procedures, must be met using the same prioritization criteria as the reconstruction activities.

Reimbursement for pre-application costs are those incurred by homeowners, on or after the incident date of the qualifying disaster (August 8, 2023) and before either the date of the beneficiary's application for CDBG-DR assistance or two years after the applicability date of the Allocation Announcement Notice (January 21, 2027), whichever occurs first.

d. Priority Phases

The Program is administered by the County of Maui, Office of Recovery (County OOR). All households served must have been impacted by the 2023 Wildfires within the burn zone. Reconstruction and reimbursement will occur through a phased application process, subject to funding availability, as detailed in Table 1 below.

Program Phases		Phase I	Phase II	Phase III	Phase IV	Phase V
Household Income	Less than 50% AMI	X	X	X	X	X
	Between 50% - 80% AMI		X	X	X	X
	Between 80% - 120% AMI				X	X
	Between 120% - 140% AMI					X
Household Members under 18, over 62 and/or with a Disability	Yes		X	X	X	X
	No			X	X	X

Table 1 Program Phases

Due to funding limitations and eligibility factors, the Program cannot guarantee assistance to all interested property owners. The Program endeavors to serve as many residents as it can with available funds and prioritize assistance for applicants who are most vulnerable.

At this time, the County OOR is not offering assistance related to modular units. However, the County OOR may assess the feasibility of utilizing modular units in the future. Should the County OOR determine a need, the program may consider allowing eligible homeowners to permanently install modular units on their properties, provided all applicable local building codes are met. Any future activity involving modular units would be designed to comply with all HUD eligibility requirements, satisfy a CDBG-DR national objective, and include long-term use restrictions as required.

e. Alignment with RUSH Funding

In accordance with the Universal Notice, the Program was designed to align with and build upon these RUSH-funded efforts. It does so by offering long-term, sustainable housing solutions through the reconstruction of disaster-damaged homes. Where applicable, households initially served through RUSH may be referred to the Program for permanent housing assistance. Coordination between RUSH and CDBG-DR programs ensures continuity of care and prevents duplication of benefits.

The County OOR will coordinate with the service providers involved in RUSH-funded activities to identify eligible households, share data (as permitted by privacy regulations), and streamline the transition from temporary to permanent housing. This alignment supports a comprehensive recovery strategy that addresses both immediate and long-term housing needs in the most impacted and distressed (MID) areas.

f. Outreach and Engagement

The County OOR is committed to ensuring that the Program is implemented in a transparent, efficient, and consistent manner, and that all potentially eligible households are aware of and understand the opportunity to participate in the program. The program's marketing and outreach strategy is designed to reach households in the MID area and burn zone from the onset of the program throughout the application period and program lifecycle.

The County OOR will implement outreach and engagement activities to promote awareness of CDBG-DR programs and to ensure that all eligible residents, including those in disaster-impacted and hard-to-reach communities, are informed of program opportunities and how to access assistance.

Applicants and the public can visit the County OOR's recovery website, www.Hookumuhou.mauicounty.gov, for regular grant, programs and application status updates.

i. Targeted Outreach and Methods

Targeted outreach efforts will focus on, but not be limited to, the following groups:

- Low- to moderate-income households ($\leq 80\%$ AMI)
- Households with elderly (kupuna) or disabled members
- Limited English Proficiency (LEP) households
- Households residing in high-impact disaster areas
- Displaced wildfire renters

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The Program will use varied strategies to reach and engage these populations, including but not limited to:

- Direct mailings, phone calls, text messages, and email campaigns to households in impacted areas
- Paid and earned media campaigns targeted within the Most Impacted and Distressed (MID) Area
- Partnerships with community-based organizations, faith-based organizations, and advocacy groups that serve disaster-impacted populations
- Public information sessions, workshops, and mobile intake events in accessible community locations
- Development and distribution of materials in multiple languages and formats to ensure accessibility

ii. Social Media

The County OOR will use official social media channels to provide timely, accessible updates regarding key program milestones, including the opening of the Single-Family Housing Reconstruction and Reimbursement Program applications and the scheduling of public hearings related to the program.

Social media will serve as a real-time communication tool to:

- Notify residents when applications for the program are open
- Announce dates, times, and locations (physical or virtual) of public hearings on proposed plans, amendments, or CDBG-DR-funded projects
- Share links to online applications, Action Plan documents, comment forms, and registration details
- Remind residents of upcoming deadlines for application submission or public comment periods
- Provide summaries or video recordings of past public meetings and hearings.

Primary platforms to be used may include:

- **Facebook:** Public announcements, event invitations, and shareable graphics
- **Instagram:** Visual promotion of program milestones, community engagement events, and success stories
- **YouTube:** Hosting recordings of public hearings and outreach videos
- **Website:** Updated application status (www.hookumuhou.mauicounty.gov)

g. National Objective

All households assisted through the Program must meet a CDBG National Objective, either benefiting Low- and Moderate-Income (LMI) persons under the Low-Moderate Housing (LMH) objective or meeting the Urgent Need (UN) criteria. The County OOR anticipates using the LMH National Objective for households with incomes at or below 80% of Area Median Income (AMI). For households with incomes above 80% AMI but at or below 140% AMI who lack sufficient resources to recover from the wildfire impacts, the Program anticipates using the UN National Objective.

To ensure compliance with HUD's requirement to expend 70% of funds to benefit low-and moderate-income persons, the County OOR is implementing an application process that prioritizes households based on income, as described in Application Prioritization.

h. Eligible Activities

The following activities are eligible for CDBG-DR assistance under the Program in accordance with 24 CFR 570.201(c):

- Section 105 (a) (4) –Clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements
- Section 105 (a) (15) – Assistance to Eligible Entities for Neighborhood Revitalization, Community Economic Development, and Energy Conservation
- Section 105 (a) (26) - Lead-based paint hazard evaluation and reduction
- Section 105(a)(8) – Public Service (Title Clearance)
- Section 105(a)(20) – Housing Counseling

i. Ineligible Activities

The following inexhaustive list of activities are activity-specific and CDBG-DR grant funds will not be used for any portion:

- Mortgage payoffs.
- Payments to SBA home/business loan.
- Funding for the reconstruction of triplexes, quadplexes, multi-family housing, condos, or mobile home replacement.
- Funding for detached structures such as garages, sheds, or accessory dwelling units.
- Funding for portions of, or an entire property designated as a rental unit.
- Funding for second homes.
- Compensation payments.
- Partial or incomplete rehabilitation or reconstruction of properties.
- Repair or replacement of personal property or building contents.

- Repair or replacement of luxury or non-critical items, such as swimming pools and security systems.
- Landscaping packages outside of local code and NFPA Firewise USA standards.
- Additional decks, patios or covered or enclosed porches more than entry and egress requirements.
- Reconstruction activities for homeowners that do not comply with the required environmental stop-work order as described herein.
- Any activities that do not comply with local, state, and federal laws or regulations.

j. Eligible Areas

To be eligible to participate in the Program, the damaged property must be located in or closest to the burn zone within the County of Maui, as indicated on this map:

Fire Extent Map

<https://www.mauirecovers.org/maps/fire-extent>.

The County will review damaged properties in proximity to the burn zone, on a case-by-case basis through the Exceptions and Special Considerations Process.

k. Award Caps

i. Reconstruction Award Cap

The maximum award to reconstruct any single-family owned housing unit including mitigation actions, is \$1,200,000. Maximum awards under the Program will include funding to implement mitigation and resilience actions, including but not limited to NFPA Firewise USA construction to help protect residents and the public investment in the reconstructed units.

ii. Reimbursement Award Cap

The maximum reimbursement award for the reconstruction of a destroyed, single-family, owner-occupied home is \$400,000. Reimbursement awards are calculated using a standardized cost estimation tool (e.g., Xactimate or equivalent). To be eligible, reconstruction of the destroyed property must be fully completed prior to the date of application to the Program.

l. Timeliness

Applications will be accepted beginning August 11, 2025. The Program will accept applications for six (6) months or until sufficient applications have been received to expend all program funds, whichever occurs first. The County OOR may adjust the intake period at its discretion to accommodate program needs.

Timely implementation and expenditure of funds are critical components of the Program. The County OOR is responsible for meeting all HUD-mandated deadlines for obligation and expenditure of CDBG-DR, as outlined in the applicable Universal Notice, and the County OOR's Grant Agreement with HUD.

Failure to meet required timelines may result in HUD recapturing unspent funds, issuing findings, or placing the grantee on a corrective action plan.

The County OOR must also develop projected expenditures and outcomes. The projections must be based on each quarter's expected performance – beginning with the first quarter funds available to the grantee and continuing each quarter until all funds are expended, projected expenditures and outcomes. The projections must be based on each quarter's expected performance – beginning with the first quarter funds available to the grantee and continuing each quarter until all funds are expended.

Projections will be monitored to align with program goals and will be uploaded into DRGR and the public website. Quarterly projections will be monitored on an ongoing basis and will be adjusted as necessary to reflect accurate estimates.

YEAR 1	Period	Target Reconstructions Completed	Target Funds Expended
Q1 2026	Jan-March	6	\$14,928,998
Q2 2026	April-June	18	\$29,857,995
Q3 2026	July-Sept	36	\$44,786,993
Q4 2026	Oct-Dec	60	\$59,715,990
YEAR 2	Period	Target Reconstructions Completed	Target Funds Expended
Q1 2027	Jan-March	60	\$59,715,990
Q2 2027	April-June	36	\$44,786,993
Q3 2027	July-Sept	18	\$29,857,995
Q4 2027	Oct-Dec	6	\$14,928,998

Table 2 Program Projections

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3. Intake Application

Only one (1) application per household for their primary residence will be considered.

Single-family property homeowners interested in assistance may apply for the Program via the following methods.

- Complete an application online at apply.mauioor.com
- Visit any Program Service Center. All service centers are open from 8:00 AM to 6:00 PM, Monday through Friday². Modified hours may be offered as dictated by program needs. Additionally, intake centers will be available on Saturdays by appointment only.

Lahaina	Kahului
Lahaina Gateway 325 Keawe Street, Suite B102 Lahaina, HI 96761	153 E Kamehameha Ave, Suite 101 Kahului HI 96732

Table 3 Location of Program Service Centers

- Download the “Maui OOR” mobile app from the Google Play Store or the Apple App Store and follow the instructions provided, or
- Call **808-865-4007** to be connected to a Program Specialist

Applicants will be required to complete a Program application and provide supporting documents required for eligibility review, income verification, and duplication of benefits review. All documentation submitted by the applicant must be valid at the time of submission. The application process will require each applicant to authorize the Program to obtain 3rd-party data by signing a consent/release form. Program Specialists will collect documents needed to determine eligibility and which program benefits the applicant may be eligible to receive³.

Program Specialists will be available at the Program service centers, by phone, and via email to assist the applicant through the intake process and to answer questions as needed. Each applicant will be assigned a dedicated Program Specialist. Each Program Specialist has a direct email and phone line at which he/she can be reached. Applicants are provided with direct contact information for the Program Specialist assigned to the application. Alternatively, the applicant may contact a program representative by using the general contact information outlined above.

² Please note that County-recognized holidays may impact these hours.

³ A complete list of required documentation can be found in the Eligibility Requirements section of this manual.

Multiple standard methods of communication will be provided to ensure applicants receive timely, accurate information regarding their applications and the Program. Methods of communication with the Program include, but are not limited to:

- Program website: **Hookumuhou.mauicounty.gov**
- Email: **info@mauioor.com**
- Telephone at **808-865-4007** and
- Mail correspondence addressed to either intake center

a. Applicant Identification

All applicants and co-applicants aged eighteen (18) or older, who intend to occupy the newly reconstructed home, will be required to submit a valid photo identification. Expired photo identification will not be accepted. Forms of identification accepted by the Program are:

- Government Issued Photo Identification (Federal or State issued);
- Driver's License;
- Passport;
- Military ID Card; or
- Certificate of Naturalization or Permanent Resident Card.

Household members under the age of eighteen (18) must also submit proof of age and identity. Birth certificates must be submitted for all household members seventeen (17) and younger. If an applicant is unable to produce a birth certificate for a minor child, other documents may be considered on a case-by-case basis.

b. Citizenship and Legal Status

The County OOR will administer all CDBG-DR programs in compliance with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), as amended (8 U.S.C. §§ 1601–1646), including eligibility and verification requirements under Title IV. In accordance with the Attorney General's July 11, 2025 Order limiting exceptions, the County shall only recognize the statutory exceptions authorized under PRWORA and shall not extend benefits beyond those permitted by law.

Subject to PRWORA, no federal public benefit may be provided to an alien who entered the United States illegally or is otherwise unlawfully present. To ensure compliance, the County OOR will use the Systematic Alien Verification for Entitlements (SAVE) program, or an equivalent federal verification system, for applicants whose citizenship or immigration status requires confirmation. While the grant agreement does not specifically clarify the scope of SAVE application, it is understood that SAVE is required for all applicants receiving benefits that are not excepted under PRWORA rules.

Until advised otherwise by HUD, the Program will require only those individuals listed on the deed to the assisted property (i.e., the applicant and co-applicant) to provide documentation of U.S. citizenship or qualified alien status.

Applicants may provide one (1) of the following documents for Citizenship and Legal Status verification:

- U.S. Passport or Passport Card
- Birth Certificate
- State-issued Real ID driver's license that meets the REAL ID Act standards).
- Certificate of Naturalization or Certificate of Citizenship
- Permanent Resident Card (Green Card)

Other citizenship and legal status documentation may be considered on a case-by-case basis, including but not limited to Citizens of the Freely Associated States of the Federated States of Micronesia and the Republic of the Marshall Islands.

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c. Applicant Designees

Applicants may choose to designate other individuals to act on their behalf or to receive information about the application from the Program. Applicants may designate a Power of Attorney, Co-Applicant, or Communication Designee, or any combination thereof. The requirements for and powers of each designated representative type vary and are outlined below.

- **Power of Attorney:** A Power of Attorney is someone who is legally authorized to act on behalf of the applicant. The powers afforded to a legally authorized Power of Attorney vary, based on the duly executed Power of Attorney document. The Program will not aid applicants in designating or securing a Power of Attorney but will recognize the powers of a legal Power of Attorney as outlined in a Power of Attorney document submitted by the applicant.
- **Co-Applicant:** A Co-Applicant must be an adult and a co-owner of the damaged property. A Co-Applicant must also be a household member of the damaged property. Co-Applicants will have the same authority over the Program application as the Applicant. If a Co-Applicant is designated by the Applicant, Co-Applicants must sign all program documents with the Applicant. The Co-Applicant will be granted decision-making authority over the Program application. Applicants are not required to designate a Co-Applicant, regardless of whether the damaged property is owned jointly⁴.
- **Communication Designee:** A communication designee may be any adult person the applicant wishes to designate as an authorized person to receive information about the Applicant's Program application. The Program shall be authorized to share information with the Communication Designee, but the Communication Designee is not authorized to make any decisions regarding the Program application or affect the Program application on the applicant's behalf.

Any of the aforementioned persons, if duly appointed by the applicant, may serve as the applicant's representative in attendance of program inspections, should the applicant be unable or unwilling to attend. However, only a Power of Attorney duly authorized to do so, may sign documents, make agreements or decisions, or otherwise act unilaterally on behalf of an applicant.

