

COUNTY OF HAWAI‘I

Community Development Block Grant -
Disaster Recovery (CDBG-DR)

Action Plan

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SECTION 1. INTRODUCTION

\$83.841 million in CDBG-DR funding has been awarded to Hawai'i County, Hawai'i to "...help to meet remaining unmet housing, economic development, and infrastructure needs that resulted from thousands of homes and small businesses being damaged or destroyed."

The Lower East Rift Zone (LERZ) eruption began on May 3, 2018. The eruption was preceded by a series of earthquakes that occurred when the Pu'u 'Ō'ō crater on the east flank of Kīlauea collapsed and magma moved toward the Lower East Rift Zone. Reports of small ground cracks opened in and adjacent to Leilani Estates, commencing eruptions in the area of Mohala and Leilani Streets. On May 3, 2018, Hawai'i Volcanoes Observatory (USGS HVO) of the US Geological Survey issued a Volcanic Activity Notice indicating that a hazardous eruption was underway. Hawai'i County Civil Defense issued voluntary and mandatory evacuation orders in Leilani Estates and Lanipuna Gardens subdivisions. Lava broke through the surface in Leilani Estates, resulting in a 100-foot lava fountain spewing from the initial fissure. Puna experienced its most significant earthquake on May 4, 2018, measuring 6.9 on the Richter Scale. The lava flow covered 8,448 acres of land and permanently altered the landscape. In addition, the resulting gases, particulate matter, and other materials contributed to additional damages extending beyond that created by the earthquakes, fissures, eruptions, and lava flows from the volcanic activity. The alert level was reduced from a WARNING to a WATCH on August 17, 2018, allowing officials, residents, and responders to make the transition from response to recovery. There have been no active lava flows since August of 2018, though lava was seen inside Fissure 8 in Leilani Estates as of September 5, 2018. The Federal Emergency Management Agency (FEMA) identified incident period extended from May 3, 2018 through August 17, 2018, and resulted in a disaster declaration (DR-4366) on May 11, 2018, under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 United States Code (U.S.C.) 5121 et seq. (the "Stafford Act").

Hawai'i recovery to date: In the wake of the 2018 Kīlauea eruption, Hawai'i County immediately began the complex process of recovery. Over the weeks and months that followed, Hawai'i County departments, with support from numerous organizations and volunteers, undertook a series of critical emergency response and recovery efforts. These recovery efforts were quite different from other disasters, such as floods, because unlike flood water, the lava does not recede. Instead, the lava cooled and hardened, burying homes, buildings, and prime agricultural land under dozens of feet of lava—in some cases, as much as 80 feet of lava. The possibility of rebuilding is complicated in a landscape where lava has buried all structures, infrastructure, land, and any defining features or parcel markings. People were forced to leave their homes and many personal belongings behind, later to find there was nothing left to return to. In some cases, properties were not inundated with lava but instead became isolated as lava covered roads and surrounded properties, leaving the properties inaccessible except possibly by foot after the lava cooled and stabilized. Some property owners with inundated properties have been able to receive some insurance compensation; others have received some FEMA or Small Business Administration (SBA) assistance, which is addressed in the Section 3 of the document. This has led some residents to attempt to rebuild their damaged or inundated properties or to relocate back to their isolated properties. Meanwhile, other property owners have relocated out of the impacted areas or have even left the island entirely.

The County of Hawai'i did receive funds from the State Legislature and the Governor's Office during and immediately after the disaster event to assist in emergency response and short-term recovery. The County



received approximately \$42,000,000 in grants to assist in response and recovery as well as \$40,000,000 through a loan. With the majority of the Public Assistance grants obligated with FEMA the County anticipates approximately \$127,000,000 for public infrastructure, including \$95,000,000 in federal funding.

In response to the magnitude of remaining recovery needs, the U.S. Department of Housing and Urban Development (HUD) released its Federal Register Notice (85 FR 4681) on January 27, 2020, allocating \$83,841,000 in Community Development Block Grant - Disaster Recovery (CDBG-DR) funds for the County of Hawai'i.

Hawai'i County has prepared this Action Plan as required by HUD to guide the expenditure of \$83,841,000 in CDBG-DR funding to assist the most impacted and distressed areas resulting from the presidentially declared volcanic disaster of May–August 2018. This Action Plan assesses remaining unmet housing, infrastructure, and economic needs and presents a series of programs and projects to maximize the recovery and resilience potential of this important resource.

1.1 Purpose and Authorization of the CDBG-DR Action Plan

DIVISION I—Supplemental Appropriations for Disaster Relief, 2018 of the FAA Reauthorization Act of 2018 (Pub. L. 115– 254, approved October 5, 2018) (Appropriations Act) provides up to \$1,680,000,000 to assist communities in recovering from major disaster declarations in 2018. The Additional Supplemental Appropriations for Disaster Relief Act of 2019 (P.L. 116-20, approved June 6, 2019) provides up to \$2,431,000,000 to assist communities in recovering from major disaster declarations in 2019. Funding is made available through the CDBG-DR program and is intended for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared in 2018, pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*).

Utilizing the best available data, HUD determined significant unmet recovery needs in Hawai'i County and has provided notice of a direct allocation of \$83,841,000 in funding to address impacts related to Kīlauea Volcanic Eruption & Earthquakes (DR4366). The Federal Register Notice 85 FR 4681 and applicable prior notices require that funds be used only for specific disaster-related purposes and requires that prior to the obligation of funds, a grantee shall submit a plan detailing the proposed use of all funds within 6 years. To comply with HUD requirements, this Action Plan describes the County's strategy for utilizing limited CDBG-DR funds to address unmet housing, infrastructure, and economic development needs within the most disaster impacted areas of the County resulting from volcanic eruption, and earthquake events.

Hawai'i County published the Initial Action Plan for public comment on July 20, 2020. This 30-day public comment period ended on August 18, 2020. The Initial Action Plan described the allocation of \$83,841,000 to programs designed to address unmet needs resulting from the 2018 Kīlauea eruption, primarily focusing on acquisition of residential properties impacted by the disaster that meet low- to moderate-income criteria.

The Initial Action Plan was made available via Hawai'i County's disaster recovery website at <https://recovery.hawaiiicounty.gov/>. A Public Notice announcing the 30-day public comment period for this Initial Action Plan was advertised on the County website and published in the print and online versions of the



Hawaii Tribune Herald and West Hawaii Today newspapers. Written comments on the Initial Action Plan were accepted through August 18, 2020, by email to kilauearecovery@hawaiicounty.gov, or by U.S. mail and hand delivery to the 25 Aupuni Street, Suite 1301, Hilo, HI 96720. All comments are given the same consideration regardless of the method of submission.

1.2 Planning, Coordination, and Consistency

Hawai'i County developed this Action Plan with the participation and support of numerous County departments, and input from community stakeholders, as well as coordination with relevant federal and state entities. While the County is the primary entity responsible for management of CDBG-DR funding, these participating organizations were essential partners and provided information throughout the planning process and also helped ensure consistency with other local and regional planning efforts. The programs and activities outlined within this Action Plan have been designed to be consistent with key planning documents, including:

- Kīlauea Recovery and Resilience Plan
- Hawai'i County General Plan
- Puna Community Development Plan
- Hawai'i County 2020-2024 Consolidated Plan
- Hawai'i County Bridging the Gap Homeless Point-in-Time Count
- Hawai'i Island Volcanic Risk Assessment
- Multi-Hazard Mitigation Plan

The County of Hawai'i worked closely with key groups throughout the development of this Action Plan, including the County's Recovery Leadership Team and the Disaster Recovery Task Force with participation from County and community representatives. These groups brought a wealth of local knowledge and resources to the process and assisted with the assessment of unmet needs and development of the most effective recovery programs. These groups fostered collaboration, ensured regional consistency, and promoted stakeholder engagement throughout the development of this Action Plan. Coordination with each of these groups also allowed the County to establish open communication channels and relationships that will support implementation of recovery activities. Each group is described below.

1.2.1 COUNTY OF HAWAII RECOVERY LEADERSHIP TEAM

The County established a Recovery Leadership Team to provide oversight and strategic direction throughout the recovery planning process, and to support the preparation of this Action Plan. The County's Recovery Leadership Team is comprised of principals from the Mayor's Office, Department of Finance, Planning Department, Civil Defense Agency, and Department of Research and Development. This group provides interagency coordination and integrated resource management within the County to ensure effective delivery of disaster recovery activities, including the implementation of the CDBG-DR grant award.

During the current phase of long-term recovery, the Recovery Leadership Team has participated in meetings on an approximately weekly basis. This group provides feedback and addresses decisions related to recovery planning, policy, and project identification and prioritization. This includes provision of any related data and information relevant to individual members' areas of responsibility. The Recovery Leadership Team offers



guidance related to their fields of expertise and areas of responsibility within the County, assistance with public outreach, and participation in the development of project activities funded through the CDBG-DR program.

The Recovery Leadership Team also provides oversight to ensure that recovery activities are feasible and consistent with other local and regional efforts. When establishing goals and identifying recovery programs and projects, the Recovery Leadership Team verifies consistency with other planning and related departmental efforts.