⁴ Applicants who jointly own a property must submit a Co-Owner Consent form, signed by all co-owners. The form confirms that each co-owner consents to the Program's intention which includes reconstructing the property, if the applicant qualifies to receive assistance. Signing the Co-Owner Consent form does not grant co-owners decision making authority about the application, or authorization to receive information about the application, rather, it authorizes the applicant to proceed with Program activities that affect the jointly owned property.

d. Required Applicant Certifications

As part of the Program application process, each applicant and co-applicant must sign an Acknowledgements and Consent statement. The Acknowledgements and Consent statement includes the following acknowledgements and authorizations. The table below outlines the required certifications, a description of the content of the certification, and which applicant type(s) must sign the certification.

Certification	General Description
Release of Information	Authorization from the applicant to share and receive personal information from third parties in connection with the Program and for purposes of progressing his/her case through the Program
Right of Entry	Authorization from the applicant for the Ho'okumu Hou Program to access the damaged property throughout the life of the application. Note: This is not the Right of Entry Program previously used for FEMA, HIEMA and USACE debris removal.
Certification of Truthfulness	Applicant affirmation that all information provided in the application is accurate
Subrogation Agreement	Applicant affirmation that any funds received for the same purpose as funds provided under the Program after provision of assistance through the Program must be returned to OOR
Construction Stop Work	Applicant agreement to stop all construction work at the damaged property and take no choice limiting actions after date of program application.
Uniform Relocation Act Compliance	Applicant agreement to comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)
Homeowner Responsibilities Certification	Applicant agreement to maintain the home as their primary residence for the duration of the program compliance period and acknowledgement that funding is limited and not guaranteed.
Media Release	Applicant consent to allow or decline the use of photos, video, testimonials, or other media content related to the reconstruction of their home for program marketing purposes.
Conflict of Interest Disclosure	Applicant's report of relationship with any public servant, employee, agent, consultant, officer, or elected official or appointed official of the County of Maui, the Office of Recovery (OOR), or of any designated public agencies, or of subrecipients that are receiving funds under the CDBG-DR Program (collectively, "Public Servant") and the nature of said relationship. Applicants who do not have a relationship with Public Servants must report that no such relationship exists.

Table 4 Applicant Certifications Collected at Intake

4. Applicant Prioritization

Consistent with the Action Plan, applicants will be prioritized based on income level and one or more of the “vulnerability factors” designated by the program. Program vulnerability factors include:

- Households with kupuna aged sixty-two (62) years or older
- Households with child(ren) under the age of eighteen (18)
- Households which include persons with disabilities

The five phases of program priority are:

- **Phase 1:** Households with income at or below 50% AMI, with or without a vulnerability factor
- **Phase 2:** Households with income between 51% - 80% AMI with one or more vulnerability factors
- **Phase 3:** Households with income between 51% - 80% without a vulnerability factor
- **Phase 4:** Households with income between 81% - 120% AMI with or without a vulnerability factor
- **Phase 5:** Households with income between 121% - 140% AMI with or without a vulnerability factor

a. Verification of Disability

To be considered as a household with disabled household member(s), a Verification of Disability Form must be completed by the applicant. The Verification of Disability form requires that the applicant document the disability via one of the following acceptable methods:

1. Visible disability such as a wheelchair bound applicant/household member or an applicant/household member utilizing the assistance of a walker can be verified by a Program representative.
2. Receipt of Federal Disability Benefits as documented by applicant provided Social Security Disability Benefits letter/documentation or documented by the Veteran’s Administration (VA);
3. Certification from a medical professional; or
4. Presentation of a government issued disability placard.

b. Determination of Age for Purposes of Prioritization

For purposes of assigning priority for age-dependent household member(s), age will be determined at the point when an application is submitted. Applicants and their households cannot “age into” or “age out of” priority. For example, if a household qualifies as a priority because a household member is age seventeen (17) at the time the application is submitted, the priority designation will be honored throughout the life of the program.

Priority does not expire when the household member turns eighteen (18). Similarly, if a household member was under sixty-two (62) years old at the time of application but turns sixty-two (62) prior to the close of the application, priority will not be assigned at the time of the household member's sixty-second (62nd) birthday.

c. Order of Assistance

The Program shall process applications using a “first come, first ready” methodology within each priority group. Within each phase, prioritization is determined by the date on which the applicant submits all required documentation necessary for eligibility and priority status review.

The date marked as “Intake Review Complete” serves as the official benchmark for establishing this criterion.

This standard applies consistently across all priority phases, including instances where applicants move into or out of a given phase. Applicants who are reassigned to another phase due to updated information (e.g., income verification, household composition) will retain their original “Intake Review Complete” date. Their case will continue in line within the newly assigned phase. The “Intake Review Complete” date will be updated if additional information was due to the Applicant. However, the original “Intake Review Complete” date will remain due to program-initiated updates or changes.

This approach prioritizes applicants who have submitted complete applications and satisfied all program requirements necessary for eligibility determination, award calculation, and pre-construction readiness.

This policy ensures fairness, transparency, and timely delivery of assistance while recognizing that applicants may progress at different speeds based on their ability to provide documentation and meet program requirements. The Program also acknowledges that the most vulnerable households often face greater impediments to completing applications. To address this, the Program will provide proactive support to help all applicants identify, gather, and submit required documents and certifications as quickly as possible.

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Applicants who qualify for priority, as outlined in Table 5, will be reviewed during eligibility on a daily, rolling basis in sequential phase order (Phase 1 through Phase 5). Each day, the Program will first review all Phase 1 applicants in the eligibility queue, followed by Phase 2, then Phase 3, and so on.

Program Phases		Phase I	Phase II	Phase III	Phase IV	Phase V
Household Income	Less than 50% AMI	X	X	X	X	X
	Between 50% - 80% AMI		X	X	X	X
	Between 80% - 120% AMI				X	X
	Between 120% - 140% AMI					X
Household Members under 18, over 62 and/or with a Disability	Yes		X	X	X	X
	No			X	X	X

Table 5 Application Priority Phases

As the program understands that low-income thresholds are a vulnerability, applicants in phase 1 – 3 will be awarded before any applicants in phases 4 – 5 are awarded. Phase 4 – 5 applicants will be awarded if funding remains after all eligible phase 1 – 3 applicants have been served.

Eligibility review may result in an initial determination of eligible, not eligible, or a request for additional information. Applicants may be reassigned to a different phase if new or updated information changes their priority status.

Example 1: Moving from Phase I → Phase II

- **Initial Priority Phase:** Applicant household income determined to be at 50% of AMI and is placed in Phase I.
- **Updated Documentation:** Additional paystubs show actual income at 70% of AMI.
- **Reassignment:** Applicant moves from Phase I to Phase II. Their case continues in the Phase II queue and reviewed according to the completion date of the preceding application step.

Example 2: Moving from Phase II → Phase III

- **Initial Priority Phase:** Applicant reports household income at 70% of AMI and indicates one dependent, elderly, or disabled household member. They are placed in Phase II.
- **Updated Documentation:** During review, the applicant submits school enrollment records showing the dependent child is no longer part of the household. With no household members under 18, over 62, or with a disability, the household no longer qualifies for Phase II priority status.
- **Reassignment:** Applicant is moved from Phase II to Phase III, where they will be reviewed according to the completion date of the preceding application step.

Example 3: Moving from Phase III → Phase II

- **Initial Priority Phase:** Applicant reports household income at 70% of AMI but does not initially provide documentation of a disability. They are placed in Phase III.
- **Updated Documentation:** Applicant later submits verification of a household member with a disability.
- **Reassignment:** Applicant qualifies for Phase II and is reassigned to the Phase II queue for review according to the completion date of the preceding application step.

Example 4: Moving from Phase II → Phase I

- **Initial Priority Phase:** Applicant reports household income at 70% of AMI and is placed in Phase II.
- **Updated Documentation:** Additional documentation (e.g., updated paystubs) shows the actual income is 50% of AMI.
- **Reassignment:** Applicant qualifies for Phase I and is advanced to Phase I queue to be reviewed according to the completion date of the preceding application step.

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5. Eligibility Requirements

Applicants must provide complete and accurate information regarding their household composition, household income, and other eligibility criteria. Failure to disclose accurate and complete information (including failure to provide necessary documentation) may result in the applicant being deemed ineligible for assistance.

If an Applicant is found to have submitted fraudulent, inaccurate and/or incomplete information to appear eligible for the Program, then they may be required to make full restitution to the County OOR, including (but not limited to) administrative fees, construction costs, reimbursement and other costs.

All applicants to the Program must demonstrate compliance with all eligibility criteria, as follows:

- The Applicant's household must qualify as low- to moderate- or middle income, with a combined annual household income of no more than 140% of the Area Median Income, adjusted for family size. Households refer to all individuals who intend to occupy the assisted property;
- Applicant must have owned the destroyed property on August 8, 2023, and must still own the property;
- The applicant must have occupied the home as a primary residence on August 8, 2023;
- The property must have been destroyed by the August 2023 Wildfires;
- The destroyed property must be located within the burn zone;
- The destroyed property must have been a single-family home (defined in 24 CFR 81.2 as a one- to four-unit property (including condominium, cooperative, or manufactured housing);
- The applicant must be current on their property taxes, on a payment plan in good standing, or enter into an approved payment plan within six (6) months; and
- If there is a mortgage on the property, the mortgage must be in good standing, in forbearance, on a payment plan, or enter into an approved payment plan within six (6) months.

Eligibility will be determined by the Program based on a combination of information and documents supplied by the applicant and information verified independently by the program.

The following table includes eligibility criteria for Applicants, along with documents required to be submitted by the applicant for each criterion. Eligibility criteria that will be independently verified by the program are noted as such.

Eligibility Criterion	Document(s) Required
Household is LMI or middle-income⁵	<p>Proof of income is required for the applicant and all household members aged 18 or older. Proof of income required varies by the type of income and individual earnings. Required documents to demonstrate income for the most common sources of income are as follows:</p> <ul style="list-style-type: none"> • Most recent year tax return, and • Wages: Three (3) most recent consecutive paystubs dated within the past three (3) months, • Retirement/Social Security: <ul style="list-style-type: none"> ○ Past three (3) Months Bank Statements (Social Security Benefits & Pension only), ○ Current Social Security Benefits letter (including benefits paid to minors), ○ Current Pension/Retirement Benefit letter (if applicable), or prior year 1099 form, or ○ Current Annuity Payment letter (if applicable), or prior year 1099 form. • Self-Employment Income: Most recent tax return (1040 or 1040A), W-2 Forms; and Current year profit or loss statement. • Rental Income: Current lease agreements • Unemployment Benefits: Current benefit letter with gross benefit amount. • Court Ordered Alimony/Spousal Maintenance: Copy of court order documentation. • Taxable Interest and Dividends (including amounts received by, or on behalf of, minors). • Other Taxable Income: (Cash income, tips, etc.) A written statement from the applicant or the applicant's employer verifying the amount of cash contributions received • No Income: Adult household members who do not earn an income will be required to submit a Certification of No Income.
Must have owned the damaged property at the time of the August 2023 Wildfires. Applicant must still own the property to receive assistance.	<p>At least one (1) from the following:</p> <ul style="list-style-type: none"> • Deed • Mortgage statement • Court order • Other documents may be considered on a case-by-case basis

⁵ For further information on how household income is calculated, please see Household Income Verification Section of this guideline.

Eligibility Criterion	Document(s) Required
Must have occupied the home as a primary residence at the time of the qualifying event	<p>One (1) Document from the following list:</p> <ul style="list-style-type: none"> • Home exemption at the destroyed property address in 2023. • Evidence of FEMA IA award for destroyed property referencing August 2023 Wildfires (FEMA disaster number DR-4724-HI). • Evidence of SBA Disaster Home Loan award for destroyed property referencing August 2023 Wildfires (FEMA disaster number DR-4724-HI). <p>OR two (2) documents from the following list:</p> <ul style="list-style-type: none"> • Driver's license or state-issued ID card showing the destroyed property address; issued prior to August 8, 2023, and expiring after. • Utility bill addressed to applicant and/or co-applicant at destroyed property address showing that services were provided in the month preceding or month of the disaster (must indicate household utility usage during pre-fire time period). • Credit card bill or bank statement sent to the applicant and/or co-applicant at the destroyed property address in the month preceding or the month of the disaster. • Insurance documentation indicating primary residence in 2023, such as a homeowner's endorsement. <p>Other documents may be considered on a case-by-case basis</p>
Property is located in the burn zone	<p>Verified by the program using property address and GIS mapping.</p>
Property was destroyed by Maui Wildfires	<p>Verified by the program via a Demolition Permit or County Damage Assessment Data, Right of Entry data, or a property tax record showing tax exemption due to fire destruction</p> <p>If no permit was obtained, the applicant may provide one of the following:</p> <ul style="list-style-type: none"> • FEMA IA award letter showing destroyed property address and FEMA determine damage level. • SBA Disaster Home Loan award letter for destroyed property address. • Insurance claim noting damages caused by the Maui Wildfires at the destroyed property address. • Date-stamped, color photos of destroyed property following the wildfires; or <p>Other documents may be considered on a case-by-case basis</p>
The destroyed property must be an eligible structure type	<p>Verified by the program using County of Maui tax information.</p>
Property Taxes Current	<p>Proof from the tax assessor of property taxes paid in full at the time of application.</p> <p>If property taxes are delinquent, the applicant will be provided up to six (6) months from the date of application to either pay the account in full or enter into an approved repayment plan in order to remain eligible for assistance.</p>

Eligibility Criterion	Document(s) Required
If there is a mortgage on the property, the mortgage is in good standing	Most recent mortgage statement, at time of application, showing mortgage is current, forbearance in effect, or mortgage on a payment plan arrangement. If the mortgage is delinquent, the applicant will be provided up to six (6) months from the date of application to either bring the account current or enter into an approved repayment plan in order to remain eligible for assistance.

Table 6 Accepted method(s) of verification of eligibility criteria for Applicants

Each eligibility criterion is further outlined in the sections that follow.

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a. Income Eligibility

To meet Program income eligibility requirements, applicants must have a total household income that does not exceed 140% AMI, adjusted for family size, as published annually by HUD and the Hawai'i Housing Finance & Development Corporation (HHFDC). For purposes of this Program, Low- and Moderate-Income (LMI) shall mean households equal to or less than 80% of Area Median Income (AMI), Urgent Need (UN) households are those with incomes greater than 80% but not to exceed 140% AMI. See Table 7 for the program income limits.

2025 Income Limits	Household Size							
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
50% AMI	\$ 47,150	\$ 53,850	\$ 60,600	\$ 67,300	\$ 72,700	\$ 78,100	\$ 83,500	\$ 88,850
80% AMI	\$ 75,400	\$ 86,200	\$ 96,950	\$ 107,700	\$ 116,350	\$ 124,950	\$ 133,550	\$ 142,200
120% AMI	\$113,050	\$129,200	\$145,350	\$161,500	\$174,450	\$187,350	\$200,300	\$213,200
140% AMI	\$132,020	\$150,780	\$169,680	\$188,440	\$203,560	\$218,680	\$233,800	\$248,780

Table 7 2025 HUD Income Limits (80%-120% AMI) and HHFDC Limits (140%)

i. Household Definition

Household members are all people (minors and adults) who intend to reside in the fire-impacted home as their primary residence after the completion of reconstruction. The test of meeting the low-to-moderate income objective is based on the total adjusted gross income of all the adult household members.