1.2.2 COUNTY OF HAWAII' DISASTER RECOVERY TASK FORCE

The County of Hawai'i Disaster Recovery Task Force (Task Force) consists of representatives from the County Administration, County Council, and community members of various stakeholder groups, including residents of the impacted areas, business sector, and cultural practitioners. The Task Force has advised the County on the development of strategies and projects to support long-term recovery from the 2018 Kīlauea eruption, including CDBG-DR project activities included in this Action Plan. The Task Force includes representatives from numerous stakeholder groups, including:

- Hawai'i County Government Officials
- Hawai'i County Council Members
- Local Educational Representatives
- Local Community Organizations
- Local Business Owners
- Impacted Residents
- Impacted Property Owners
- Financial Institutions

The Task Force was charged with informing the development of policy decisions and recovery strategies, in addition to collaborating with the Disaster Recovery Division on implementation. Input, concerns and suggestions from Task Force members informed the CDBG-DR project activities proposed in this Action Plan to ensure that as many stakeholder groups and community needs specific to the impacts of the 2018 Kīlauea eruption would be included in the planning process and prioritization of limited federal recovery resources. This work with the Task Force supplemented months of community engagement on the recovery process with more than 3,600 residents, youth, business leaders, and property owners. The Task Force will support public engagement strategies and the implementation of CDBG-DR project activities on an ongoing basis.



SECTION 2. DEMOGRAPHIC PROFILE OF IMPACTED AREA AND ANALYSIS OF IMPEDIMENTS

Disasters can impact people of all socioeconomic and demographic types and characters. Because of this, it is important to understand the underlying characteristics of the population in areas impacted by disaster, ensuring that recovery programs respond to the unique conditions of the community and any residents in need of assistance. The purpose of this document is to assist in identifying whether populations that may typically be underserved, require special services, or have special needs are disproportionately impacted.

Presented below is a demographic profile of the County that summarizes key characteristics of the population, including potential risk factors and vulnerabilities. HUD has identified the entire County of Hawai'i as the Most Impacted and Distressed (MID) Area. Therefore, an analysis was conducted on the County level because the County and MID are synonymous. Because the Puna District was the most impacted district in the County following the 2018 Kīlauea eruption, an analysis of the District is included within the profile. The analysis, which was completed with cumulative Census Tract data, was conducted on the tract level because the Puna District almost completely aligns with existing Census Tracts. Furthermore, where data is available from the 2013-2017 American Community Survey, Block Groups were analyzed to represent the areas physically impacted by the 2018 Kīlauea eruption.

The Census Tracts used in the analysis for the Puna District are as follows: 210.03, 210.05, 210.10, 210.11, 210.13, 211.01, and 211.06. Portions of the Census Tracts used do extend beyond the Puna District; however, these areas extend into state park land and are relatively small, containing negligible socioeconomic, demographic, or housing data. Additionally, Census Tracts located primarily outside of the Puna District that contain small incursions into the district are in these same park lands. Therefore, population and housing data is expected to be negligible or non-existent. To represent the areas physically impacted by the 2018 Kīlauea eruption the following were used in the analysis of data: Census Tract 211.01 Block Groups 1 and 2; and Census Tract 211.06 Block Groups 2 and 4. To conduct an analysis and identify any concentrations of specific population or housing characteristics, Eruption Area data are displayed with Puna District data, County-level and State-level data.

2.1 Demographic Analysis

2.1.1 TOTAL POPULATION AND AGE

According to the 2013–2017 American Community Survey (ACS) 2018 release, the County had an estimated total population of 196,325 people, comprising 67,054 households. This equates to approximately 14% of the total population (1,421,658) and 15% of the total number of households (455,502) in the State of Hawai'i. The average household size for owner-occupied housing units in the County was 2.84 people, while the average household size for renter-occupied units was 2.95 people. The median age of County residents was 42.1, with 22% of the population under the age of 18 and 18.5% over the age of 65. These figures indicate that the County has a slightly older resident population than the State, which as of the 2013–2017 ACS release, had a median age of 38.8 and 16.7% of residents over 65 years of age (Table 2-1). The Puna District, which was most impacted



by the 2018 Kīlauea eruption, has an estimated population of 45,326, making up 23% of the County's total population. Puna District also has a larger concentration of children, with one-fourth of the population of the district under the age of 18. The Eruption Area has a total population of 7,088 persons. There is a higher proportion of individuals over the age of 65 in this area compared to the rest of Puna and the County as a whole.

Table 2-1 - County and State Population and Age Statistics

Area	2013–2017 American Community Survey (ACS)					
	Total Pop.	Pop. 65+	% Pop. 65+	Pop. <18	% Pop. <18	Median Age
Eruption Area Block Groups	7,088	1,405	19.8%	1,435	20.2%	38.5-61.3
Puna District Census Tracts	45,326	5,102	10.8%	11,421	25.2%	40
County of Hawai'i	196,325	36,232	18.5%	43,114	22%	42.1
State of Hawai'i	1,421,658	238,126	16.7%	307,583	21.6%	38.8

Source: 2013–2017 ACS Survey
 Note: Pop. = population

2.1.2 RACE, ETHNICITY, AND LANGUAGE

Hawai'i Island has a diverse population, with the most predominant races and ethnicities in the County as follows: White (33.9%), Two or More Races (28.6%), Asian (22.2%), Native Hawaiian and Other Pacific Islander (13.1%), and Hispanic or Latino (12.5%). Other races include Some Other Race (1.2%), Black or African American (.6%), and American Indian and Alaska Native (.4%). As demonstrated in Table 2-2, the racial composition of the County differs from the racial composition of the State, with the most significant differences being the larger percentage of White residents in the County compared to the State and a smaller percentage of Asian residents in the County compared to the State. The table below also shows that the Puna District does not contain any racial concentrations of note that differ substantially from the County. The Eruption Area has a higher proportion of White individuals and a lower proportion of Asian individuals and individuals of Two or More Races compared to the Puna District, County or State as a whole.

Table 2-2 - County of Hawai'i Race and Ethnicity

Area	2013–2017 American Community Survey (ACS)							
	Hispanic or Latino	White	Black or African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race	Two Or More
Eruption Area Block Groups	945 (13.3%)	3,756 (53.0%)	85 (1.2%)	152 (2.1%)	630 (8.9%)	884 (12.5%)	132 (1.9%)	1,449 (20.4%)
Puna District Census Tracts	6,475 (14.3%)	16,506 (36.4%)	334 (.07%)	338 (.07%)	7,866 (17.4%)	5,096 (11.2%)	492 (1.1%)	14,694 (32.4%)
County of Hawai'i	24,523 (12.5%)	66,492 (33.9%)	1,212 (.6%)	719 (.4%)	43,642 (22.2%)	25,664 (13.1%)	2,355 (1.2%)	56,241 (28.6%)
State of Hawai'i	145,381 (10.2%)	357,308 (25.1%)	25,884 (1.8%)	2,756 (0.2%)	54,055 (38%)	142,600 (10%)	14,056 (1%)	338,498 (23.8%)

Source: 2013–2017 ACS



According to the 2013–2017 ACS, 74.2% of the State of Hawai'i's population speaks only English, and 25.8% speaks a primary language other than English. The County contains a slightly higher concentration of people who primarily speak English, with 80.5% of the County's population speaking only English and 19.5% speaking a primary language other than English. The most prevalent languages spoken in the County following English are Asian and Pacific Island languages, which are spoken by 15.2% of the population (28,019 residents). The ACS estimates that 6.3% percent of County residents speak English less than “very well.”

Table 2-3 – Languages Spoken at Home by Limited English Proficiency

Language Group	2013–2017 American Community Survey (ACS)							
	County of Hawai'i				Puna District Census Tracts			
	Number of Language Speakers	Number of LEP within Language Group	Percent LEP within Language Group	Percent Language Group among All LEP	Number of Language Speakers	Number of LEP within Language Group	Percent LEP within Language Group	Percent Language Group among All LEP
English	148,210	-	-	-	40,473	-	-	-
Spanish	3,588	1,018	24.8%	8.8%	442	145	32.8%	5.5%
French, Haitian, Cajun	647	115	17.8%	1.0%	77	9	11.7%	0.3%
German or Related Lang.	318	76	23.9%	0.7%	19	0	0.0%	0.0%
Russian, Polish, Slavic Lang.	591	185	31.3%	1.6%	134	78	58.2%	3.0%
Other Indo-European Lang.	711	120	16.9%	1.0%	6	0	0.0%	0.0%
Korean	1,236	554	44.8%	4.8%	29	21	72.4%	0.8%
Mandarin and Cantonese	831	358	43.1%	3.1%	127	58	45.7%	2.2%
Vietnamese	219	148	67.6%	1.3%	49	49	100.0%	1.9%
Tagalog	4,182	1,752	41.9%	15.2%	688	419	60.9%	15.9%
Other Asian Pacific Island Languages	21,551	7,095	32.9%	61.5%	2,293	1,423	62.1%	54.0%
Arabic	136	0	0.0%	0.0%	53	0	0.0%	0.0%
Other Lang.	1,995	111	5.6%	1.0%	177	45	25.7%	1.7%

Source: 2013–2017 ACS

Note: LEP = individual with limited English proficiency who speaks English less than “very well”

Table 2-3 provides an analysis of primary languages spoken in the County of Hawai'i and the Puna District as a count of individuals and provides disaggregated data for LEP individuals within each language group. The specific languages identified are available for tabulation from 2013-2017 ACS however they do not fully represent the primary languages spoken in the community. Analysis of 2013-2017 ACS Public Use Microdata Area (PUMA) data for the County of Hawai'i provides further context for the linguistic diversity and potential language access needs within the Other Asian and Pacific Island Languages category. Hawaiian is the indigenous language of the Hawaiian Islands and the rate of LEP among speakers of Hawaiian in the County of Hawai'i is 9.7%. Across the County, Asian languages not disaggregated in Table 2-3 with high rates of LEP include, but are not limited to, Japanese (39.7% of 1,714 speakers) and Ilocano (54.3% of 2,841 speakers).