A household is defined as all people occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated people who share living arrangements

The Program will use the following rules to determine the income of household members to be included in the household income calculation:

- **Minors** - Earned income of minors, including foster children (household members under age 18) is not counted. Unearned income attributable to a minor is included in the household income calculation (Examples include payments from trusts, stocks, bonds, etc. if the payments are taxable at the Federal level).

- **Temporarily Absent Family Members** - The income of temporarily absent family members is counted in the annual income, regardless of the amount the absent member contributes to the household. Temporarily absent family members are also counted as a member of the household when determining the household size.

If one of the following special circumstances applies, the income of the referenced individuals will be excluded from the total household income calculation:

- **Live-in Aides:** Persons who are employed by the household and meets the definition⁶ of a Live-in Aide and/or are a child of that Live-In Aide
- **Relatives as Live-In Aides:** For relatives to be excluded from the household composition and income calculation, the Live-in Aide relative must meet the definition of a Live-in Aide, and the applicant must certify that:
 - The Live-In Aide is qualified to provide the needed care,
 - The Live-In Aide was not part of the household prior to receiving CDBG-DR assistance
 - If a Live-in Aide relative does not meet the definition of a Live-in Aide and/or the applicant does not certify the abovementioned Live-in Aide certifications then the Live-in Aide relative is not eligible for this exclusion. In such cases, the Live-in Aide and any of their dependents will be included in the household composition and the relative's income will be included in the total household income calculation.
- If an applicant is married and their spouse is absent from the household, residing in a separate household the income of the absent spouse will not be included in the total household income if documentation of a separate residence for the absent spouse is provided.

ii. Income Definition

The Program will use the Internal Revenue Service (IRS) Form 1040 definition of income, as set forth in HUD regulations (24 CFR 570.3), for the purpose of determining Applicants' eligibility for the Program. The IRS Form 1040 definition of income is often referred to as the Adjusted Gross Income or the AGI method.

The Program will estimate the Adjusted Gross Income (AGI) for the household by projecting the current rate of income for each adult household member at the time assistance is provided. A complete list of income documentation that may be required is included in Table 6.

⁶ Definition of Live-in Aide (24 CFR 5.403): A person who resides with one or more elderly persons or near-elderly persons or persons with disabilities AND who: 1) Is determined to be essential to the care and well-being of the persons, 2) Is not obligated for the support of the persons, AND 3) Would not be living in the unit except to provide the necessary supportive services.

iii. Income Projection Methodology

Income will be projected for a 12-month period beginning on the date the income calculation is performed. The projection will be based on current income information provided by the applicant and verified by the Program. To determine Low-to-Moderate Income (LMI) or Middle-Income status, the County OOR will verify income through varied means, including the most recent year's filed federal tax return AND copies of pay stubs, or other acceptable documentation of income received. If an applicant has not filed their most recent year's tax return, they must provide a copy of IRS Form 4868.

When projecting income, the Program will consider factors such as pay frequency, seasonal or intermittent employment, anticipated changes in wages or hours, and any other known circumstances that may affect household income during the 12-month period. Projected income shall exclude unanticipated earnings, such as overtime pay, unless such income is expected to be received consistently for a period of twelve (12) months or more.

Current income documentation (such as paystubs or benefit statements) will generally serve as the primary source when income is stable and reflective of the applicant's circumstances. The most recent year's tax return may be used to supplement the projection, particularly for self-employment, seasonal work, or irregular income. Where discrepancies exist between current documentation and the tax return, the Program will use current income documentation as the basis for the Program's income eligibility determination.

iv. Income Recertification

This income certification will be valid for 12 months from the date it was calculated. If the applicant has not received or accepted a CDBG-DR award from the County OOR within said period, their household income must be re-certified. While an additional income review will be required for this re-certification, the Program will update the applicant's priority status based on the results of the income re-certification, as applicable.

b. Ownership Requirements

To qualify for the Program, applicants must demonstrate that they owned the destroyed property at the time of the qualifying event and currently own the destroyed property. Documentation that must be provided by applicants to demonstrate ownership is listed in Table 6 above.

Additionally, applicants must agree not to sell or transfer the property, or any interest in it, whether voluntarily or involuntarily until after the completion of the program compliance period. Applicants must notify the Program before any transfer of the property if that transfer occurs before the end of the compliance period. More information about the program compliance period can be found in the Compliance Period section of this

document. Below is a brief description of the compliance periods for owner-occupant applicants:

- Applicants assisted for their primary residence must agree to own and use the program-assisted home as their primary residence aligned to the applicable tiered compliance period.

i. Trust

Properties held in a trust are reviewed on a case-by-case basis depending on the terms of the trust. If any percentage of the damaged property was transferred to the applicant through a family trust by the prior owner of the property, a copy of the Trust Agreement that has been recorded in the property records will satisfy the ownership requirement. The following documents are required for Program's review:

Document	Required Information	Applies to
Trust Agreement, all amendments	<ul style="list-style-type: none">• Name of Trust• Tax Identification Number, Employer Identification Number, or Social Security Number• Date of Trust Creation• Date of Amendment(s)• Property Address• Name of all trustees	<ul style="list-style-type: none">• Applicant(s)• Co-Applicant(s)• Co-Owner(s)• Trustor(s)• Grantor(s)• Trustee(s)

Table 8 Documentation for Properties in Trust

When an Applicant is required to provide their signature on behalf of a Trust, their name must appear exactly as it is written in the Trust, and not how they signed the Grant Deed. Also, when adding a Trust as a Co-Applicant, its name must be entered exactly as it appears on the Grant Deed.

ii. Title Clearance Activities

Applicants with ownership interest in a property who cannot supply the acceptable ownership documents as outlined in this guideline due to heirship or probate issues may be afforded up to six (6) months to clear title defects related to probate and/or heirship and provide the program with an acceptable document to demonstrate ownership. The Program will refer applicants to legal aid organizations or equivalent providers for assistance with title clearance activities, including legal services, probate filings, and title searches, when such support is necessary to establish ownership. If an applicant cannot sufficiently resolve ownership issues within six (6) months, the case will be deemed ineligible for failure to sufficiently prove ownership of the destroyed property.

The Program will reserve an applicant's position in the program while title clearance activities are performed, provided all other eligibility requirements are met.

iii. Death of an Applicant

If an Applicant passes away after a program application is submitted, but before construction begins, the Applicant's heir may be deemed eligible by providing income documentation to the program to receive assistance through the Program if:

- The heir is a household member listed on the application; and
- The heir can demonstrate current ownership of the destroyed property via one of the accepted methods outlined in this section within one year from date of owner-applicant death; and
- The heir meets all other eligibility requirements, including but not limited to income eligibility.

If no eligible household member-heir is identified, the application will be closed. If an Applicant passes away after program construction has begun, the program will complete construction of the property.

Applicant's heir must provide a death certificate for the applicant.

iv. Heir Applicants

Applicants who inherited a destroyed property, but were not owners of the property at the time of the disaster may be eligible for Program assistance if ALL the following conditions are met:

- Applicant inherited the property from immediate family member(s) who passed away.
- The deceased granting the property to the Applicant lived in the house as their primary residence at the time of the 2023 wildfire. (See Table 6 Primary Residence documentation standards).
- Heir and property meet all other eligibility criteria.

c. Primary Residence

Applicants must provide documentation that establishes that they occupied the damaged property as their primary residence as of the date of the qualifying event on August 8, 2023. Documentation that must be provided by applicant to demonstrate primary residence is listed in Table 6 above.

The Program will review and assess all available documentation and determine primary residence based on the applicant's demonstration of consistency across the variety of documentation provided. If inconsistencies in documentation are found, the application may not move forward in the eligibility process until the inconsistencies are resolved by the applicant. All applicants to the Program bear the burden of proof for providing consistent evidence to prove primary residency at the time of the disaster. In the event of

overcrowding, Program Specialists may request primary residency documents from the additional household member(s).

Primary Residence is a dwelling that the owner uses as their principal and permanent home. It is the place where a person has voluntarily fixed habitation, not used for only special, temporary or vacation purposes, but where the person intends to make a permanent home. A person may only have one designated primary home at any point in time.

d. Disaster Tie Back

To be eligible for assistance, the subject property must have been destroyed during the August 2023 Wildfires. The program will attempt to verify unit status through demolition permits or Maui County Damage Assessment. In the event a demolition permit was not obtained the applicant may be required to submit documentation listed in Table 6 above.

If damages to the impacted property cannot be determined via desktop review using the documents outlined in Table 6, the County OOR may conduct a physical site inspection to verify damage.

e. Eligible Areas

To be eligible to participate in the Program, the damaged property must be located in the burn zone within County of Maui.

f. Eligible Structure Type

To be eligible for assistance, the property must have been a single-family (1 unit) home⁷.

g. Ineligible Structure Types

The following structure types are ineligible for assistance:

- Triplexes, quadraplexes
- Manufactured, or mobile housing units
- Garages, sheds, and outbuildings not attached to the main dwelling unit are not eligible for repair but may be eligible for demolition only, as part of an eligible project, if deemed a safety hazard or in the path of the proposed construction activities. Garages, sheds, and outbuildings will not be addressed as stand-alone activities. Improvements must be permanently attached to the main housing structure.
- Recreational Vehicles and camper trailers used as a residence are not eligible for the Program.

⁷ Homes with ohana suites are generally considered single-family units.

- Houseboats used as a residence are not eligible for the Program.
- Second homes.
- Seasonal, short-term, and vacation rental properties.
- Housing units located where federal assistance is not permitted by federal regulation, including floodways, or within a Coastal Barrier Resources System unit.
- Properties with delinquent mortgages, delinquent real property taxes, or properties that are subject to bankruptcy proceedings or foreclosure.
- Properties located on sites with extraordinary site conditions that are determined to be not feasible for reconstruction or replacement. Extraordinary site conditions may include, but are not limited to, properties with environmental or historic preservation concerns that cannot reasonably be addressed by the program, properties where local building codes prohibit program scopes of work, or properties located in a floodway.

h. Property Taxes Current

Applicants must submit proof that property taxes on the destroyed property are paid in full or that the property taxes are subject to a payment plan in good standing. Applicants with delinquent property taxes may be afforded up to six (6) months from the date of application to establish a payment plan or pay arrearages and provide the program with an acceptable document to demonstrate such. If an applicant cannot sufficiently resolve arrearages within six (6) months, the case will be deemed ineligible for failure to have current property taxes.

The Program will reserve an applicant's position in the program while tax arrearages are being resolved, provided all other eligibility criteria are met.

i. Mortgage in Good Standing

If the subject property has a mortgage, it must be in good standing with no past-due payments. Applicants must provide proof that the mortgage is current at the time of application or is under a lender-approved forbearance or repayment plan. Applicants who were previously delinquent may still be eligible if they can demonstrate that the mortgage is now current or that they are complying with an approved repayment plan. Applicants with mortgage arrearages may be afforded up to six (6) months to establish a payment plan or pay arrearages and provide the program with an acceptable document to demonstrate such. If an applicant cannot sufficiently resolve arrearages within six (6) months, the case will be deemed ineligible for failure to have a mortgage in good standing.

The Program will reserve an applicant's position in the program while mortgage arrearages are being resolved, provided all other eligibility criteria are met.

6. Award

Applicants who qualify for an award will be notified in writing via the “Award Letter”. The award letter outlines the next steps the applicant must take to accept the award. After the award letter is sent, the Program Specialist will schedule a Homeowner Grant Agreement (HGA) signing event with each eligible applicant.

During the HGA signing event, the project specialist will review the information outlined in the HGA, homeowner responsibilities before, during, and after construction (if applicable) and compliance period requirements. All applicants must sign the HGA or appeal the award determination within thirty (30) calendar days of the award letter date or the case will be closed⁸.

Every executed HGA is subject to the continuing availability of CDBG-DR funds and all Program policies and procedures.

a. Floor Plan Selection (Reconstruction Awards Only)

To reduce the required time from award to completion, the Program will provide plans and specifications for “model homes” available to applicants. During the signing event, applicants will be invited to select the floor plan for which they are eligible. All home selections are final once signed and may not be changed at any point after signature unless initiated by the Program due to lot restrictions determined later in the design process. Applicants will be permitted three (3) calendar days to select a floor plan.

The most recently permitted square footage of the destroyed unit will be used to determine the size of unit for which the applicant is eligible, unless exceptions have been approved to prevent overcrowding. If the standard floorplan offered, in addition to construction costs associated with site specific requirements, exceed the award cap amount, the program will offer the homeowner applicant a smaller floorplan (not limited to but including reducing square footage) that will meet the award cap amount if such reductions do not result in overcrowding.

The program will provide applicants who qualify for reconstruction awards with standard program floorplan homes. The program offers 2-, 3-, and 4-bedroom homes in varying square foot ranges to comply with program requirements. Bedroom configuration will be based on the permitted number of bedrooms present in the home pre-fire. All standard floor plans include 2 bathrooms and universal design. Only the pre-fire primary home will be considered for purposes of determining the unit size an eligible applicant qualifies to

⁸ Exceptions may be made on a case-by-case basis for extenuating circumstances.

receive. Ohana units are not factored into the determination of square footage or number of bedrooms.

Exceptions to the reconstructed unit size and bedroom configuration will only be considered if overcrowding exists or if an applicant elects to reduce the unit size to reduce a DOB gap.

Standard floor plans are offered in the following square footage ranges only.

Bedroom/Bathroom Configuration*	Pre-Fire Square Feet	New Construction Square Feet
2 bedroom / 2 bathroom	1000 – 1200 SF	1000 – 1200 SF
3 bedroom / 2 bathroom	1000 – 1200 SF	1000 – 1200 SF
4 bedroom / 2 bathroom	1000 – 1200 SF	1000 – 1200 SF
2 bedroom / 2 bathroom	1201 – 1500 SF	1201 – 1500 SF
3 bedroom / 2 bathroom	1201 – 1500 SF	1201 – 1500 SF
4 bedroom / 2 bathroom	1201 – 1500 SF	1201 – 1500 SF
2 bedroom / 2 bathroom	1501 – 1700 SF	1501 – 1700 SF
3 bedroom / 2 bathroom	1501 – 1700 SF	1501 – 1700 SF
4 bedroom / 2 bathroom	1501 – 1700 SF	1501 – 1700 SF
2 bedroom / 2 bathroom	1701 + SF	1701 – 2000 SF
3 bedroom / 2 bathroom	1701 + SF	1701 – 2000 SF
4 bedroom / 2 bathroom	1701 + SF	1701 – 2000 SF

Table 9 Standard Floor Plans

Reconstructed homes do not include reconstruction of garages (attached or detached), sheds, pool houses, or other outbuildings. Such outbuildings may be demolished during reconstruction to allow enough space for the new home to be built or if such structures pose a health or safety concern. Properties will be reconstructed in substantially the same footprint, when feasible, or to meet the needs of the household, as allowable.

Reconstructed homes will meet HUD, State, and local building requirements and resilience measures.

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The following is a non-exhaustive list of items that are not included or considered when determining the floor plan, bedroom/bathroom configuration, or size of the reconstructed home. The Program does not reconstruct like for like:

- Interior or exterior finishes.
- Square footage.
- Number of bathrooms (if more than 2).
- Extra/Bonus rooms such as dens, playrooms, offices, studies, libraries, etc.
- Unpermitted additions or bedrooms

i. Mitigation Activities

Single-Family reconstruction projects will incorporate NFPA Firewise USA⁹ recommended wildfire mitigation measures, including the use of ignition-resistant building materials and the creation of defensible space, to reduce risk from future wildfire and high wind disasters, consistent with State and Local Building Code.

In addition, where applicable, the Program will include mitigation measures to reduce risk from other natural hazards, including flooding, hurricanes, and high-wind events, consistent with FEMA, HUD, and State/Local standards.

Mitigation measures include, but are not limited to, the following:

Wildfire Mitigation:

- Class A Fire Resistant Roofs with class A asphalt shingles and underlayment, ember resistant ridge vent, ember resistant drip edge, ember resistant flashing, and ember resistant exhaust caps for roof penetrations
- Metal Gutters with leave/debris guard and downspouts
- Ember and fire-resistant mesh vents (including dryer vent)
- Enclosed eaves and soffits made of non-combustible materials.
- Fiber cement siding
- Multipaned glass windows with tempered outer pane
- Exterior doors and garage doors made of non-combustible materials.
- 5 feet of defensible space around the home to include fire resistant skirting with weed prevention barriers if needed.
- Defensible space/fuels reduction on remainder of the parcel to include items such as tree removal, tree trimming, stump grinding as well as other fuel source landscaping.

⁹ NFPA Firewise USA: <https://www.nfpa.org/education-and-research/wildfire/firewise-usa>

Flood Mitigation (as applicable):

- Elevation of structures above Base Flood Elevation (BFE) or higher local standards
- Installation of flood vents in enclosures below elevated structures
- Use of flood-resistant building materials in areas below design flood elevation
- Site grading and drainage improvements to reduce water pooling near the structure

Hurricane and High-Wind Mitigation:

- Installation of impact-resistant windows and doors
- Roof-to-wall connections and hurricane straps/clips to secure roof assemblies
- Reinforced garage doors and entry doors
- Shutter systems or other wind-borne debris protection

ii. Universal Accessibility Design

To allow households to age in place, all reconstructed housing units are designed with the following standard accessibility accommodations. All reconstructions will receive the following universal accommodation, regardless of whether Reasonable Accommodation has been requested by the applicant:

- 36" hallways, wide enough to accommodate a standard wheelchair
- Adequate turning radius for a wheelchair in the kitchen
- Adequate turning radius for a wheelchair in one (1) bathroom
- All doors installed with levers instead of knobs
- Exterior doors, master bedroom door, and master bathroom doors are 36" wide
- One no-step entrance
- Strobe Smoke Detectors
- One bathroom which includes:
 - 30"x60" roll-in shower compartment, equipped with grab bars, seat, and shower wand
 - Chair height toilet with grab bars
 - Roll under vanity

During the signing event, the program specialist will advise the applicant regarding the universal accessibility design for all reconstructed homes. The applicant may choose to opt out of the following design elements:

If an applicant chooses to opt-out of universal accessibility design the bathrooms will be constructed in a standard configuration with a shower/tub combination, standard toilet height (between 14"-15"), and standard height vanity (between 34"-36"). Applicants may not select portions of accessibility design to opt-in or opt-out of. Applicants choosing to opt-out will complete and provide an Accessibility Opt-Out form to the program specialist during the signing event.

iii. Additional Resilient Design Features

All reconstructed housing units will incorporate rough-in for future incorporation of broadband internet, and solar panels and battery storage. The program will not provide the equipment or services for broadband internet or solar panels and battery storage. If the applicant chooses to incorporate such equipment following the completion of construction, the purchase, installation, and ongoing maintenance or service of such items will be solely at the applicant's discretion and expense.

b. Reimbursement Award

Applicants who meet the eligibility and other program requirements, as explained in these policies and procedures, may be awarded funds to reimburse for reconstruction that has been completed within two (2) years after the applicability date of the County of Maui's Allocation Announcement Notice (AAN) for CDBG-DR funds, (published January 16, 2025; applicable January 21, 2025) and paid for by the applicant prior to the submission of their application to the program.

Reimbursement may be available to eligible homeowners who completed reconstruction after the disaster but prior to applying for the program. All applicable program policies and procedures must be met, including environmental review and duplication of benefits review.

The Program does not reimburse applicants for the exact out-of-pocket costs they incurred. Instead, reimbursement is determined using standardized pricing methodologies—such as Xactimate or an equivalent system—based on the last permitted square footage of the structure or, as allowable, to meet the needs of the household.

Reimbursement assistance will be capped at the amount deemed reasonable by a standardized cost estimation tool (e.g., Xactimate or similar), or \$400,000, whichever is less. Homeowners may elect to use higher-end materials or upgrades at their own expense; however, the program will not reimburse any costs beyond the County OOR's determination of reasonable reimbursement amount.

All applicants receiving reimbursement will be required to sign a subrogation agreement, agreeing to repay any duplicative assistance received after the disbursement of CDBG-DR funds.

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7. Pre-Construction

After the Homeowner Grant Agreement (HGA) is executed, the case enters the “pre-construction” phase. During the pre-construction phase of the program, several key activities take place which prepare the project for the start of physical construction. Key activities include, but are not limited to:

- **Construction Manager Assignment (CM):** The Program assigns a program-qualified Construction Manager (CM) to complete the construction project.
- **Survey and Design:** The assigned CM will arrange for a property survey and engineering design for the project, as applicable.
- **Cost Estimate:** The assigned CM will visit the project site to finalize a cost estimate.
- **Pre-Construction Meeting:** The Program will host a meeting with the applicant to review key items as related to construction.
- **Permitting:** The assigned CM will obtain all permits required to complete the assigned construction scope of work.

a. Construction Manager Selection and Assignment

The Program relies on a pool of qualified Construction Managers (CMs) to perform reconstruction work. CMs will be assigned to complete construction work for eligible and awarded applicants. CMs will be assigned by the Program to each project after the HGA has been executed. Applicants are not permitted to select or manage their own construction manager or general contractor.

The Program will assign projects to CMs based on performance history on Program construction projects and the CM’s capacity to take on additional jobs at the time the project is ready for assignment.

The following performance metrics will be tracked on each property assigned to and completed by a CM:

- Speed of preconstruction and construction activities,
- Quality of construction,
- Customer service, and
- Capacity for additional work.

The CMs will be compared against other Program assigned CMs and program performance standards. To expedite recovery, higher performing CMs may receive more Program assignments than lower performers.

b. Survey and Design

Assigned CMs are responsible for completing property boundary surveys, obtaining elevation certificates (if necessary) and engineering design, as applicable. Most reconstruction project types will require property boundary surveys to determine placement of the new property on the site within municipal set back boundaries. The CMs will be responsible for ensuring all local requirements are satisfied during their construction activities.

c. Cost Estimate

The Program developed construction standards are incorporated into the pricing for each reconstruction. All costs incurred by the Program must follow the Cost Principles outlined at 2 C.F.R. Part 200, Subpart E. The Program provides the selected CM with a preliminary scope of work and applicant selected floor plan.

CMs will visit each subject property to evaluate site-specific conditions that must be factored into the Program cost estimate and to finalize the Program-provided scope of work. The applicant or their designee are required to attend the site visit conducted by the CM. Upon completion of the site visit and incorporation of any site-specific line items to the scope of work, the CM must submit the scope of work to the Program for review and approval. The Program must approve each scope of work before the CM may begin construction activities. Once approved, the Program scope of work may only be modified via a fully executed, written change order.

d. Pre-Construction Meeting

After the scope of work has been approved by the Program, the Construction Manager and Program Specialist will host a “pre-construction” meeting with each applicant. The purpose of the pre-construction meeting is to inform the applicant of next steps, provide the applicant with the floor plan that will be constructed by the Program, and to answer any construction-related questions the applicant may have. Key topics covered during the pre-construction meeting include, but are not limited to:

- **Applicant Responsibilities during Preconstruction and Construction:** Applicants and CMs will be provided with a written document outlining applicant responsibilities during both preconstruction and construction.
- **Scope of Work:** The CM will present the applicant with a copy of the program approved scope of work. The scope of work shall include a copy of the floor plan being offered.

- **Style Selection Options:** Applicants will be provided with options to customize the program-provided floor plan based on applicant preference. Style selection options include choice of items such as exterior front elevation, color scheme, etc.

e. Permitting and Code Compliance

CMs are required to complete all Program-sponsored construction activities in accordance with all federal, state and local building codes and requirements. CMs are responsible for determining which permits are required and for acquiring all permits required to complete the Program-approved scope of work from the authority having jurisdiction for code compliance in the location where the construction project is located. Permits required for each project vary by location and scope of work, but may include permits for items such as but not limited to:

- New Construction (building)
- Electrical
- Plumbing
- Grading

Applicants may be required to sign documents which authorize the CM to obtain permits from the authority having jurisdiction. Because requirements vary by project, documents which require the applicant's signature may also vary. If required to sign or complete documents in support of permitting, the applicant must do so within thirty (30) days of being presented with such documents.

CMs must demonstrate code compliance to pass a final program inspection. Code compliance will be confirmed via a Certificate of Occupancy (or equivalent), issued by the authority having jurisdiction.

8. Construction

a. Elevation Standards

The Program will follow HUD guidance to ensure all structures, as defined in 44 CFR 59.1, designed principally for residential use, and located in the 100- or 500-year floodplain, that receive assistance for new construction, repair of substantial damage, or substantial improvement, as defined at 24 CFR 55.2(b) (10), will be elevated with the lowest floor, including the basement, at least two (2) feet above the Base Flood Elevation (BFE). The Program will order elevation certificates for construction projects where necessary to comply with HUD's guidance.

b. Eligible Construction Activities

CMs are only authorized to perform construction activities that are duly authorized by an approved Program scope of work or via an approved change order. Applicant requests for upgrades, modifications, and/or additional work shall not be considered. Program scopes of work, including all items outlined below are subject to the award cap.

Program scopes of work may include:

- **Reconstruction:** Reconstruction consists of the demolition, removal, and disposal of the destroyed structure (if applicable), followed by construction of a new property in substantially the same footprint as the destroyed structure. Reconstruction work will be conducted in accordance with federal, state and local building codes and requirements. No custom designed homes are authorized unless to specifically address constrained lot conditions.
- **Site work:** Site work includes site-specific construction activities necessary to complete the project that are not related to the structure itself. Site work includes, but is not limited to activities such as flatwork, grading, septic tank repair/replacement, well repair/replacement, tree trimming or tree removal, etc.
- **Environmental Abatement:** Environmental abatement activities are those environmental activities identified by the Program or the CM that must be addressed to deliver a decent, safe, and sanitary property. Environmental abatement activities may include items such as but not limited to lead based paint removal or mitigation, archaeological monitoring, or asbestos abatement. Costs of environmental clearance inspections are also allowable.
- **Historic Preservation:** Section 106 of the National Historic Preservation Act of 1966 (Public Law 89-665), as amended in 2000, requires Architectural History compliance imposed by the Compliance and Review Section of the Bureau of Historic Preservation, as needed. If the State Historic Preservation Office (SHPO) or other authority having jurisdiction require specific construction or design measures to prevent an adverse effect on a historic or cultural resource, such activities may be included in the program scope of work.
- **Essential Appliances:** Essential appliances, which include stove/range, oven, water heater, dishwasher, and refrigerator are included in program scope of work. Appliances provided will be of standard, economy grade and energy efficient. Luxury appliances will not be provided.
- **Smoke and Carbon Monoxide Detectors:** All assisted homes will be equipped with smoke and carbon monoxide detectors, in accordance with local code requirements.
- **Mitigation Measures:** Measures to make homes more resilient to future disasters will be included in program scopes of work.

The above bulleted list is not intended to be an exhaustive or all-encompassing list. All construction work undertaken by Construction Managers must be approved via an approved cost estimate or duly authorized change order. Any work completed by CMs prior to Program authorization is completed at the Construction Manager's own risk.

All construction work completed by the Programs will be completed using standard, builder-grade materials, regardless of preexisting materials. Applicant-requested upgrades, additions, or modifications to construction scopes of work will not be considered.

Applicants may not pay out of pocket for upgrades, additions, or modifications concurrent with program sponsored construction.

i. Exacerbated Damages

If during reconstruction another unforeseen disaster occurs, the Program will ensure the property is reconstructed in a suitable manner to achieve a certificate of occupancy.

Following construction completion and key turnover, any damage caused by subsequent disasters are the sole responsibility of the homeowner.

c. Construction Warranty

All construction work completed by the program will be accompanied by a one (1) year general warranty. Applicants are provided with a copy of the warranty package upon release of keys to the program-assisted property. Warranties cover the entirety of the program-assisted unit.

The CM is responsible for providing the warranty and addressing any valid warranty issues which arise during the one (1) year coverage period. If an applicant chooses to make modifications, additions, or to otherwise affect or alter the assisted property during the one (1) year warranty period, the warranty will be void and the CM will not be responsible for any repairs.

d. Construction Progress Inspections

All Program construction projects must pass a 50% inspection and a final construction inspection. The goal of program inspections is to confirm that construction work is being completed in accordance with the Program-approved scope of work and that work is of sufficient quality. Program inspectors are not municipal code inspectors and program inspections do not supersede required municipal code inspections. Construction Managers are responsible for coordinating municipal code inspections, as required by the authority having jurisdiction to close permits and / or obtain a certificate of occupancy or certificate(s) of completion (or equivalent).

Construction Managers must pass a 50% inspection before requesting a final inspection. The Construction Manager or Construction Manager's representative must be present at each inspection. Failed 50% or failed final construction inspections are considered when evaluating Construction Manager performance for purposes of Construction Manager assignments.

Items required to pass a 50% inspection and final inspection are outlined below. An inspection may fail because required work is not complete, because the Construction Manager or Construction Manager's representative failed to attend, or because complete work is not of acceptable quality.

The Program will not offer punch list inspections as all work is required to be complete on the project to pass a final inspection.

i. 50% Inspection Requirements

To pass a 50% inspection, all the following items must be complete and onsite at the time of inspection. Walls are not to be enclosed at the time of the 50% inspection. The inspector must be able to view and inspect the interior of all walls.

- Debris removed from the site and disposed of at an accredited facility to accept such waste (as applicable).
- Foundation is complete.
- Framing complete and evidence of a passing municipal framing inspection is on site.
- Roof complete.
- Exterior siding complete.
- Windows installed; and
- Mechanical, electrical, and plumbing rough-ins complete, with evidence of a passing municipal inspection on site.

ii. Final Inspection Requirements

To pass a final inspection, reconstruction must be complete, with municipal approval achieved, as evidenced by a Certificate of Occupancy (or equivalent) issued by the authority having jurisdiction. To pass a final inspection, the following must be complete and onsite at the time of program inspection:

- Certificate of Occupancy on site.
- All site work completed, including final grading, flatwork, and installation of fire-resistant ground cover.
- All construction complete and of good quality in accordance with Program-approved floor plan, scope of work, and any duly authorized change orders
- Address numbers are installed on the front of the property.
- All utilities reconnected and functioning.