Pacific Island languages with high rates of LEP include, but are not limited to, Chuukese (46.1% of 171 speakers) and Marshallese (35.6% of 505 speakers).

Data on primary languages other than English and LEP speakers of these languages is challenging to tabulate for the Block Groups that make up the Eruption Area. Table 2-4 presents a count of households surveyed in the Eruption Area by the 2013-2017 ACS. The table identifies the language spoken at home and presence of LEP individuals in that household. The available data indicate that the Eruption Area has less linguistic diversity and a lower proportion of LEP persons by language group when compared to the Puna District and County which are represented in Table 2-3. The margins of error are reported here from the 2013-2017 ACS to provide context to the limitations of these data. These data in Tables 2-3 and 2-4 will be one factor in ensuring access to information and services to LEP persons as described in Section 5.8 of this Action Plan.

Table 2-4 – Household Language by Household Limited English Speaking Status (Eruption Area Block Groups)

Language Group	2013–2017 American Community Survey (ACS)								
	Total for Eruption Area	Census Tract 211.01 (BG 1)	Margin of Error	Census Tract 211.01 (BG 2)	Margin of Error	Census Tract 211.06 (BG 2)	Margin of Error	Census Tract 211.06 (BG 4)	Margin of Error
Total Households	2,994	1378	±129	272	±102	748	±228	596	±125
English Only	2,665	1269	±117	264	±102	624	±200	508	±118
Spanish	54	10	±9	0	±11	44	±40	0	±11
LEP Households	0	0	±11	0	±11	0	±11	0	±11
Other Indo-European Languages	100	23	±17	8	±12	65	±99	4	±6
LEP Households	14	10	±15	0	±11	0	±11	4	±6
Asian and Pacific Island Languages	172	73	±33	0	±11	15	±23	84	±42
LEP Households	51	22	±18	0	±11	0	±11	29	±23
Other Languages	3	3	±6	0	±11	0	±11	0	±11
LEP Households	0	0	±11	0	±11	0	±11	0	±11

Source: 2013–2017 ACS

2.1.3 EDUCATION

At the time of the 2013–2017 ACS, an estimated 92.3% of the residents of the County of Hawai'i had graduated from high school or had a higher level of education and training, while 28.6% had completed a bachelor's degree or higher level of education and training. Examining educational attainment levels through a race and ethnicity lens reveals that the percentage of Whites only with a bachelor's degree or higher was 40.2%, while the percentage of non-Whites with a bachelor's degree or higher was only 23%. Median earnings data for each level of educational attainment is an essential dataset for understanding the County, where the cost of living is so comparatively high. Median annual earnings for those without a high school diploma are \$22,684, while median annual earnings for those with a high school diploma are \$30,072. Median annual earnings for those with some college are \$32,316, and median annual earnings for those with a bachelor's degree are \$40,909. Finally, median annual earnings for those with a graduate or professional degree are \$51,895.



2.2 Vulnerable and Special Needs Populations

When conducting recovery efforts, it is essential to accurately identify potentially vulnerable populations within the study area. Because of physical and financial constraints, health concerns, the location and quality of housing, and other potentially impactful factors, these populations face unique challenges and more difficulty than the general population following a disaster event. For the purposes of this planning process, vulnerable populations include children, people who are elderly, people with low incomes, people experiencing homelessness, people who are medically dependent, and people with physical, developmental, or mental disabilities.

2.2.1 CHILDREN AND ELDERLY RESIDENTS

Households with children or elderly residents are potentially more vulnerable during disaster events and subsequent recovery efforts, and limited mobility, medicinal needs, physical ailments, or fragility increase the safety risks for these individuals and their families in emergency situations. As such, it is the County's long-term public safety and community resilience priority to ensure that these households have access to information, resources, and quality housing stock that allows for sheltering in place.

As of the 2013–2017 ACS, 22.9% (15,333 households) of households in the County had at least 1 child, and 29.1% (19,541 households) included at least one person 65 years or older. In the Eruption Area 19.3% (579 households) of households had at least one child, and 42.1% (1,21 households) included at least one person 65 years or older. Households containing children or elderly residents may face other difficulties during times of disaster because people in these populations may need additional assistance during disaster response and recovery. Issues such as limited communication and mobility and the inability to act and make necessary decisions independently produce a variety of obstacles during disasters.

In addition to households containing at least one child or elderly person, County-wide 9% of households (5,887) contained people 65 years of age or older living alone, which creates an even greater vulnerability. These individuals may have physical impairments, requiring the assistance of others during times of disaster when mobility is paramount. Communication is another potential issue, as elderly residents may not have access to current means of communication, including the internet and cell phones, which may be used to provide emergency warnings and evacuation information.

The 2019 Hawai'i Housing Planning Study analysis on the need for housing among elderly persons demonstrated a need for 787 housing units at a range of affordability, with 576 through homeownership and 211 rental units. The current availability of special needs housing in the County of Hawai'i includes: four special treatment facilities for the care, diagnosis, treatment, or rehabilitation for socially or emotionally distressed persons, mentally ill persons, persons suffering from substance abuse, and developmentally disabled persons; four therapeutic living programs for adults with severe and persistent mental illness needing long-term residential care; one developmental disabilities domiciliary home; 130 community care foster families with the capacity to serve 350 individuals; one assisted living facility with the capacity to serve 220 individuals; and nine skilled nursing and intermediate care facilities with the capacity to serve 886 individuals.



2.2.2 RESIDENTS WITH DISABILITIES

Residents with disabilities or physical, mental, or emotional challenges may have increased vulnerabilities during disaster events and subsequent recovery efforts. The nature and extent of the disabilities in the County vary greatly, making a full understanding of the needs of this population difficult to determine. However, it is imperative to use the available information to help identify and address any potential recovery needs of the current population of residents with disabilities.

According to the 2013–2017 ACS data, 25,849 individuals (13.3% of the population) within the County have a disability. Of these individuals, 1,127 are children and 13,629 are over the age of 65. Children and elderly persons with disabilities are more vulnerable than the general population and must be considered during the planning and implementation of disaster recovery and resiliency initiatives. For the Eruption Area the 2013–2017 ACS data indicates that 14.4% of individuals have a disability, and among households with at least one person with a disability 30.9% of those households are in poverty. While the disaggregation of data on the types of disability in the community at this level of geography presents challenges with specificity, as much as 3.7% of individuals in the Eruption Area have vision difficulty and 5.9% of individuals have hearing difficulty.

2.2.3 HOMELESS POPULATION

The County faces significant problems associated with homelessness and the prevention of homelessness. The homeless population in the area continues to face obstacles, due in part to ongoing high unemployment, the nature of the isolated economy of an island state, and the exacerbating impacts of the recent disaster. The homeless population encompasses a broad range of individuals and families with special needs.

According to the National Low Income and Housing Coalition, “Out of Reach 2018” study, the State of Hawai'i has the highest “housing wage” in the country. This equates to residents needing to earn \$36.13 an hour to afford a two-bedroom unit.

According to the 2019 Bridging the Gap Hawai'i Neighbor Islands (Hawai'i Island, Maui, and Kaua'i) Point-in-Time Count Topline Report, 1,995 persons in the Hawai'i Neighbor Islands were identified as homeless under the HUD definition. In 2018, the count was 2,035, representing a 2% decrease from 2018 to 2019. The 2019 overall decrease of homelessness was fueled by a 7% decrease in unsheltered homelessness. The count of individuals experiencing homelessness living in emergency or transitional

shelters increased 8% from 705 to 758 persons. The 2019 count of 1,995 individuals experiencing homelessness included 690 people in Hawai'i County alone, which made up about 35% of the total homeless population. Well over half of the 2019 count of individuals experiencing homelessness (62%) lived unsheltered. In 2019, the unsheltered population totaled 1,237. The County of Hawai'i Point in Time (PIT) unsheltered count totaled 447 individuals, making up 36% of the unsheltered count. The County's unsheltered count for 2019 represents an overall 33% decrease from 2018 (669), marking the lowest unsheltered count level in six years. Of the 690 people identified as homeless, 459 were individuals, 231 were family individuals (95 adults and 136 children), and 55 were family households. Family homelessness decreased by 37%, falling from 87 families in 2018 to 55 families in 2019. Several regions in the County had significant concentrations of unsheltered homeless persons, as shown in the table below:



Table 2-5 - Top Five Regions with Highest Unsheltered Homeless Populations

2019 Bridging the Gap Hawai'i Neighbor Islands Point-in-Time Count Topline Report	
Area	Unsheltered Homeless Persons
South Hilo	155
North Hilo	150
South Kohala	42
Ka'ū	41
Puna	35

It was reported in the PIT survey that 12% of homelessness was due to disaster-related impacts on Kaua'i and Hawai'i islands during 2018. Continuum of Care (CoC) discovered that 4% of people experiencing homelessness responded that their homelessness was directly caused by flooding that occurred on Kaua'i's North Shore during April 2018. On Hawai'i Island, 2% indicated that their homelessness was because of Hurricane Lane on August 2018. The majority of disaster-related homelessness, at 6% of people, was due to volcanic eruptions. In 2019, two new disaster emergency shelters in Pāhoā accounted for 30 of the total sheltered homeless. These shelters opened in response to the volcanic eruptions.