- All appliances are properly installed and functioning as intended.
- If the program-assisted structure is in the 100- or 500- year floodplain according to the effective Flood Insurance Rate Map (FIRM), a final elevation certificate showing the lowest finished floor is constructed at or above the more stringent of HUD, FEMA, or local code requirements; and
- Warranty is issued for one (1) year and warranty booklet present in the home.

e. Change Orders

From time to time, it may be discovered that the construction scope of work originally approved by the Program must be altered to deliver a decent, safe, and sanitary property within acceptable timeframes. The Program allows for the use of change orders to modify the program-approved scope of work. Change orders must be initiated by the Construction Manager. Construction Managers must substantiate the need for the change order and demonstrate that costs associated with the change order are reasonable. Change orders initiated by the applicant will not be considered under any circumstance.

Except for items which pose an immediate health or safety risk, Construction Managers must obtain change order approval, from the County OOR, prior to commencing work not included in the Program-approved scope of work. All change order requests must be submitted and approved prior to a Construction Manager request for a Program final inspection. Construction Manager requests for change order after the project passes a program final inspection will not be considered.

9. Applicant Responsibilities

For the Program to be successful in providing applicants with reconstruction assistance, the applicant must participate and comply with program timeframes, directives, and requests. The Program is a voluntary program. Applicants who do not wish to comply with all or some of the applicant's responsibilities may opt to withdraw from the Program at any time prior to construction start.

a. Flood Insurance

The National Flood Insurance Reform Act of 1994 (NFIRA), Public Law 103-325 as amended, contains certain provisions regarding the purchase and maintenance of flood insurance to qualify for Federal assistance.

Applicants who received Federal flood disaster assistance that was conditioned on obtaining flood insurance under Federal law, but who did not obtain and maintain the insurance, are not eligible for Federal disaster assistance under this Program.

Applicants with Program assisted properties located within a FFRMS floodplain must submit proof of flood insurance prior to receiving keys to the assisted property. The Program will purchase flood insurance coverage for one (1) year following provision of program assistance for applicants who need assistance and be listed as additional insured.

i. Prohibition of Assistance for Lack of Flood Insurance Coverage

When a property owner located in the FFRMS floodplain allows their flood insurance policy to lapse, it is assumed that the property owner is unable to afford insurance and/or is accepting responsibility for future flood damage to the home. Higher income property owners who reside in a FFRMS floodplain, but who failed to secure or decided to not maintain their flood insurance, should not be assisted at the expense of lower income households. To ensure that adequate recovery resources are available to assist lower income property owners who reside in a FFRMS floodplain but who are unlikely to be able to afford flood insurance, and in accordance with an alternative requirement established in 87 FR 6364, the Program is prohibited from providing assistance for the reconstruction of a property, if

- (i) the combined household income is greater than either 120 percent of AMI or the national median,
- (ii) The property was in a FFRMS floodplain at the time of the disaster, and
- (iii) The property owner did not obtain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance.

b. Applicant Cooperation with the Program

Throughout the life of an applicant's participation in the Program – from submission through closeout of the application – the applicant must participate and respond to requests from the Program in a timely manner. At no point should a request from the Program go unanswered for more than thirty (30) calendar days.

The Program will send applicants with outstanding requests from the Program a Pending Action Notice to inform the applicant of the outstanding request(s). The Pending Action Notice informs the applicant that the Program requires action from the applicant to proceed and that if the applicant does not complete the required action within thirty (30) calendar days, the applicant's case will be closed. Common outstanding requests include, but are not limited to:

- **Documentation:** The program requires documentation from the applicant for multiple reasons and at multiple phases throughout the program. Not all requests for documentation are for documents an applicant must produce. Some documentation requests may be related to documents generated by the program

that the applicant must sign. Applicants must submit and/or sign requested documents in a timely manner.

- **Schedule:** The program requires applicant cooperation and participation at multiple points throughout the process. Applicants must schedule and attend required appointments, inspections, or other required meetings in a timely manner. The Program will make reasonable attempts to coordinate schedules with applicants' availability. Applicants who refuse to schedule or attend required meetings or inspections may be sent a Pending Action Notice.

Applicants who do not take the required action(s) within thirty (30) calendar days of the Pending Action Notice will be closed. Applicants who require assistance, clarification, or an extension to the thirty (30) calendar day timeframe to resolve a pending action must request assistance within the thirty (30) calendar day window. Extensions to the thirty (30) calendar day window will be considered on a case-by-case basis.

c. Applicant Responsiveness

The program will make reasonable attempts to contact applicants to schedule meetings, collect documentation, or obtain other necessary information. If the program has made three (3) consecutive unsuccessful attempts to contact an applicant with no follow up contact from the applicant, the applicant will be sent a Non-Responsive Notice. Non-Responsive Notice provides contact information for the program, advises the applicant of the next steps in the application process, and notifies the applicant that he/she must contact the program or complete an action within fourteen (14) calendar days of the date of the letter. If the applicant fails to contact the program or complete the action within the fourteen (14) calendar days allowed, the application will be closed. Applicants who become non-responsive after construction activities have commenced may be subject to repay program funds expended on construction activities prior to the application being closed.

d. Applicant Responsibilities During Construction

During the construction phase of the program, the applicant has several ongoing responsibilities. The construction phase begins when the applicant and co-applicant (if applicable) signs the Homeowner Grant Agreement and ends when the property passes program final inspection. Applicant responsibilities during construction include:

- (i) The Applicant understands if the amount of previous assistance received minus offsets to benefits is greater than \$0.00, that creates a DOB gap. The Applicant understands the DOB gap must be satisfied (reduced to zero) prior to the execution of a Homeowner Grant Agreement. The DOB gap funding will be used

in conjunction with CDBG-DR funds to complete the reconstruction of their home.

- (ii) The Applicant acknowledges that once a grant agreement is executed, they waive any future right to appeal or otherwise contest the determinations of eligibility, Award, scope of work, results of all inspections, and funding requirements (including DOB gap calculation and any DOB gap funding requirement). From the effective date of the grant agreement, all decisions by the County OOR, or its contractors, are final and non-appealable.
- (iii) The Applicant understands the necessary scope of work is based on a scope of work approved by County OOR and using economy/standard grade building materials and not the price of replacing the property or its components with like or similar materials. The Program will provide standard construction plans. The property will be built or repaired in accordance with the approved scope of work. The Applicant cannot request any customization or changes to the approved scope of work.
- (iv) Applicants must coordinate with their assigned Construction Manager to sign any required permitting documents in a timely manner.
- (v) The property owner must allow the Construction Manager and Program representatives full access to the property until construction is complete, and the property owner is authorized to move back into the property.
- (vi) The property owner must allow inspections to be performed by Program representatives and municipal code inspectors. In the event the property owner must be present or provide access to the property, the property owner must coordinate with the program and schedule in a timely manner.
- (vii) The property owner must remove and/or secure any animals or pets that remain on property during construction. The Program will not cover costs associated with removal and/or boarding of animals during construction. Homeowners will be responsible for animals, their well-being, and any damage caused by animals remaining onsite during construction.
- (viii) The property owner must not interfere with the project site. For safety reasons, property owners must stay away from the destroyed property during construction. Property owners will not be permitted to direct program construction activities or provide instructions to the Construction Managers on means and methods of construction.
- (ix) All debris, abandoned vehicles, and buildings that impede construction efforts, permitting efforts, or otherwise pose a safety and/or health threat as determined by the local jurisdiction or person qualified to make such a determination, must be removed from the property within thirty (30) calendar days from the pre-construction meeting. Any debris or site condition captured in a municipality issued code violation that impedes permitting or construction activities must be remedied within thirty (30) calendar days from the date of the pre-construction

meeting. Failure to remove personal belongings or any other debris from the property within thirty (30) calendar days of the pre-construction meeting may result in the application being closed.

- (x) The Applicant is responsible for ensuring all utility accounts remain current throughout construction to allow for reconnect/reinstatement of services upon construction completion.
- (xi) The Applicant understands that the program will not pay the cost of mortgage payments and/or lot rent, if applicable, throughout the duration of construction.
- (xii) The Applicant understands that once the program is complete with construction efforts, the appraised value of their property may increase. As a result, the property taxes owed by the Applicant for the property may increase because of program participation. However, the use of energy efficient building materials and appliances may decrease utility costs.
- (xiii) The Applicant understands that they are required to occupy the home as their primary residence.
- (xiv) Maintain homeowner's insurance for applicable compliance period following completion of construction.
- (xv) The applicant understands if they sell the home or discontinue use of the home as their primary residence within the compliance period, they may be subject to repay all or a portion of the grant amount.
- (xvi) Applicants using threatening or abusive behavior towards Program staff which includes but is not limited to the use of profanity, derogatory language, and threats of physical violence will not be tolerated. Ongoing and/or severe abusive behavior may result in termination of the Program award, and the Applicant may be subject to repay any program funds expended on the project.
- (xvii) If reasonable and timely access to the property is denied by the Applicant or if any of the above stipulations are not met, the Program may terminate the award, and the Applicant will be required to repay any program funds expended on the project.

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e. Compliance Period

Applicants assisted under the Program must agree to the terms of the tiered compliance period in accordance with the table below based on the amount of CDBG-DR assistance provided. To ensure compliance during the applicable compliance period, a zero-interest mortgage, note and restrictive covenant will be placed on the newly constructed property through the program, subject to regular monitoring throughout the compliance period. The mortgage will ensure recapture of CDBG-DR funds in the event of the Applicants program non-compliance and/or the sale or transfer of the assisted property.

Assistance Tier	CDBG-DR Award Amount	Affordability Model	Duration
I	\$1 - \$200,000	Recapture (no amortization)	5 Years
II	\$200,001 - \$600,000	Recapture (\$200,000 forgiven after 5 years)	10 Years
III	\$600,001 - \$1,200,000	Recapture (\$200,000 forgiven after 5 years)	25 Years

Table 10 Tiered Compliance Periods

Tier 1 – Compliance Tier: If the Applicant receives between up to \$200,000 of CDBG-DR award and sells, transfers, or no longer occupies the assisted property as their primary residence within five (5) years, the entire amount of the CDBG-DR funds will be recaptured and returned to the County OOR.

Tier 2 – Compliance Tier: If the Applicant receives between \$200,001 and \$600,000 of CDBG-DR award and sells, transfers, or no longer occupies the assisted property as their primary residence within (5) years, the entire amount of CDBG-DR funds will be recaptured and returned to the County OOR; if the Applicant sells or transfers the assisted property between five (5) and ten (10) years, the entire amount of the CDBG-DR award less the forgiven \$200,000 after year 5 will be recaptured and returned to the County OOR.

Tier 3 – Compliance Tier: If the Applicant receives between \$600,001 and \$1,200,000 of CDBG-DR award and sells, transfers, or no longer occupies the assisted property as their primary residence within five (5) years, the entire amount of CDBG-DR funds will be recaptured and returned to the County OOR; if the Applicant sells or transfers the assisted property between 5 and twenty-five (25) years, the entire amount of the CDBG-DR award less the forgiven \$200,000 after year 5 will be recaptured and returned to the County OOR.

The following provisions also apply:

1. The County OOR, or their designee, receives right of first refusal for the purchase of an assisted property for all Tiers in the event of sale.
2. All restrictions remain with the property if the homeowner passes away.
3. Participating homeowners will be offered assistance to complete family estate planning through other CDBG-DR funded programs, to ensure their property is passed on the way they intend.
4. Participating homeowners may voluntarily request a referral to an organization that offers a 99-year land restriction,
5. For Tiers 2 and 3 only, applicants receiving a grant exceeding \$200,000 will have \$200,000 of the total amount forgiven after five (5) years, provided the applicant remains in full compliance with all program requirements throughout the entire five-year period.

The County OOR recognizes the unique nature of each Applicants housing situations, therefore, if other unforeseen circumstances not currently contemplated in these policies and procedures, the County OOR will review on a case-by-case basis under its Exceptions and Special Considerations Process.

The mortgage, note and restrictive covenant to be recorded by the program within the official property records with the State of Hawaii Bureau of Conveyances.

f. Foreclosure/Short Sale

In the event of the foreclosure/short sale of the property, if recaptured funds are received, it will be processed according to the requirements as indicated in the Default Provisions. In some cases, the County OOR will dictate how to proceed with participating in the foreclosure/short sale and the collection of funds, in which case the County OOR will follow all applicable laws as notified.

i. Default Provisions

Applicants assisted under the Program for their primary residence must agree to own the program-assisted home, maintain required insurance coverage, and use the program-assisted home as their primary residence for the applicable compliance period after completion of construction. This compliance period is outlined in the Homeowner Grant Agreement.

If a homeowner-occupant applicant sells the home or discontinues use of the home as a primary residence within the applicable compliance period, the applicant may be subject to repay all or a portion of the grant amount. The amount of benefit that is subject to repayment if the applicant breaks the terms of the compliance period will be determined by annual amortization schedule of the grant over the applicable compliance period.

All Program funds recaptured shall be deposited in the County OOR CDBG-DR interest-bearing Trust account to be utilized for eligible CDBG-DR activities within County of Maui.

The Program grants forgiveness of the compliance period terms in the following extenuating circumstances:

- If the applicant dies during the compliance period, the heirs may occupy the home as their primary residence for the remainder of the compliance period. If the heir does not wish to occupy the home as their primary residence the unamortized portion of the assistance amount will be recaptured by the Program.
- If the applicant is transferred or deployed due to military service for a period that would prevent him/her from upholding ownership and primary residence occupancy of the destroyed home, the applicant is expected to notify the County OOR of the deployment or transfer. Compliance period requirements will be forgiven upon notification by the applicant to County OOR.
- If the applicant must be moved to a permanent healthcare facility or nursing home due to health conditions, the applicant or applicant's designee is expected to notify the County OOR. Compliance period requirements will be forgiven upon notification by the applicant to the County OOR and proof of permanent displacement if provided to the Program.
- Other circumstances beyond the applicant's control which prevent the applicant from being able to own and/or occupy the program-assisted home as a primary residence will be considered on a case-by-case basis.

g. Subordination

The Program will review all subordination requests for the purposes of refinance on a case-by-case basis according to the subordination policy below. Subordination requests are not guaranteed.

i. Reasons for Subordination

The general policy regarding subordination for the program is to not subordinate loans. No cash out refinancing allowed, however, subordination for refinancing may be allowed for the following reasons on a case-by-case basis, as determined by an exceptions panel:

- To enable the homeowner to avoid foreclosure.

The Program will not consider subordination of home equity loans or lines of credit.

ii. Requests for Subordination

Subordination requests will not be granted to homeowners to allow cash back or debt consolidation.

To be considered, the lender must submit the following information to the County OOR for review at least five (5) business days prior to closing:

- A Letter requesting subordination, including a comparison of the existing and proposed mortgage (which should include the mortgage amount, term, interest rate, and PITI), confirming that no cash back to borrower; and
- A copy of the Loan Estimate; and
- A copy of the Appraisal.

These items will be submitted to the County OOR for review and approval. If the subordination request is approved, the Program will notify the lender, homeowner, and title company through written notification. The authorized County OOR Representative will sign a subordination agreement on behalf of the County of Maui.

The original subordination agreement will be returned to the lender, and a copy will be uploaded to the homeowner's file within the Program's System of Record.

Approval of a subordination request is based on ensuring that:

1. No cash back to the borrower results from the refinancing;
2. The new loan terms are reasonable compared to the existing loan (interest rate, term, PITI);
3. The refinancing serves to maintain housing stability (e.g., securing a lower rate or more sustainable payment structure); and
4. The County's lien and affordability requirements under the CDBG-DR program remain protected and enforceable.

h. Satisfaction of Mortgage

Satisfaction of the mortgage will be issued upon the completion of the applicable compliance period. The Department of Corporation Counsel, Mayor as Chief Executive Office and CDBG-DR Authorized agent will be jointly authorized to release mortgages filed in conjunction with this program. The County Corporation Counsel will prepare and/or approve all satisfaction documents for joint authorization on a case-by-case basis as the terms are satisfied. If the homeowner does not occupy and homestead the property continuously as their primary residence for the full term of the mortgage, the non-amortized amount of the mortgage will be immediately due and payable. There will be no payment amounts due unless the sale, refinancing, non-occupancy or transfer of the property occurs during the affordability period. The County may work with the homeowner

on a payment plan to repay back the balance. No interest will accrue on the note unless the homeowner fails to make repayment in accordance with the terms of the note.

i. Recapture

Rare instances may arise where an applicant must return all or part of the funding awarded to the Program. The Program is responsible for recapturing duplicative funds from applicants and for recapturing funds from applicants who become non-compliant. All applicant files will be reviewed and reconciled for accuracy to ensure a DOB does not occur and that applicants are compliant with Program requirements and federal guidelines. If an applicant has been identified as receiving potential overpayment, the Program will document the amount and basis for the repayment in writing via a Repayment Notification.

Applicants who disagree with a repayment amount determined by the Program may appeal the determination within thirty (30) calendar days of receipt of the Repayment Notification. If the applicant's request is denied or there is failure on the part of the applicant to contest within the allotted timeframe, the Program will proceed with collecting the repayment amount. If the applicant's request results in a revision of the award amount or eligibility, the applicant will sign a revised Homeowner Grant Agreement which will outline the requirements related to such changes and the requirements for repaying the remaining overdue amount, if any.

Once it has been determined that the applicant must return funds to the CDBG-DR grant, the applicant must repay their funds in a timely manner. All repayments shall be expected to be repaid in full as one lump sum amount. The Program will review any applicant claims of financial hardship and may make limited accommodation in some cases. All funds recovered because of this policy will be tracked in the Disaster Recovery Grant Reporting system (DRGR) and returned to the CDBG-DR account or U.S. Treasury if the CDBG-DR grant has been closed out. Recaptured funds are not considered program income.

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In accordance with the Universal Notice (FR-6489-N-01)¹⁰, HUD has established specific circumstances as situations when collection is not necessary. HUD has determined that is not in the best interest for the Federal government to collect a DOB in the following circumstances:

- The duplicative assistance was received by low-moderate-income beneficiaries that, after the receipt of the CDBG-DR assistance, are:
 - Deceased
 - Subject to a foreclosure action on a property rehabilitated, constructed, or reconstructed with CDBG-DR funds
 - A debtor in a bankruptcy proceeding or who recently exited a bankruptcy proceeding (or similar proceeding for insolvent debtors under State law, such as an assignment for the benefit of creditors).

10. Voluntary Withdrawal

An Applicant may request to withdraw from the Program at any time before construction starts. While voluntary withdrawal after execution of a Homeowner Grant Agreement is discouraged, as construction activities may have begun, any request to withdraw after a Homeowner Grant Agreement has been signed will be evaluated on a case-by-case basis.

Applicants may indicate a desire to withdraw from any Program representative. An applicant who wishes to withdraw submits his/her withdrawal request in writing. After an applicant request to withdraw, he or she will be sent a Voluntary Withdrawal Notice. The Voluntary Withdrawal Notice informs the applicant that the Program has received his/her request to withdraw, and that the applicant has fourteen (14) calendar days from the date of the letter to rescind the withdrawal request. If the applicant does not rescind the voluntary withdrawal request within the fourteen (14) calendar day period, the applicant's case will be closed as withdrawn.

11. Complaints

Applicants may submit a complaint to the Program at any time. In accordance with the guidance outlined in FR-6489-N-01, the Program will provide a timely written response to every written citizen complaint. Complaints will be addressed within fifteen (15) calendar days of receipt when practicable. If a complaint cannot be addressed within fifteen (15)

¹⁰FR-6489-N-01, Appendix C <https://www.hud.gov/sites/default/files/CPD/documents/CDBG-DR/Updated-6489-N-01-CDBG-DR-UN-Compliance-with-Memo-25-02-English-PDF.pdf>; and [CDBG-DR-Policy-Bulletin-2025-01-HUD-DOB-Collection-Policy-English-PDF](https://www.hud.gov/sites/default/files/CPD/documents/CDBG-DR-Policy-Bulletin-2025-01-HUD-DOB-Collection-Policy-English-PDF)

calendar days, the Program will notify the complainant of the need for additional time and an estimated resolution/response timeframe.

People who wish to submit formal written complaints related to the Program may do so through any of the following avenues:

- **Email:** CDBG-DR@mauicounty.gov
- **In Writing:** County of Maui – Office of Recovery:
Attention: Ho'okumu Hou – CDBG-DR Program Complaints
Office of Recovery, CDBG-DR
200 S High Street
Wailuku, HI 96793

Although formal complaints must be submitted in writing, complaints may also be received verbally and by other means necessary, as applicable, when it is determined that the citizen's particular circumstances do not allow the complainant to submit a written complaint. These alternate methods include, but are not limited to:

- **Telephone:** 808-270-MCOR (6267)
- **In-person:** At any Program service center

12. Appeals

Applicants who wish to contest a Program determination may request an initial appeal directly with the Program by submitting a written request via electronic or postal mail or via the web portal at Hookumuhou.mauicounty.gov within thirty (30) calendar days from the date of the determination being contested. Applicants may request an appeal to contest:

- Eligibility determination.
- Duplication of Benefits gap determination.
- Award Type Determination.
- Program Scope of Work; or
- Recapture Amount.

People who wish to request an initial appeal related to the Program may do so through any of the following avenues:

- **Web Portal:** www.Hookumuhou.mauicounty.gov
- **Email:** info@mauioor.com
- **In Writing:** At any of the Program Service Centers:

Lahaina Gateway
325 Keawe St., Unit B102
Lahaina, HI 96761

Kāko'o Maui Relief & Aid Services Center
153 E Kamehameha Ave., Suite 101
Kahului, HI 96732

The Program Appeals Coordinator will conduct an initial review using the request and supporting information submitted by the applicant and make a determination. When practicable, the determination will be made within ten (10) calendar days. Applicants will be notified in writing of the determination made on their initial appeal via an Initial Appeal Determination Notification.

If the applicant believes that the Initial Appeal determination was made in error, the applicant may request a Secondary Appeal directly with the County OOR Program Manager within fifteen (15) calendar days of the date of the Initial Appeal Determination Notification. A written determination of the secondary review will be made and issued within ten (10) calendar days when practicable. Applicants will be notified in writing of the determination made on their appeal.

All appeal determinations made by County OOR are final with no further administrative review and are not subject to judicial review.

An applicant cannot appeal program policies, federal regulations, or state statutes. Appeals filed based on these reasons will be denied.

People who wish to request a Secondary Appeal related to the Program may do so through any of the following avenues:

Email: CDBG-DR@mauicounty.gov
Attention: CDBG-DR Appeals Coordinator

In Writing: Office of Recovery, CDBG-DR
Attention: CDBG-DR Appeals Coordinator
200 S High Street
Wailuku, HI 96793

An applicant can withdraw the request for appeal at any time by providing written notice to the County OOR of this decision. Such a written notice must be delivered to County OOR at the address(s) referenced above.

Program requirements established by the County OOR and approved by HUD as dictated by law may not be waived or nullified.

Only applicants and/or co-applicants, or their power of attorney may submit an appeal. Applicants who choose to file a request for appeal are encouraged to provide individual facts or circumstances, as well as supporting documents to justify their appeal. In adjudication of the appeal, the Program will only review facts and information already included in an Applicant's file, unless the Applicant submits new documentation. The Program has the discretion to accept or reject new documentation based upon its relevance to the appeal.

13. Exceptions and Special Considerations

The Program policies and procedures set forth the policy governing the Program and approved Standard Operating Procedures (SOP) set forth the procedures by which policy will be enacted. The Policies and Procedures and SOPs are intended to guide program activities and enforce compliance with applicable federal regulations. While Policies and Procedures and SOPs govern the program, neither should be considered exhaustive instructions for every potential scenario that may be encountered by the Program. At times, exception to program policies and/or procedures may be warranted. All exception requests are reviewed and adjudicated on a case-by-case basis as need arises, at the sole discretion of the County OOR. The case-by-case analysis may consider an applicant's remaining unmet need and would include documentation of cost reasonableness to confirm costs incurred are necessary and reasonable. Exceptions may be granted to program policy or process. However, exceptions to federal regulations, laws, or statutes shall not be authorized.

14. Conflict of Interest

The County OOR is committed to minimizing and removing any conflicts of interest in its programs, policies, procedures and utilization of federal disaster recovery funds. The County OOR will adhere to the conflicts of interest provisions referenced at 24 CFR 570.611. In addition, the County OOR will comply with the County of Maui Charter, Code of Ethics (January 2025, Article 10), which establishes high ethical standards consistent with federal requirements.

For more information, see the County OOR Conflict of Interest Policy.¹¹

15. Cross-Cutting Requirements

a. Duplication of Benefits

Eligible applicants may have previously received assistance from other sources for the reconstruction of their destroyed property. The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), as amended, 42 U.S.C. §5121 et seq., prohibits any person, business concern, or other entity from receiving federal funds for any part of such loss as to which he/she has received financial assistance under any other program, from private insurance, charitable assistance, or any other source. The goal is to ensure

¹¹ Conflict of Interest Policy: <https://hookumuhou.mauicounty.gov/31/Document-Library>

that disaster survivors do not receive assistance in excess of their need for eligible recovery costs.

During the application process, the applicant must report all assistance received from other sources for the reconstruction of their destroyed property. Previous funds received and reported by the applicant are verified by the Program during the duplication of benefits (DOB) review process. Not all previous assistance received constitutes a duplication of benefits.

In accordance with the Stafford Act, the Program will use the following framework to ensure that any funds provided by the Program are non-duplicative:

1. Assess the Applicant's total need for assistance prior to any assistance being provided,
2. Identify total assistance received or available,
3. Exclude non-duplicative assistance amounts,
4. Identify total DOB Amount,
5. Determine the Program cap (if applicable), and
6. Determine a Final Program Award.
7. Reassess Unmet Need, if necessary

The total need for assistance is the amount needed to reconstruct the applicant's housing unit, including all mitigation and resilience improvements. The Program then considers the "total assistance" available to the applicant. Total assistance includes all reasonably identifiable financial assistance available to the applicant. Total assistance does not include personal assets such as money in a savings account or credit cards. After total assistance has been determined, the Program subtracts non-duplicative assistance received. Non-duplicative assistance is: (i) assistance provided for a different purpose than Program funds; or (ii) assistance provided for the same purpose as Program funds that was expended for a different eligible use. The result of this calculation is the total duplication of benefit amount. The total need for assistance is subtracted from the DOB amount to determine the final program award.

Duplication of benefits occurs when total assistance received exceeds non-duplicative assistance received. If a duplication of benefits occurs, the applicant's Program award must be reduced by the amount of the duplication.

Available assistance and non-duplicative assistance are described in greater detail below.

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i. Common Available Assistance

The following are sources of funding that are commonly provided for structural damage or loss caused by a qualifying disaster and are considered available assistance to the applicant.

- FEMA Individual Assistance for Structure (IA),
- Private Insurance,
- Small Business Administration (SBA),
- Charitable Organizations,
- Legal Settlements,
- Any other funding source available to the homeowner for the same purpose as a CDBG-DR grant that may duplicate assistance.

If the applicant receives any additional funds for the same purpose after the Program has finished rebuilding their home, they must return those funds to the Program.

FEMA Individual Assistance (IA)

FEMA IA assistance may have been provided to applicants for home repairs or reconstruction. In cases where applicants have received assistance for home repairs, such an amount will be considered duplicative by the program. FEMA IA will be determined and verified by the program through FEMA provided datasets or through applicant provided information originating at FEMA such as a FEMA Award letter. If evidence is provided that the FEMA award included assistance for items not related to structure repair, then the amounts not related to structural repair will not be counted as a DOB. If the Program is unable to verify the FEMA IA amount through the FEMA database, the Program will use the payment amount provided by the homeowner at the time of application.

If a homeowner provides documentation demonstrating that the FEMA IA amount provided by the FEMA database includes non-structural related amounts, the Program may use the documentation provided by the homeowner to adjust the FEMA IA payout amount.

Private Insurance

All property, casualty, or other insurance settlement amounts for loss to dwellings are considered available assistance. Private insurance payments for contents or other expenses are not considered available assistance, as this is funding provided for a different purpose than funds provided by the Program. All private insurance settlement amounts for loss to dwellings are considered available assistance for purposes of calculating DOB.

Insurance proceeds are determined and verified by the Program by contacting the insurance company directly. If the Program is unable to verify the private insurance proceeds through the insurance company, the Program will use the claims payout amount provided by the homeowner.

As set forth in 84 FR 28836, “*applicants for CDBG-DR assistance are expected to seek insurance or other assistance to which they are legally entitled under existing policies and contracts*”. Therefore, applicants seeking funds under the Program were/are expected to file a claim with private insurance if the damaged property was insured at the time of the storm. As such, the DOB Analyst will reach out to the applicant to collect insurance claim information from the applicant if:

- The applicant reported having insurance, but reported that he/she did not file a claim for disaster recovery assistance; or
- The applicant reported having a mortgage on the property but reported he/she did not have insurance at the time of the fires.

If an applicant who had insurance or a mortgage (which indicates the property is insured) did not file a claim for the qualifying event the applicant will be required to file a claim and provide evidence of the insurance company’s response regarding the claim. If the insurer approves the claim, the amount of funding approved by the insurance company will be considered in accordance with the duplication of benefits policies. If the insurer indicates that the deadline to file a claim for the qualifying event(s) has passed or that the applicant’s claim is otherwise denied, the Program may serve the applicant, as the funds are no longer available to the applicant.