2.3 Housing

2.3.1 HOUSING MARKET/STOCK PROFILE

According to 2013–2017 ACS data, the County has a total of 86,348 housing units, with 67,054 being occupied (77.7%), leaving over 20% of housing units vacant. The fact that there are many vacation homes on the island may contribute to many of these homes being considered vacant. Information provided in the County's 2020-2024 Consolidated Plan provides more detailed information and indicates that the County's occupancy rate is as high as 98% with a Section 8 waiting list so large for housing that it has been closed. One of the most notable characteristics of housing on the island is the median value, which is \$316,000. This is critical to note when accounting for the fact that median household income on the island is only \$56,395. A significant percentage of the County's housing stock—more than 80%—was built in the last 50 years; as such, a very small percentage of existing housing stock lacks critical systems like plumbing or kitchens. The County's housing stock is newer and of better-quality standards than the State's housing stock, but the sizeable stock of vacant units could impact the County's ability to holistically recover from the recent disaster. This will need to be considered when allocating funds to repair damaged homes.

Most of the County housing stock consists of low density, single-family detached units (78%; 67,707). Multifamily units of 5 units or more make up 13% (11,270), and multifamily units of 4 units or less make up 5% (4,464). There is a small population of single-family attached units (3%; 2,568). There was no multi-family housing in the Eruption Area prior to the 2018 Kīlauea eruption as this area is predominantly rural and



agricultural. Most housing—64%, or 44,942 units—is owner-occupied, with only 33% renter-occupied (22,112). The County’s most recent Consolidated Plan indicated that 9% of households in the County suffer at least one of four HUD defined Severe Housing Problems which include:

- Lacking complete kitchen
- Lacking complete plumbing
- Severe overcrowding (>1.51 people per room)
- Severe cost burdening (housing cost > 50% household income)

Table 2-6 - Housing Conditions

Area	2013–2017 American Community Survey (ACS)							
	Total Housing Units	Occupied Housing Units	Vacant Housing Units	>50 Years Old	Lacking Complete Plumbing	Lacking Complete Kitchen	No Telephone Service	When Householder Moved In = prior to 1980
Eruption Area Block Groups	3,956	2,994 (75.7%)	962 (21.9%)	153 (3.9%)	295 (7.5%)	267 (6.7%)	72 (2.4%)	58 (1.9%)
Puna District Census Tracts	20,519	16,896 (82.3%)	3,623 (17.7%)	2,017 (10.2%)	417 (2.5%)	285 (1.7%)	397 (2.3%)	608 (3.6%)
County of Hawai'i	86,348	67,054 (77.7%)	19,294 (22.3%)	15,191 (17.6%)	989 (.1%)	1,547 (.2%)	1,317 (.2%)	5,750 (8.6%)
State of Hawai'i	535,543	455,502 (85.1%)	80,041 (14.9%)	164,787 (30.8%)	2,849 (.6%)	7,387 (1.6%)	10,464 (2.3%)	52,447 (12%)

Source: 2013–2017 ACS

Housing tenure in the Eruption Area was estimated at 78.1% homeowner and 21.9% renter prior to the 2018 Kīlauea eruption. The pre-disaster median values for homes in the Eruption Area are wide-ranging relative to the County’s with the lowest median value of \$166,300 in Census Tract 211.06 Block Group 4, and the highest median value of \$383,300 in Census Tract 211.01 Block Group 2. Table 2-6 provides a comparison of housing conditions across levels of geographic analysis. The housing stock in the Eruption Area has a lower proportion of occupancy than the rest of Puna but is closer to the statistic for the County as a whole. This housing stock is significantly newer than conditions across Puna and the County and understandably households have stayed in this housing for a shorter period. Nonetheless, housing in the Eruption Area lacks essential amenities like a complete kitchen or complete plumbing at a higher rate than elsewhere in the County or State.

The County defines “Affordable Rent” as monthly rent payments for housing units that would require no more than 30 percent of monthly household income for a household earning a specified percent of the HUD Area Median Income (AMI). In the 2019 Hawai'i Housing Planning Study 71.5% of the housing stock within the County of Hawai'i was identified as affordable to low- to moderate-income households based on this definition of affordable rent.

The County of Hawai'i has an existing stock of affordable housing that is primarily outside of Puna: among public housing there are 150 units for elderly and 307 units for families; there are an additional 595 units for elderly and 1,531 units for families island-wide. In the Puna District there are 50 units of public housing for the elderly in Keaau and 32 units of agricultural worker housing in Pāhoā. Since the 2018 Kīlauea eruption the County has spearheaded several transitional and homeless shelter housing projects to house displaced survivors from the disaster as well as respond to the ongoing housing crisis. In April 2019 12 modular tiny



homes were built in Pāhoa to house individuals displaced by the 2018 Kīlauea eruption. Keolahou opened in October 2019 to provide 50 shelter beds with wrap-around services. In June 2020 18 modular tiny homes were built at the Old Kona Airport as transitional shelter beds.

According to the 2019 Hawai'i Housing Planning Study the County of Hawai'i added 2,783 new government-assisted housing units between 2000 and 2018 and is projected to add an additional 858 new government-assisted housing units in its pipeline. This projected figure includes several housing projects within the next two years totaling over 500 new units to be developed in Hilo, Kailua-Kona, and Waikoloa. These developments will include multi-family units, senior and veteran housing, and single-family homes. Other projects include an additional 250 assisted living and skilled nursing beds.

Based on the 2019 Hawai'i Housing Planning Study, Table 2-7 presents the projected needed housing units for the County during the 2020-2025 period across a range of household incomes relative to HUD-defined AMI. In addition to conventional, private financing for affordable housing, HUD assistance is key to developing affordable housing opportunities to meet this need. One important source to prevent homelessness for families with children and families who are extremely low-income or earning below 30% AMI, is the National Housing Trust Fund (HTF). The County is a sub-grantee of the State of Hawaii and expects to receive approximately \$1,450,000 in 2020 as part of an annual three-year cycle with other counties in Hawai'i. To assist with the prevention of homelessness, HTF funds can be used for the production or preservation of affordable housing through the acquisition, new construction, rehabilitation, reconstruction of non-luxury housing with suitable amenities.

Table 2-7 – Needed Housing Units by HUD Income Classification 2020-2025 for County of Hawai'i

Housing Type	2019 Hawai'i Housing Planning Study								Total
	<30% AMI	30-50% AMI	50-60% AMI	60-80% AMI	80-120% AMI	120-140% AMI	140-180% AMI	>180% AMI	
Total Housing Units	3,475	1,356	373	2,285	2,143	1,163	1,198	1,309	13,303
Ownership Units	756	285	196	1,413	1,556	561	924	1,1012	6,703
Single-Family	687	264	196	1,249	1,081	398	635	911	5,420
Multi-Family	69	21	0	164	474	164	289	102	1,283
Rental Units	2,719	1,071	178	872	587	601	274	297	6,600
Single-Family	1,225	443	49	514	307	384	251	215	3,389
Multi-Family	1,494	628	129	358	280	217	24	82	3,211

Source: 2019 Hawai'i Housing Planning Study

The County conducted a survey of people impacted by the volcano during August of 2019. The survey results were consolidated into a document entitled Household Impact and Opportunity Assessment. The survey resulted in 364 respondents answering a variety of questions related to housing impacts and recovery options. Some of the key information obtained from the survey involved ownership information before and after the event. This information is critical in helping to identify projects that best meet the needs of those residents directly impacted by the event. According to the survey, approximately 78% of those surveyed owned their home. After the disaster, only about 63% of residents lived in owner-occupied units, indicating a 15-percentage point decrease in owner-occupied housing. This coincided with a six-percentage point increase, from 9% to 15%, in the number of respondents living in rental units. Additionally, while only roughly 2.5% of the



respondents indicated they were living with family and/or friends, that increased to approximately 7% after the event. Another significant finding involved a reduction in the quality of living conditions for respondents after the disaster event. Approximately 53% of the respondents indicated that their living conditions had worsened after the event with, unfortunately, 84% indicating that their current living conditions are permanent. However, it should be noted that “many respondents indicated that they are not physically or financially capable of being in their preferred permanent housing right now”, further reinforcing the need for housing relocation services for persons impacted by the event. In order to potentially provide services to assist residents in relocating or finding and acquiring permanent housing, it is critical to know the type of housing people are seeking.

The CDBG-DR projects proposed in this Action Plan will assist the lower Puna community in responding to the impacts of the 2018 Kīlauea eruption and promote the availability of affordable housing in economically, racially, and ethnically diverse communities by focusing on individual choice in survivors’ housing goals. Nearly two years after the eruption many areas of lower Puna are inaccessible due to the lack of road access and the geotechnical conditions where lava inundated or isolated lands. There are individuals and some communities working to return and rebuild their lives in the eruption-impacted areas. There are also households looking to relocate away from the eruption area and communities choosing not to rebuild where the lava flowed. The voluntary housing buyout program proposed in this Action Plan mitigates future risk to life and property in high hazard areas. The program is providing resources to those displaced households, with a focus on LMI households and those who lost a primary home, to relocate and rebuild their lives. Many survivors are looking to remain in Puna and the district provides opportunities for affordable rental and homeownership options. This includes more than 5,000 platted, developable residential lots in Puna subdivisions within Lava Zone 3. The investment of CDBG-DR funding will replace some of the housing that was lost during the 2018 Kīlauea eruption, but it can also contribute to the development of needed housing units identified in Table 2-7. The housing relocation services proposed in this Action Plan will assist displaced LMI households in finding new housing regardless of their participation in the voluntary housing buyout program. The program will also facilitate individual choice in supporting households find housing that is affordable to them, whether through renting or home-buying.

2.3.2 ECONOMIC HARDSHIP

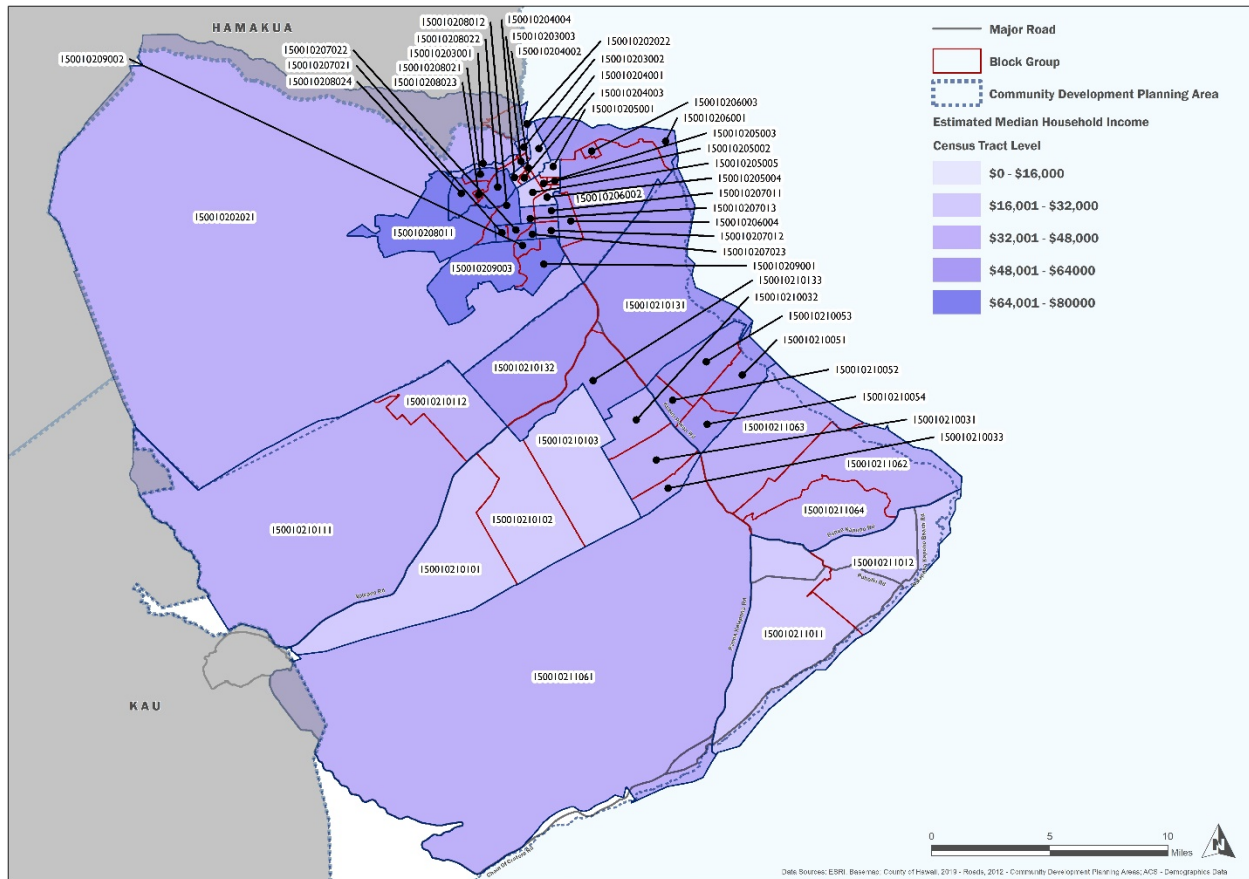
Financial hardships can have far-reaching implications for residents, particularly for the elderly, special needs populations, and families with children. A household that experiences financial difficulties may find it challenging or impossible to recover their home, farm, belongings, or employment following a natural disaster. Assisting households with limited economic means following a disaster is a priority for local, state, and federal government, as well as community- and faith-based organizations providing mutual aid.

According to the 2013–2017 ACS survey, the median household income in the County was \$56,395 (the lowest in the State), with a 17.4% poverty rate (higher than the State level of 10.3%). Additionally, 2013–2017 ACS data reveals that 5.7% of residents in the County received Supplemental Security Income, 4.4% received cash public assistance, and 19.5% received Food Stamps and Supplemental Nutrition Assistance Program (SNAP) benefits. Examining the 2013–2017 ACS survey estimates for the Puna District Census Tracts reveals that the district has the highest poverty rate of all three geographies, with a poverty rate of 23.45%. It also shows that 26.43% of households rely on SNAP benefits, 10.5% received cash public assistance, and 8.6% received



Supplemental Security Income. In the Eruption Area the poverty rate is 27.0% and 32.7% of households received SNAP, including 28.8% of households with one or more persons with a disability. The median household incomes in the Eruption Area vary across Block Group geographies: \$32,097 in Census Tract 211.01 Block Group 1; \$24,643 in Census Tract 211.01 Block Group 2; \$39,306 in Census Tract 211.06 Block Group 2; and \$45,100 in Census Tract 211.06 Block Group 4. The rates of poverty are higher in the Puna District and the Eruption Area than the rest of the County, and median household incomes are lower for these areas.

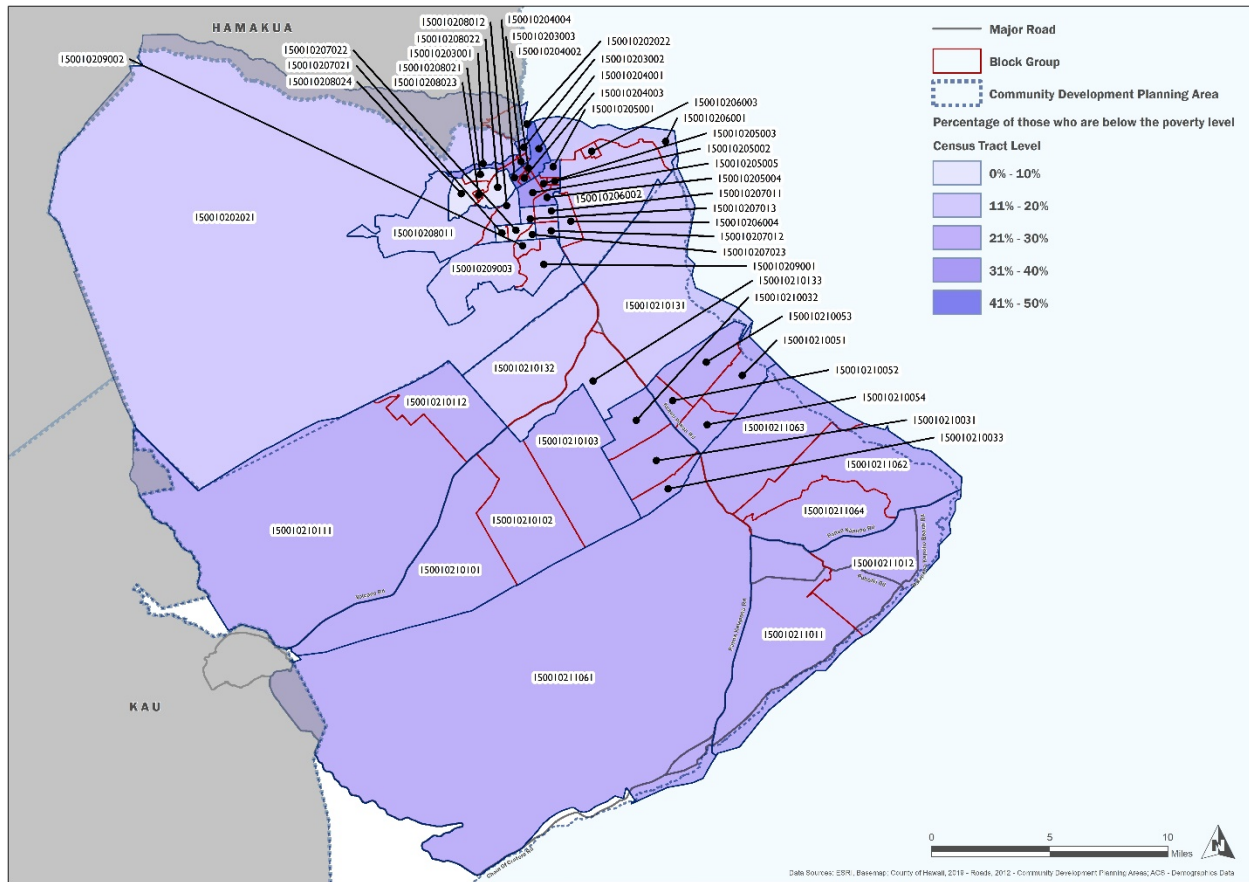
Figure 2-1. Median Household Income, Puna District and Hilo



As can be seen in Figure 2-1, the lower portion of the Puna District, which was the area primarily impacted by the lava flow from the eruption, also has some of the lowest income households. Much of the rural areas of Puna contain block groups with fairly low median household incomes. There is also a stretch of block groups extending from central to northern Hilo, which contains block groups with the lowest median household incomes. Many of the block groups in the Puna district contain median household incomes of \$48,000 or less, and with such low household incomes, many people are identified as living in poverty. Figure 2-2 below indicates that many of the block groups in Puna, particularly the southern portion of Puna, contain populations where 20% or more of the people are considered by the Census to live in poverty. These rates reduce somewhat in the areas surrounding Hilo and rise up again to rates of 42%—50% in the series of block groups extending from central Hilo north to the coast.