Small Business Administration (SBA)

Federal regulations deem approved SBA loans for reconstruction to be available assistance for federally funded repair programs. If an applicant has executed a loan with SBA to cover the cost of reconstruction, the total amount of the approved loan is considered available assistance unless the applicant has declined the loan or requested a reduction after SBA initial approval of the loan. As described in 84 FR 28836, “*The amount of a subsidized loan that is declined or canceled is not a DOB.*”

The Program will collect SBA information provided by the applicant through the application process. In addition, the Program may obtain a data feed from SBA to verify all approved amounts for SBA loans. The Program will collect specific information from SBA that breaks out the approved SBA loan amounts into the different assistance categories (e.g., real property, personal property, vehicles, etc.).

Declined SBA Loans

Declined loans are loan amounts offered by a lender but turned down by the applicant, meaning the applicant never signed loan documents to receive loan disbursements. The Program will attempt to verify declined loan amounts using third-party data from SBA. Declined loans must be documented through the SBA data feed in conjunction with written communication from the lender (SBA), for declined loans to be considered funding not available to the applicant.

Accepted but Undisbursed SBA Loan Amounts

Cancelled loans occur when the applicant (borrower) has entered a loan agreement, but all or a portion of the loan amount was not disbursed and is no longer available to the applicant. The loan cancellation may be due to the default of the borrower, agreement by both parties to cancel the undisbursed portion of the loan, expiration of the term for which the loan was available for disbursement, or other reasons. The cancelled loan amount is the amount that is no longer available to the applicant.

If an applicant cancels all or a portion of an SBA loan related to the repair of the dwelling, only the accepted loan amount will be considered a DOB. Cancelled subsidized loan amounts are not considered funds available to the applicant but are subject to further requirements below. Applicants may not take action to reinstate the canceled loan or draw any additional undisbursed loan amounts.

- Cancelled loans that were never drawn must be documented through the SBA data feed demonstrating the \$0 draw in conjunction with written communication from the lender (SBA).
- Cancelled loans that had a portion of the loan drawn, but the remainder cancelled must be verified in the SBA data feed in conjunction with written communication from the lender (SBA). The accepted current loan amount will be considered a DOB.

Legal Settlements

Funds received from any settlement or trust resulting from the August 2023 Wildfires may be considered a DOB for the Program per HUD. Lawsuit settlements will be evaluated for DOB applicability as more information becomes available.

Legal fees that were paid by the applicant to successfully obtain insurance proceeds are considered exclusions to the applicant and are not included as part of their DOB.

Applicants must provide evidence of payment and a judgment or settlement document demonstrating the success in the legal action. All other legal fees that an applicant may have paid out of any disaster assistance proceeds are deducted as part of their DOB if the assistance funding used was intended for reconstruction of the destroyed residence.

Other Sources

Funding received for the same purpose of a Program award, such as funding provided by a non-profit entity or other federal agency to assist the applicant with rebuilding their home must be reported by the applicant through the application process and must be accounted for and verified by the Program. In addition, the support documentation related to other duplicative funding sources must be provided by the applicant, verified by the Program, and applied as a duplication of benefits by the Program.

In-kind donations are non-cash contributions, such as donations of professional services, use of construction equipment, or contributions of building materials that the applicant

may have received for their recovery efforts which serve the same needs as the Program Funds. The value of qualified in-kind donations is not counted as a duplicative amount but rather may be subtracted from the applicant's total need amount due to those donations lowering the applicant's unmet need entering the Program. Contributions of materials or labor for non-eligible items will not be subtracted from the applicant's total need.

ii. Assistance Not Considered Duplicative

Not all assistance received by an applicant is considered duplicative of assistance provided under the Program. Previous assistance received that is considered non-duplicative will not be considered a duplication of benefit.

Private Loans

A loan that is not provided by or guaranteed by a governmental entity, and that requires the CDBG-DR applicant (the borrower) to repay the full amount of the loan (principal and interest) under typical commercial lending terms, e.g. the loan is not forgivable.

The Program will allow for reductions of duplication of benefit totals if the applicant can prove that the use or control of the funds meet certain criteria. In accordance with Federal Register Vol. 84, No. 119 (June 20, 2019), 84 FR 28836, the Program may exclude for duplication of benefits purposes assistance that was: (1) provided for a different purpose; or (2) provided for the same purpose, but for a different, allowable use. Each of these categories is further described below.

iii. Funds for a Different Purpose

Any assistance provided for a different purpose than the CDBG-DR eligible activity, or a general, non-specific purpose (e.g., "disaster relief/recovery"), and not used for the same purpose must be excluded from total assistance when calculating the amount of the DOB. Any funding received for purposes other than home repair, reconstruction, or replacement may not be considered DOB. Funding received for purposes different from the purpose of assistance offered under the Program will be excluded for purposes of duplication of benefit determination¹².

Funds Not Available to the Applicant

Funds that are not available to an applicant may also be excluded from the final award calculation. Funds are not available to the person or entity if the person does not have legal control of the funds when they are received and are used for a non-duplicative purpose.

For example, if a homeowner's mortgage requires any insurance proceeds to be applied to reduce the lien balance, then the bank/mortgage holder (not the homeowner) has legal control over those funds. Therefore, the homeowner is legally obligated to use insurance

¹² <https://www.hud.gov/sites/dfiles/CPD/documents/Revised-Duplication-of-Benefits-Policy-FAQ.pdf>

proceeds for that purpose and does not have a choice in using them for any other purpose, such as to rehabilitate the house. Under these circumstances, insurance proceeds do not reduce assistance eligibility. Alternatively, if a disaster-affected homeowner chooses to apply insurance proceeds to reduce an existing mortgage, or requests that the lender demand payment, insurance proceeds reduce the amount of disaster assistance eligibility. In addition, if a mortgage requires insurance proceeds to be used for repair of the property, those proceeds must be considered assistance for that purpose. A homeowner does not need to possess cash assistance to be considered legal in control over receiving benefits for a particular purpose.

iv. Funds for the Same Purpose, but Different Eligible Use

Funds received for the same purpose as funds provided under the Program but were used by the Applicant for a different allowable use may be excluded from the final award calculation. In some instances, funds provided for the same general purpose (e.g., reconstruction of a home) as the CDBG-DR funds, may have been used by the applicant for a different allowable use. In these circumstances, if the applicant can document (receipts or paid invoices) that the funds received were used for a different, but eligible, use, then the funds are not duplicative. Funds spent on a different, but eligible, use will be used to offset duplication of benefits.

The Program will review documentation submitted on a case-by-case basis.

Temporary Housing Expenses

Eligible uses include temporary housing costs such as dwelling rent, hotel stays, and applicable utilities that occurred because of temporary displacement from the primary residence due to the fires. Eligible temporary displacement is from the time of the event until the date of the verification letter. Evacuation costs are not eligible for duplication of benefits exclusion.

Temporary housing expenses can be excluded from the potential duplication of benefits amount. When a homeowner receives insurance funds, FEMA and other non-FEMA benefits received as a lump sum that is not itemized in a policy or a summary of benefits notification and spent by an applicant on temporary housing expenses from the date of the disaster, which can be documented by the Program, can be deducted from the DOB total. If sufficient documentation for these expenses is provided the DOB will be reduced by that amount.

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Eligible Temporary Housing Exclusion Expenses, as well as documentation required may include but are not limited to:

Temporary Housing Exclusion Expenses	Documentation Required
Dwelling Unit Rent	Receipts, lease or rental agreements
Hotel or Short-Term Rental	Receipts or rental agreement
Temporary Housing-Related Utilities	Self-Affidavit for up to 60-days Food and other personal items are ineligible for DOB Exclusions
Other Temporary Housing Arrangements on a case-by-case basis review	Proof of Payment for Other Temporary Living Arrangements including bank statements or credit card purchases

Table 11 Temporary Housing Exclusions

Debris Removal

Federal, State and local partners have assisted applicants with debris removal. Insurance proceeds received specifically for debris removal are excluded as a duplication of benefits if the lot has already been cleared as determined by the initial inspection. If the homeowner has spent non-insurance proceeds to remove debris and can demonstrate the expense via invoice or receipts, and the Program verifies that the work has been completed, the expense of that debris removal will be deducted from the applicant's total DOB obligation.

Theft, Vandalism, or Contractor Fraud

If an Applicant is a victim of theft, vandalism, or contractor fraud, the amount paid for the materials or for work or to the contractor may be excluded from duplication of benefit if properly documented. The Applicant would have had to have filed a formal complaint with a government authority (e.g., Hawaii's Regulated Industries Complaints Office, a consumer protection agency, and police department) setting forth in detail the cause and amount of fraud in sufficient form to be verifiable and affirmed through enforcement follow-up. The Program will collect documentation of the formal complaint/police report to verify the Contractor Fraud/Theft/Vandalism.

Applicants will have to prove that they have filed a formal complaint with law enforcement, the Regulated Industries Complaints Office or the Attorney General or that they have filed a civil action in a Hawai'i court. The intent of the contractor fraud policy and procedure is to consider all relevant evidence a homeowner can provide to make a reasonable determination of whether the duplication of benefit amount should be reduced. It is a totality of circumstances that will support this justification.

Applicants' engagement or indication that they will be engaged in litigation related to fraud, workmanship, vandalism, or theft does not preclude the Applicants from obtaining a duplication of benefit reduction. The Applicants will sign a Subrogation agreement at grant execution that requires the Applicants to return any portion of funds that they may later receive related exclusively to repairs of the home for which the Program may provide. Therefore, the existence of a lawsuit is not grounds for denying this DOB reduction analysis.

v. Subrogation

Recipients of federal recovery funds to repair or rebuild (a federal award), agree that if the recipient later receives from another source (like insurance, a lawsuit settlement, or another program), for services already provided by the program, the recipient must provide the additional funding received so the recipient does not receive duplicative benefits through the federal award and another source. Put simply, subrogation here means recipients of federal funds agree to pay back any overlapping funds if you later get money from other sources for the same reason as the program award.

Applicants must subrogate any additional funds received for the same purpose as funds provided by the Program back to the Program. CDBG-DR funding must be funding of last resort. If additional funds are paid to applicant awardees for reconstruction of the destroyed structure after the Program has completed reconstruction of the structure, those funds constitute a duplication of benefit and therefore must be returned to County OOR. Applicant awardees will be required to sign a Subrogation Agreement as part of their grant agreement with the Program.

vi. Duplication of Benefits Gap – Reconstruction Awards Only

A Duplication of Benefits (DOB) gap exists when a homeowner receives assistance from other sources (insurance, FEMA, SBA) for the same disaster-related damage that exceeds allowable exclusions, the Program cannot pay for the same costs again, this is a “DOB Gap.” In other words, a DOB Gap is the amount of funds the applicant is required to provide towards the costs of the reconstruction project.

To determine the DOB Gap, the Program calculates the total financial assistance (insurance, FEMA, SBA) an applicant has received for the reconstruction of their home, minus any excludable financial assistance (temporary housing, debris removal, contractor fraud), is greater than zero dollars (\$0.00).

Example: Total Assistance (\$50,000) – Total Excludable (\$20,000) = DOB Gap (\$30,000).

The Program provides awards in the form of reconstruction, with no funds paid directly to the applicant, any duplication of benefits must be resolved before an award is made. Resolution may occur through a reduction in the Program benefit (a scope reduction), by the applicant contributing funds equal to the DOB gap, or by a combination of both methods to reduce the DOB gap to zero.

The applicant may satisfy the DOB gap in one or a combination of the following ways:

- **Applicant Contribution:** The DOB gap amount, along with any future financial assistance for the reconstruction of the home, must be provided to the Program and deposited into a DOB Gap Funding Account prior to execution of the Homeowner Grant Agreement.
- **Scope Reduction:** The DOB gap may be resolved by reducing the Program-funded benefit provided to the applicant, as described in the sections below. Scope reduction will not be permitted if it conflicts with local code requirements or would result in household overcrowding in the reconstructed home.

Applicants will be notified in writing if a DOB gap is discovered. Applicants will have thirty (30) days from the date of notification of the DOB gap to appeal the DOB gap determination or satisfy the DOB gap by providing funds in the amount of the DOB gap, accepting a scope reduction as described below, or both. If an applicant fails to satisfy the DOB gap within the thirty (30) day timeframe allotted, the applicant's case will be closed.

Scope Reduction for DOB Gap

If the applicant qualifies for a reconstruction award, and a DOB gap is discovered, the applicant shall either:

- (1) Provide funds in the amount of the DOB gap to be deposited into a DOB gap Funding Account prior to award and commencement of program-sponsored construction and/or
- (2) Opt for a scope reduction to select a lower-priced home than what the homeowner qualifies to receive from the Program¹³.

The cost differential between the home for which an applicant qualifies and the lower priced home they select will be used to offset any DOB gap.

Homeowner-provided funds that are deposited into the DOB gap Funding Account will be drawn down first, prior to the use of program funds.

If the homeowner elects to take a scope reduction, the Program will assist the applicant with choosing a smaller house plan.

DOB Gap Exceeds Estimated Cost of Reconstruction

An applicant can meet the requirements for program eligibility but may not qualify for an award if the previous benefit received by the applicant is greater than the estimated cost to reconstruct the destroyed structure.

¹³ Scope reductions that would result in overcrowding will not be authorized. Applicants whose households would become overcrowded by the removal of a bedroom are prohibited from electing such a scope reduction.

b. Environmental Review

Environmental review is the process of reviewing a project to determine its potential to impact the environment in accordance with federal, state, and local requirements. 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), 42 U.S.C. §4231 et seq., as well as to the HUD environmental review regulations at 24 C.F.R. § 58 on Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities.

The Program conducts an environmental review on every project, prior to issuing a program award to ensure that the proposed activities do not negatively impact the surrounding environment and that the property itself will not have an adverse environmental or health effect on end users. Specifically, 24 C.F.R. § 58.22 limitations on activities pending clearance prohibit the commitment or expenditure of federal or non-federal funds on any activity that could have an adverse environmental impact or limit the choice of reasonable Alternatives prior to completion of an environmental review. The Program environmental review is subject to guidance outlined in the following:

- Environmental Responsibilities (24 C.F.R. § 58)
- Protection of Historic Properties (36 C.F.R. § 800).
- Floodplain Management and Protection of Wetlands (24 C.F.R. § 55).
- Sections 307 (c) and (d) of the Coastal Zone Management Act of 1972 (CZMA), as amended, (16 U.S.C. § 1456).
- Sole Source Aquifers (40 C.F.R. § 149).
- Interagency Cooperation - Endangered Species Act of 1973, as amended (50 C.F.R. § 402).
- Section 7 (b)(c) of the Wild and Scenic Rivers Act of 1968 (WSRA), as amended, (16 U.S.C. § 1278 - Restrictions on Water Resources Projects).
- Air quality provisions as found in Sections 176 (c) and (d) of the Clean Air Act, as amended, (42 U.S.C. § 7506) and in Title 40 of the Code of Federal Regulations (40 C.F.R. Parts 6, 51, and 93).
- Farmland Protection Policy Act (FPPA) (7 U.S.C. § 4201 et seq., implementing regulations 7 C.F.R. Part 658, of the Agriculture and Food Act of 1981, as amended)
- Environmental Criteria and Standards.
- Noise Abatement and Control (24 C.F.R. §§ 51.100 - 51.106)
- Siting of HUD-Assisted Projects Near Hazardous Operations Handling Conventional Fuels or Chemicals of an Explosive or Flammable Nature (24 C.F.R. §§ 51.200 - 51.208)
- Siting of HUD Assisted Projects in Runway Clear Zones at Civil Airports and Clear Zones and Accident Potential Zones at Military Airfields (24 C.F.R. § 51 §§ 51.300 - 51.305)
- Toxic/Hazardous Materials (24 C.F.R. § 58.5(i)(2)(i)).