Figure 2-2. Poverty, Puna District and Hilo



In addition to poverty, there are other economic statuses used by HUD for identifying households that may be experiencing economic difficulties. Households that earn 80% or less of the area median income are considered low- and moderate-income (LMI) households, depending on exactly what percent of area median income the household makes. They are typically classified as:

- 0–30% area median income = Very low
- 31%–50% area median income – Low
- 51%–80% area median income – Moderate

This information is significant not only to identify areas of concentration of persons or households who may be economically burdened but also because one of the main objectives of HUD is to assist LMI populations. In the case of these CDBG-DR funds, at least 70% of the funds must benefit LMI persons. Therefore, identifying these populations can be critical in assisting in identifying and defining projects, particularly those which HUD defines as having an area benefit. A project which benefits a group of people in a defined area, such as a Census block group or a defined service area, can be considered to have a LMI area benefit if 51% or more of the people in that area are identified by HUD as qualifying as LMI. Figure 2-3 below indicates those block groups within the Puna District as well as the community of Hilo where 51% or more of the people are LMI qualified. The block groups include:



Table 2-8 - LMI Block Group Data, Puna District and Hilo

Census Tract	Block Group	% LMI
Puna District		
CT 210.13	BG 1	52.82%
CT 210.13	BG 2	53.77%
CT 210.11	BG 2	54.00%
CT 210.05	BG 1	75.33%
CT 210.05	BG 2	64.71%
CT 210.03	BG 1	68.77%
CT 210.03	BG 2	51.01%
CT 210.03	BG 3	64.68%
CT 210.10	BG 1	70.95%
CT 210.10	BG 2	69.31%
CT 210.10	BG 3	59.65%
CT 211.01	BG 1	68.38%
CT 211.06	BG 1	77.03%
CT 211.06	BG 2	77.32%
CT 211.06	BG 3	77.85%
CT 211.06	BG 4	68.49%
Hilo		
CT 203	BG 2	83.25%
CT 204	BG 1	63.14%
CT 204	BG 2	83.64%
CT 204	BG 3	74.17%
CT 205	BG 1	83.74%
CT 205	BG 3	67.65%
CT 205	BG 4	66.41%
CT 205	BG 5	78.63%
CT 206	BG 2	57.28%
CT 206	BG 3	60.17%

* Highlighted rows contain lava flows from the disaster event.

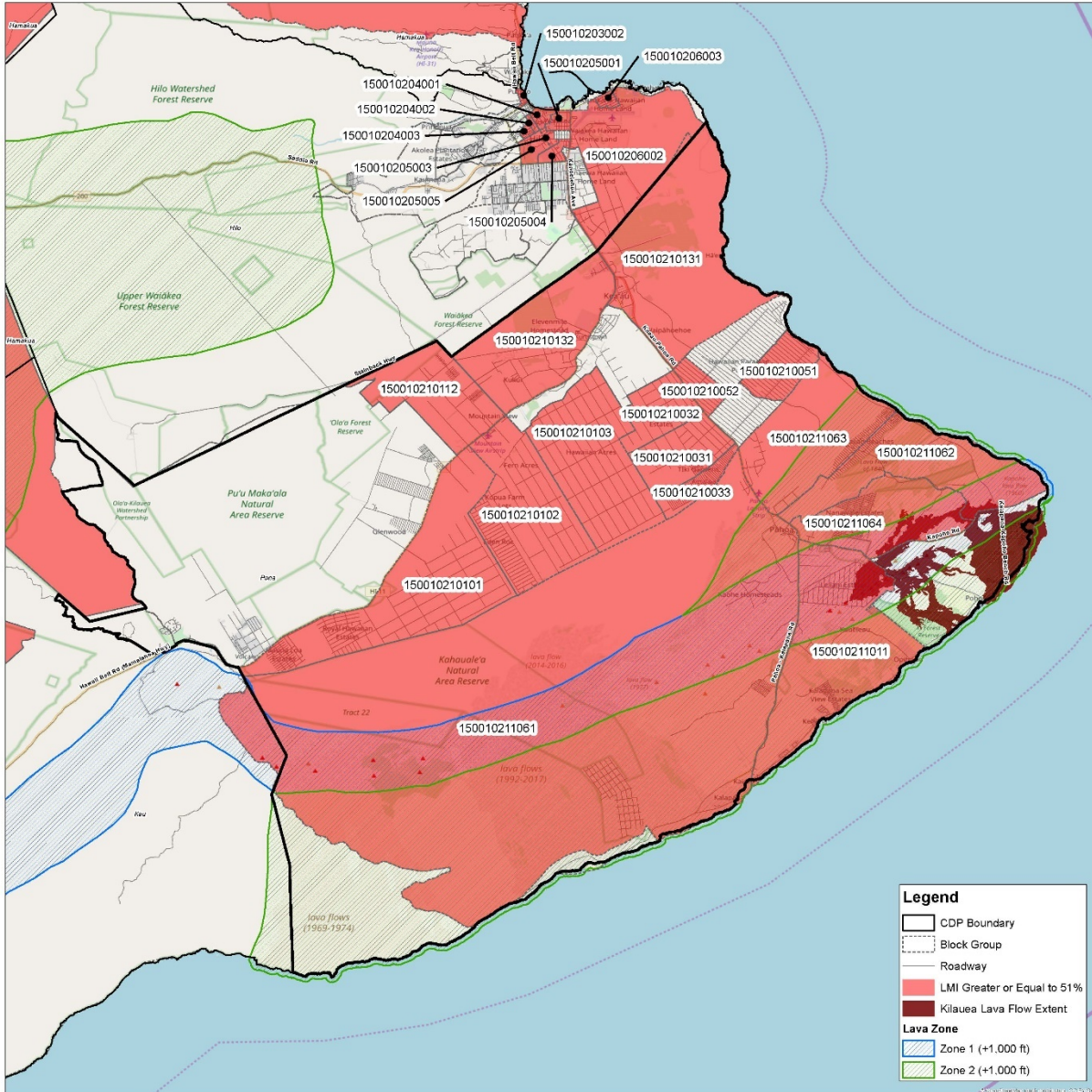
Source: HUD 2019 LMISD Based on 2011-2015 ACS

The lava flow from the eruption impacted four Block Groups at varying magnitudes. Three of the four Block Groups are LMI qualified and include CT 211.01, BG 1, CT 211.06, BG 2, and CT 211.06, BG 4. While the lava only covered a small portion of these Block Groups, some of the largest numbers of impacted parcels were located in areas such as CT 211.01, BG 1, which included the residential development of Leilani Estates. It should be noted that the Block Group that sustained much of the damage from the lava flow was CT 211.01, BG 2, which is not LMI qualified and only contains an LMI population percentage of 28.82%. The LMI areas within Hilo are also noted in the table and figure to help provide context. This includes areas with particularly



high concentration of LMI population, including several Block Groups where more than 80% of the population is LMI qualified.

Figure 2-3. LMI Block Groups, Puna District and Hilo



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Table 2-9 - Cost-Burdened Households

Area	2013–2017 American Community Survey (ACS)		
	Total Households	Median Household Income	% Households Cost Burdened
Eruption Area Block Groups	2,994	\$35,287	26.8%
Puna District Census Tracts	47,352	\$41,025	30.1%
County of Hawai'i	67,054	\$56,395	33.1%
State of Hawai'i	455,5028	\$77,765	39.2%

HUD classifies families that pay more than 30% of their income for housing as cost-burdened, and these families are more likely to experience significant economic hardship. These individuals are likely to have amplified recovery needs due to a lack of resources that can be invested in improvements that will increase preparedness, property protection, and recovery. The 2013–2017 ACS data indicates that approximately 33% of all households in the County suffer cost-burdening. This data was reinforced with the most recent HUD Comprehensive Housing Affordability Strategy (CHAS) data, which also indicated that 33% of households in the County are cost-burdened. Among current homeowners in the County with a mortgage, the 2013–2017 ACS reports that 39% spend more than 30% of their income on monthly housing costs. Census data indicates that among renters, 54% spend more than 30% of their income on monthly housing costs, which indicates a significant group of people with serious economic hardship. According to the Hawai'i Housing Planning Study, 2019 the state of Hawai'i had the third highest percentage of cost burdened renters in the nation. In the Eruption Area 22.7% of homeowners spend 30% or more of their income on housing, with or without a mortgage, while 42.9% of renters in the eruption area spend more than 30% of their income on monthly housing costs.

Information provided in the County's Consolidated Plan helped provide additional insight regarding the financial burden housing can have on a household. Information included in the Consolidated Plan indicates that, "Hawai'i rents exceed the national average by 50%, with about 75% of households in poverty spending more than half of their income on rent." These excessive costs significantly contribute to residents' lack of ability and to pay rent and ensuing evictions, which were found to be one of the frequently cited events leading to homelessness.

Another measurement that can indicate the impact of limited financial resources and the make-up of households is overcrowding or doubling-up. These are defined in the Hawai'i Housing Planning Study, 2019 as:

- Overcrowding – when the number of people in a household exceed 1.5 persons per bedroom.
- Doubling-up – having more than two generations in the household, having unrelated individuals in the household, or having same generation relatives in the household.

While there are a variety of reasons this may occur ranging from cultural to financial reasons, the Housing Demand Survey conducted as part of the Housing Planning Study indicated that in all cases "doubled-up persons are in the household because they cannot afford to live elsewhere." For the County of Hawai'i in 2019 the rates for overcrowding was 11.5% and for doubling-up it was 10.3% of households.



2.4 Summary of Impediments

To identify potential impediments to fair housing, an analysis was conducted utilizing Census data (included in the previous sections) as well as an analysis of the County's 2020–2024 Consolidated Plan, 2019 Hawai'i Housing Planning Study and the Hawai'i Housing Model 2011. One of the most significant impediments, as is common in many housing markets, is the lack of affordable housing. The higher cost of building materials and limited housing supply elevate housing costs on the island. Vacant homes, particularly those that are affordable, may not be in proximity to employment centers and services or are not in good condition, lacking complete plumbing and relying on catchments for water. The high price of housing on the island compared to median wages creates an inherent challenge for people seeking housing. As can be seen in Table 2-9, approximately 1/3 of households in the County are cost-burdened. Information provided in the Consolidated Plan indicated that small households earning 30-50% AMI had a notable percentage of cost-burdened households (42%). One of the most significant cost-burdening issues cited in the Consolidated Plan was that 61% of households earning 0–30% AMI were paying more than 50% of monthly income to housing costs. The County's Analysis of Impediments, which accompanied the Consolidated Plan, indicated that one of the primary complaints filed regarding housing discrimination was the lack of housing availability that provided "reasonable accommodations" for the disabled.

The 2019 Hawai'i Housing Planning Study identified the primary impediments to housing which were identified as the impediments to affordable housing in the County's 2020-2024 Consolidated Plan. The impediments were primarily identified through surveys and stakeholder interviews conducted as part of the housing planning study. The impediments consisted of lack of available developable land, lack of major off-site infrastructure, high cost of construction, government regulations, community opposition and environmental concerns. Additional details regarding each of these impediments is provided below.

The island suffers from an extremely limited amount of developable land. This is due to a variety of factors such as terrain (severe slopes), the presence of bodies of water and wetlands, the presence of floodplains and lava hazard zones all lend to limiting the amount of available land for development. With an occupancy rate of nearly 98%, according to the County's most recent Consolidated Plan, one of the few solutions to address affordable housing need is the development of new housing which is extremely difficult if land is not available to develop on.

One of the major impediments also impeding housing development, particularly multi-family housing, is lack of major off-site infrastructure. The County already has a lack of infrastructure such as roads, sewer, drainage, and public services such as schools which prohibits development. As costs for these items have increased the public sector has not been able to expand, and in some cases, maintain these items passing the cost along to developers. This in turn has led to an increase in housing costs as developers must incur these additional costs as part of housing development. This is exacerbated by the next major impediment, high construction costs.

While construction costs were noted as one of the impediments to housing the Housing Planning Study indicated that these costs were not necessarily primarily due to higher prices of materials. While prices of materials in Hawai'i are higher than average costs in the rest of the nation the plan indicated that "more significant contributors to building costs were unionization, local wages, local topography, and the regulatory



environment.” Unfortunately, by having so many contributing factors it makes it difficult to effectively address these factors in a meaningful way.

According to the Wharton Residential Land Use Regulatory Index, Hawai'i has one of the most constrictively regulated housing markets in the nation. While the original intent of these regulations may have been for the benefit of the community and to protect people from arbitrary development practices, they have instead become a barrier to production. Information provided by stakeholders interviewed as part of the Housing Planning Study indicated that government regulations and review processes are a major impediment to housing production. Many stakeholders noted that the review processes were actually much more of the hinderance than the regulations themselves with duplicative reviews and inefficient review processes.

Through its 2020-2024 Consolidated Plan the County's Office of Housing and Community Development conducted an analysis of impediments to fair housing on two primary impediments: 1) agency staff knowledge of fair housing law; 2) the degree to which agency policies and procedures (legal, regulatory, and administrative) align with fair housing law and affirmatively promote equal access to housing for all Hawai'i's residents. To complete this analysis the County conducted a staff fair housing survey and completed a comprehensive document review of the agency's agency' s policies, procedures, and training related to fair housing. A follow up report, scheduled for completion December 2020, will take a wider view of the Hawai'i Island's fair housing issues, engaging stakeholders across the state and conducting targeted analyses designed to help agencies further their goals of promoting equal opportunity.

In the development and implementation of the County's CDBG-DR program the Disaster Recovery Division will continue to collaborate with the Office of Housing and Community Development to apply lessons learned and best practices on affirmatively furthering fair housing in the CDBG-DR policies, procedures and operations. The specific context of this recovery from the 2018 Kīlauea eruption presents some unique challenges as well as opportunities to affirmatively further fair housing in a way that responds to the ongoing exposure to volcanic hazards in the area; the need to prioritize limited resources available for recovery; the potential for targeted economic development that will bring goods and services to previously underserved areas; and the promotion of housing choice among households impacted by the eruption.

The 2018 Kīlauea eruption occurred along the Lower Rift Zone and physically impacted areas of the lower Puna in Lava Zones 1 and 2. These represent areas of the highest risk to volcanic hazards and are places where the County is not permitted to invest HUD resources for permanent housing and residential-serving infrastructure. Additionally, it is not possible to mitigate against the exposure to volcanic hazards at the scales of an individual structure or a neighborhood. Housing remains a priority unmet recovery need. A voluntary housing buyout program was selected as the primary project of the County's CDBG-DR program because it would enable household impacted by the eruption to access resources to secure permanent housing outside of the eruption area. Within the requirement to allocate at a minimum 70% of CDBG-DR program funding to serve low- and moderate-income beneficiaries, the County is pursuing a program design that can serve the households who have not had the resources or support to secure or build permanent housing following the eruption. Certain aspects of this program design include prioritizing primary residences over secondary residences or undeveloped residential lots; applying a cap to the buyout grant that represents a reasonable median of pre-disaster home values in the impacted areas; and providing supportive services to assist participants in the buyout program secure permanent housing whether through rental, the purchase or building of a home.



The County assessed the impacts of housing recovery strategies on protected classes under Fair Housing law, racially and ethnically concentrated areas, and areas of concentrated poverty. The decision to propose a voluntary housing buyout program as the primary use of CDBG-DR funds was based on the ability to address the impacts from the 2018 Kīlauea eruption including the loss of housing and farms, to mitigate against future risk to life and property in high hazard areas, and direct relief to survivors of the 2018 Kīlauea eruption to secure permanent housing. Household choice is also central to the design of the proposed voluntary housing buyout program and housing relocation services.

Surveys the County conducted show that the majority of impacted households want to remain in the Puna district, while there is an even split in the community between those who would remain in an area of similar risk versus those who would relocate to an area of lower risk, if given the choice. Land use analysis the County has conducted identified more than 5,000 undeveloped parcels that are platted in Puna subdivisions which are in Lava Zone 3. Voluntary participation in the housing buyout program can enable impacted households to explore the right housing solutions for them with the proceeds made available through the buyout. While the County recognizes the need to develop multi-family affordable housing, this focus on household choice within the buyout program provides an alternative to the constraints that have limited the island's ability to develop more multi-family housing as a solution to the impediments to fair housing described here.

Infrastructure that supports residential development and economic growth continue to be challenges to rural communities across our island. Within the context of recovery from the 2018 Kīlauea eruption the County has taken a comprehensive approach to prioritizing recovery resources made available from HUD, FEMA and the State of Hawai'i in a way that balances the risks of reinvestment in areas of high hazard with the reward of targeted investments that can support the economic growth and recovery of the area. The County applies this lens through its work with FEMA on Public Assistance funding from the 2018 Kīlauea eruption the County continues to make decisions on the restoration of certain infrastructure or the development of alternate projects that can support recovery in Puna. Ongoing geological conditions including changes to topography and water sources or sub-surface heat present challenges to restore water supply to areas impacted by the eruption. The scale of recovery resources available to the County is insufficient to address the need for regional-scale public infrastructure that would more closely match the levels of service in more urban areas of the island. Beyond the financial and technical limitations this level of infrastructure may be considered out of scale with the rural character of Puna. In this recovery effort one approach to prioritizing investment of infrastructure is to directly support town centers which are the economic hubs of the district. This is the balanced approach the County is following to address the impediments related to economic status, cost-burden, and the need for targeted infrastructure investment.

These impediments and potential solutions were considered closely in the development of this plan and the identification and development of projects and programs. These considerations are included in the project descriptions for each of the projects.