Environmental clearance must be obtained for each project prior to the commitment of federal or non-federal funds. A violation of this requirement may jeopardize Federal funding for the Program and disallow all costs that were incurred before completion of the environmental review.

Issues identified during the environmental review may be mitigated before or after the construction process, if feasible. Eligible environmental mitigation measures may be paid for through the Program. If a condition discovered during the environmental review cannot be cleared within program award caps or schedule constraints, the property may be ineligible for assistance.

During the environmental review, the program may determine that, due to extraordinary environmental conditions, the site is not feasible for reconstruction. In these cases, the property may be determined to be ineligible for assistance.

i. Tiered Environmental Review

A tiered approach to environmental compliance was implemented for the Program. A tiered approach is appropriate when a specific type of activity that will take place in several locations will serve the same function and will have the same level of environmental impact regardless of the location where it is to be implemented. The tiered approach has two (2) parts: the broad environmental review that focuses on a targeted geographic area (the Tier I), and the site-specific review (the Tier II).

A Tier I review was conducted to address and analyze environmental impacts related to reconstruction of single-family homes. A Tier II review will be conducted for each applicant prior to execution of a grant agreement. The Tier II review will identify those environmental impacts that will vary by site and may only be observed when specific project locations are known, such as but not limited to historic preservation and hazardous materials, etc.

c. Section 3

As required by Section III.D.7.d of the Universal Notice, the County OOR complies with Section 3 of the Housing and Urban Development Act of 1968. This provision ensures that employment, training, and contracting opportunities generated by HUD-funded projects, to the greatest extent feasible, are directed to low- and very low-income persons, particularly those residing in the project area. Contractors and subrecipients must report Section 3 compliance as part of their contractual obligations.

d. Labor Standards

i. Davis Bacon and Related Acts (DBRA)

Where applicable, the County OOR complies with the Davis-Bacon and Related Acts (DBRA), which require the payment of prevailing wages to laborers and mechanics on

federally funded construction projects. While DBRA generally does not apply to single-family owner-occupied reconstruction, there are applicable state or local labor standards.

ii. Hawaii Revised Statutes (HRS), Chapter 104

The County OOR will comply with Chapter 104 of the Hawaii Revised Statutes. Chapter 104, HRS, is the wage and hour law on State and county public works construction projects. Major requirements of the law include the payment of prevailing wages and overtime to laborers and mechanics working on the project; submission of weekly certified payrolls; record keeping; and posting and notification to employees of the prevailing wage rates.

Every public works construction project over \$2,000, involving a State or county governmental contracting agency, is covered, whether it is in the form of a contract awarded through a formal bid process, purchase order, voucher, or lease arrangement. Warranty work performed by a contractor/ subcontractor is covered.

The law applies to work performed at the public work job site by any laborer or mechanic, including owner-operators. It also applies to a laborer or mechanic who is employed at a public work site and transports materials, supplies or equipment:

- a) To or from a public work site; or
- b) Between a public work site and another public work site or a dedicated site

Under Section 12-22-1, Hawaii Administrative Rules (HAR):

"Construction of public work" includes without limitation new construction, reconstruction, development, improvement, alteration, repair, renovation, painting, decorating, dredging, shoring, simultaneous sewer inspection and repair, and any other activity performed by a laborer or mechanic employed at the site of a public work or at any property used by the contractor, dedicated for the performance of the contract, such as batch plants, borrow pits, fabrication plants, mobile factories, job headquarters, and tool yards. As used in this definition, "other activity performed by a laborer or mechanic employed at the site" includes the following if the activity is an integral part of or is in conjunction with a construction contract, or if there is substantial construction activity involved in a supply, service, or other type of non-construction contract:

- 1) Manufacturing or furnishing of materials, articles, supplies, or equipment on the job site;
- 2) Warranty work;
- 3) Demolition or excavation;
- 4) Landscaping;
- 5) Termite treatment; and
- 6) Installation at the construction site of items or articles fabricated off-site, such as shelving, drapery, and communications equipment.

"Public work" means any project, including development of any housing pursuant to section 46-15 or chapter 201H and development, construction, renovation, and maintenance related to refurbishment of any real or personal property, where the funds or resources required or used to undertake the project are to any extent derived, either directly or indirectly, from public revenues of the State or any county, or from the sale of securities or bonds whose interest or dividends are exempt from state or federal taxes.

Under Section 201H-1, Hawaii Revised Statutes (HRS):

"Housing project" or "project":

- (1) Includes all real and personal property, buildings and improvements, commercial spaces, lands for farming and gardening, and community facilities acquired or constructed or to be acquired or constructed, and all tangible or intangible assets held or used in connection with the housing project; and
- (2) May also be applied to the planning of the buildings and improvements, the acquisition of property by purchase, lease, or otherwise, the demolition of existing structures, the construction, reconstruction, alteration, and repair of the improvements, and all other work in connection therewith.

16. Uniform Relocation Act (URA)

As a HUD-assisted program, and in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), 42 U.S.C. § 4601 et seq., and the government wide implementing regulations found at 49 C.F.R. part 24, all programs in the County OOR's CDBG-DR recovery portfolio, including this Program, are subject to URA regulations.

Applicants who must relocate from their destroyed property temporarily for construction activities associated with acceptance of a repair, reconstruction or replacement award are not considered displaced persons, (see 49 C.F.R. § 24.2(a)(9)(ii)(E) or (H)) and as such, are not entitled to relocation assistance benefits under URA.

However, lawful tenants of program-assisted properties who must relocate due to program-sponsored construction activities may be considered displaced persons by URA regulations and may be eligible for URA relocation assistance benefits.

Every project funded in part or entirely by Community Development Block Grant – Disaster Recovery (CDBG-DR) funds, and all activities related to that project are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, 42 U.S.C. § 4601 et seq., and section 104(d) of the Housing and Community Development Act of 1992, as amended (HCDA), 42 U.S.C. § 5304(d), except

where waivers or alternative requirements have been provided by the U.S. Department of Housing and Urban Development (HUD).

The implementing regulations for URA are at 49 C.F.R. Part 24. The regulations for section 104(d) are at 24 C.F.R. Part 42, subpart C. Additionally, HUD has established regulations specific to CDBG-funded housing activities at 24 CFR 570.488 and 24 C.F.R. § 570.606. The primary purpose of these laws and regulations is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

The Program does not provide for acquisition of real property with federal funds. Applicants who were required temporarily vacate their destroyed property are not considered displaced persons under 49 CFR § 24.2 and thus not entitled to assistance under URA.

All relocation activities must comply with the County's Relocation Assistance and Residential Anti-Displacement Plan (RARAP).

a. Displacement Due to a Major Disaster

Section 414 of the Stafford Act (42 U.S.C. 5181) provides that “Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646) [42 U.S.C. 4601 et seq.] [“URA”] shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by [the URA].”

Section 414 of the Stafford Act and its implementing regulation at 49 CFR 24.403(d)(1) are waived to the extent that they would apply to real property acquisition, rehabilitation, or demolition of real property for a CDBG-DR funded project commencing more than one year after the date of the latest applicable Presidential declared disaster (August 2023 Wild), provided that the project was not planned, approved, or otherwise underway before the disaster.

For purposes of this waiver, a CDBG-DR funded project shall be determined to have commenced on the earliest of: (1) The date of an approved Request for Release of Funds and certification; (2) the date of completion of the site-specific review when a program utilizes Tiering; or (3) the date of sign-off by the County of Maui's Certifying Official when a project converts to exempt under 24 CFR 58.34(a)(12).

No CDBG-DR funded projects have occurred within the one (1) year timeframe established at 87 FR 6390 before the waiver is effective, as such the Section 414 waiver will apply and Section 414 will not apply.

17. Fraud, Waste and Abuse

The County OOR, as grantee, is committed to the responsible management of CDBG-DR funds by being a good advocate of the resources while maintaining a comprehensive policy for preventing, detecting, reporting, and rectifying fraud, waste, abuse, or mismanagement.

Pursuant to FR-6489-N-01, the County OOR implements adequate measures to create awareness and prevent fraud, waste, abuse, or mismanagement among other irregularities in all programs administered with CDBG-DR funds as well as encourages any individual who is aware or suspects any kind of conduct or activity that may be considered an act of fraud, waste, abuse, or mismanagement, regarding the CDBG-DR Program, to report such acts to the County OOR - CDBG-DR Internal Audit Office, directly to the Office of Inspector General (OIG) at HUD, or any local or federal law enforcement agency.

For more information, see the County OOR Fraud, Waste and Abuse Policy.¹⁴

18. Closeout

Applications will be closed upon completion of construction work and upon returning the keys to the program-assisted property to the homeowner. Program staff will perform a complete review of the application file to ensure all necessary documentation is present and to ensure that the case is ready for closeout. By the time a case reaches closeout, the case has undergone several QC checkpoints and various approvals at specific stages. Because the case has undergone such extensive quality control throughout each stage of the program process, closeout review is intended to provide a completeness review of each individual application, rather than a comprehensive quality control review of each step.

When all quality control review levels have been approved, the applicant will be sent a Final Notice from the Program, informing the applicant that his/her case has been closed and reminding the applicant of program requirements including but not limited to compliance period requirements and subrogation.

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¹⁴ Fraud, Waste and Abuse Policy: <https://hookumuhou.mauicounty.gov/31/Document-Library>

19. Administrative Policies

The County OOR is required to make publicly available all policies and procedures (P&Ps) that affect applicants, beneficiaries, and the general public. These postings ensure transparency, compliance with HUD requirements, and accountability in the use of disaster recovery funds.

The following P&Ps must be posted to the County's CDBG-DR website:

- **Action Plan for Disaster Recovery and Amendments** – All substantial and non-substantial amendments.
- **Citizen Participation Plan (CPP)** – Public input process, comment periods, and complaint resolution.
- **Program Policies & Procedures** – For each active program (housing, multifamily, infrastructure, public services, economic revitalization, and mitigation).
- **Cross-Cutting Federal Requirements** – Fair Housing and Equal Opportunity, Section 3 Plan, Uniform Relocation Assistance and Anti-Displacement, Language Access/LEP, and Section 504/ADA accessibility policies.
- **Financial and Administrative Policies** – Duplication of Benefits (DOB), Conflict of Interest, Fraud/Waste/Abuse reporting, Recordkeeping/Retention, and public-facing summaries of procurement standards.
- **Monitoring and Compliance Policies** – Subrecipient/contractor monitoring, corrective action procedures, and recapture/enforcement policies.

Each posted policy will include:

- Version control history with a summary of changes;
- Cross-references/links if core applicant content is located in another document; and
- Alignment with all amendments (substantial or non-substantial) to the County's Action Plan.

[End of Program Policy]

20. Definitions

Area Median Income (AMI): The median (middle point) household income for an area adjusted for household size as published and annually updated by the United States Department of Housing and Urban Development (HUD).

Applicant: An individual who applies to the Single-Family Homeowner Reconstruction and Reimbursement Program for assistance with his/her primary residence.

Base Flood Elevation (BFE): Base Flood Elevation as determined by the Federal Emergency Management Agency (FEMA), is the elevation of surface water resulting from a flood that has a 1% chance of equaling or exceeding that level in any given year.

CDBG-DR: Community Development Block Grant Disaster Recovery.

Duplication of Benefits: A duplication of benefits (DOB) occurs when a person, household, business, or other entity receives disaster assistance from multiple sources for the same recovery purpose, and the total assistance received for that purpose is more than the total need.

Duplication of Benefits (DOB) Gap: DOB gap is the total amount of excludable and non-excludable benefits received less the dollar amount of excluded benefits (excludable benefits).

Environmental Review: All qualified projects must undergo an environmental review process. This process ensures that the activities comply with the National Environmental Policy Act (NEPA) and other applicable state and federal laws. For HUD purposes, applicable requirements are found at 24 CFR 58.

Federal Register: The official journal of the Federal government of the United States that contains government agency rules, proposed rules, and public notices. It is published daily, except on Federal holidays. A Federal Register Notice (FRN) is issued for each CDBG-DR funded disaster. The FRN outlines the rules that apply to each allocation of disaster funding.

Floodplain: FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area.

Floodway: A "Regulatory Floodway" means the channel of a river or other watercourse and the adjacent land areas that must be reserved to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. Communities must regulate development in these floodways to ensure that there are no increases in upstream flood elevations. For streams and other watercourses where FEMA has provided Base Flood Elevations (BFEs), but no floodway has been designated, the community must review floodplain development on a case-by-case basis to ensure that

increases in water surface elevations do not occur or identify the need to adopt a floodway if adequate information is available.

Household: A household is defined as all people occupying the same housing unit, regardless of their relationship with each other. The occupants could consist of a single-family, two or more families living together, or any other group of related or unrelated people who share living arrangements.

HUD: United States Department of Housing and Urban Development.

Low- to Moderate-Income (LMI) National Objective: Activities that benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with HUD Guidance.

Most Impacted and Distressed (MID) Areas: Areas of most impact as determined by HUD. The MID designated area is the County of Maui.

OOR: County of Maui Office of Recovery; the grantee and administering entity for CDBG-DR funds allocated to the County of Maui for recovery from the Maui Wildfires which occurred on August 8, 2023.

Primary Residence: a dwelling that the owner uses as their principal and permanent home. It is the place where a person has voluntarily fixed habitation, not used for only special, temporary or vacation purposes, but where the person intends to make a permanent home. A person may only have one designated primary home at any point in time.

Program: the Ho'okumu Hou Single-Family Homeowner Reconstruction and Reimbursement Program.

Qualifying Event: August 2023 Maui Wildfires

Reconstruction: Reconstruction is defined as the rebuilding of a structure on the same site in substantially the same manner (i.e. Site-built homes rebuilt as site-built), unless otherwise technically infeasible. Feasibility for reconstruction is not a property owner driven discussion or option, but only driven by documentation of the site constraints, provided by the construction manager to support any further review. Stick-built homes will need to have a satisfactorily completed Tier II environmental review based on site characteristics and be able to meet local building code requirements as a part of any conditional approval.

Second Home: Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for assistance through the Program. A second home is defined as a home that is not the primary residence of the owner or any occupant at the

time of the qualifying disaster or at the time of application for assistance. Additionally, seasonal, short-term and vacation rental properties are not eligible for assistance.

Single-family Home: A [residence](#) consisting of one to four [dwelling units](#). [Single-family housing](#) includes condominium [dwelling units](#) and [dwelling units](#) in cooperative housing projects..

FEMA Special Flood Hazard Area: The area inundated by the flood with a 1% chance of being equaled or exceeded in any given year is known as the special flood hazard area. This is also referred to as the base flood or the 100-year flood.

Stick-built home: A home that has been built on-site using traditional construction materials and methods or a modular home.

Xactimate: A residential estimating software that is used to standardize estimates for construction costs.