SECTION 3. IMPACT AND UNMET NEED ASSESSMENT

The CDBG-DR program is considered a “gap” funding source and is intended to assist with recovery needs not covered by other public and private funding sources. While recovery efforts have continued without interruption since August 2018, many impacts remain unaddressed due to several primary factors, including the profound extent and diversity of the damages to housing, infrastructure, and the economy; the unique conditions and vulnerabilities faced by residents and businesses on Hawai'i Island; and the limitations of available funding assistance. This unmet needs assessment provides essential information to better understand the most impacted areas and populations in the County and guides development of the most effective recovery programs and priorities.

This section describes the County's preliminary assessment of unmet recovery needs resulting from the May 2018 Kīlauea eruption and earthquakes (DR 4366). When major disasters occur, a significant amount of data and information must be collected and analyzed from numerous agencies, departments, and organizations. Accessing and compiling information on impacts and recovery resources can be a significant challenge due to varying quality, availability, formatting, and timing of different sources. Estimates of unmet needs are based on the best available information as of August 2020 and represent the County's initial calculation of remaining recovery gaps. This assessment should be considered a living document that will be updated as additional information becomes available.

Unmet needs were estimated through a comparison of financial impacts of the qualified disaster event with subsequent recovery funding that has been received or is anticipated. This assessment incorporates data from the following key sources:

- FEMA Individuals and Household Assistance Program (IHP)
- FEMA Public Assistance Program (PA)
- Small Business Administration (SBA)
- Hawai'i County departmental damage assessment reports and studies
- Engineering estimates
- National Atmospheric and Oceanic Administration (NOAA)
- United States 2010 Decennial Census
- 2013-2017 5-Year American Community Survey (ACS)
- Public and stakeholder outreach and feedback

This assessment is organized into three main categories: housing, infrastructure, and economic development. Identifying and documenting the needs across these three core areas allowed the County to strategically allocate limited resources to address the most critical recovery needs while also making proactive resilience investments to minimize impacts of future volcanic events.

3.1 Disaster Impact Overview

Within a few months of the start of the 2018 eruption, the USGS HVO reported a total of 24 known fissures, 60,000 earthquakes, and an eruption equivalent to eight years of Kīlauea's magma supply. Puna suffered



significant losses, especially from lava inundation. Multiple neighborhoods—Leilani Estates, Lanipuna Gardens, Kapoho Beach Lots and Vacationland—were inundated (some completely), and a charter school, Kua O Ka Lā, and Ahalanui Park were destroyed. In addition to lava flow, earthquakes, and air pollutants, including sulfur dioxide, ash, tephra, and laze (lava haze) affected not only the residents of Puna but also the island and the state.

The sheer volume of the magma supply was one of the most significant distinguishing characteristics of the 2018 Kīlauea event. Simultaneously, Kīlauea's summit experienced its largest collapse in 200-plus years, with a total of 1,640 feet subsidence and tens of earthquakes at the summit each day rattling surrounding communities. Volcanic gases and ash created a cloud of vog (volcanic smog) that reached the island of O'ahu. Dozens of new fissures opened along a line of craters in Puna. Many of these fissures produced lava into residential areas, farmlands, and sensitive natural areas and cultural sites.

In total, approximately 8,448 acres of land were inundated by lava, 3,983 acres were isolated, and 3,000 residents were displaced. Nearly 2,000 parcels were impacted by the lava flows, whether totally inundated, partially inundated, or isolated by lava; of these, the median size of parcels is approximately 1 acre. A new coastline was formed in Kapoho Bay, and the path of damage covered sections of several subdivisions, approximately 12.5 miles of public roads, 20 miles of private roads, and 14.5 miles of waterlines. These impacts resulted in more than \$236 million in public infrastructure damages.

The most significant direct impact from the volcanic event was to residential properties, including land and structures. It is estimated that 1,579 parcels were inundated with lava, resulting in the destruction of approximately 723 structures, with approximately 600 of those structures being a residence. Additionally, more than 120 parcels were identified as isolated.

Impacts from the volcanic event were also felt in the local economy with 2,950 jobs lost island-wide between May 2018 and June 2019. The tourism industry alone suffered approximately \$415 million in economic losses. Additionally, the University of Hawai'i estimates that damages for agricultural producers totaled approximately \$28 million in inundated and isolated farmland.

3.1.1 UNIQUENESS OF VOLCANIC DISASTER AND RECOVERY

Following the volcanic event, assistance from traditional recovery programs such as FEMA, SBA, and nonprofit organizations has made many recovery projects possible. Despite numerous funding mechanisms at the disposal of recovery stakeholders, there are several challenges unique to the 2018 Kīlauea eruption and earthquakes that have inhibited the recovery process. The multiple response and recovery operations, including Hurricanes Lane and Olivia, occurring concurrently in Hawai'i strained the County's response capacity. Delays in Federal Register Notice on CDBG-DR allocations have resulted in delays in local recovery implementation.

Housing impacts of the 2018 Kīlauea eruption have proven particularly challenging to recovery. Seismic activity, noxious gases, and vog forced extended evacuations and damaged structures well beyond the boundaries of lava inundation. Lava flowed directly through residential neighborhoods. Few roads transect upper and lower Puna, and many of them became impassible. Entire areas of Puna were rendered inaccessible



for months as lava flowed across arterial roadways. The lava flow continued for months and caused secondary impacts – new fissures opened, homes were compromised by gases and steam venting, parks and businesses faced extended closure, and tourism to the island slowed considerably. The geological effects of the magma channels below the surface continue to impact residential areas today with heat and steaming that has rendered some areas unlivable. These conditions may remain or expand in the area over time.

3.2 Unmet Need Summary

Through the review of best available data and information, **Hawai'i County identified a total of \$739,930,873 in unmet recovery needs** prior to factoring assistance from the CDBG-DR grant award. Of these needs, housing assistance was identified as the priority area of unmet recovery need followed by economic activity, and then infrastructure. It is critical to understand that these figures should only be considered as initial estimates based on the available information at the time this plan was developed. Many impacts are very difficult or impossible to quantify, and others cannot be identified at this time due to missing data. As such, the figures presented in this section are to be considered only as preliminary estimates and not as definitive facts regarding the true unmet needs in the County.

Table 3-1 provides a summary of estimated unmet needs in the County across the core areas of housing, infrastructure, and economic development.

Table 3-1 - Unmet Need Summary

Recovery Area	Damage/Need	Assistance Received or Anticipated	Unmet Need	CDBG-DR Grant Award
Housing	\$269,135,147	\$29,590,875	\$239,544,272	\$79,648,950
Infrastructure	\$236,000,000	\$140,750,000	\$95,250,000	\$0
Economic Development	\$443,000,000	\$6,177,800	\$436,822,200	\$0
General Recovery or Administration	\$0	\$31,685,599	(\$31,685,599)	\$4,192,050
Totals	\$948,135,147	\$208,204,274	\$739,930,873	\$83,841,000

3.3 Funding Assistance Received or Expected

While the impacts of the disaster far outweigh the available funding, the County greatly appreciates the contributions and resources provided by the numerous organizations that have assisted with ongoing recovery efforts. Assistance from these recovery partners has allowed for completion of several critically important projects, including home repairs, social services, and infrastructure repairs among many others. Additional details related to these completed and ongoing recovery efforts are provided in Section 3.9.



Table 3-2 - Summary of Financial Assistance Received or Anticipated

Source of Assistance	Housing	Infrastructure	Economic Development	General Recovery	Total
Governor				\$10,000,000	\$10,000,000
State Legislature		\$40,000,000		\$20,000,000	\$60,000,000
FEMA Individual Assistance	\$11,682,000			\$1,506,000	\$13,188,000
FEMA Public Assistance		\$95,000,000			\$95,000,000
FEMA DCMP	\$1,681,000				\$1,681,000
SBA	\$15,565,200		\$6,157,800		\$21,723,000
FHWA		\$5,750,000			\$5,750,000
Cities for Financial Empowerment			\$20,000		\$20,000
Private Donations				\$179,599	\$179,599
Kilauea Hui	\$662,675				\$662,675
Total	\$29,590,875	\$140,750,000	\$6,177,800	\$31,685,599	\$208,204,274

3.4 Housing Damage Summary

Damages to the County’s housing stock were among the most severe and costly impacts of the 2018 Kilauea eruption. Hundreds of homes were damaged or destroyed as fissures opened and lava inundated properties in the southeastern portion of the island. A majority of these properties contained single-family units with a mix of owner, renter, and secondary properties. Based on the best available data, it is estimated that, at minimum, over 800 homes were damaged during the volcanic event.

Lava erupting from over 20 fissures inundated approximately 723 structures, of which 612 are classified as residential. Lava from the fissures inundated properties, in some places as deep as 80 feet, and caused fires that destroyed properties. Properties also became inaccessible as lava dozens of feet thick covered large swaths of land, including infrastructure such as roads, effectively isolating the properties. This resulted in properties not only being damaged or destroyed by the lava but becoming essentially unusable as access to the properties was severed and utility service was eliminated. The severity of the damage primarily resulted in destroyed homes or isolated properties rendered nonfunctional as housing units. For many property owners, the purchase of residential property is their single largest financial investment. The destruction and loss of this investment has resulted in the need for residents to obtain some compensation for the loss of their property. Without any way to obtain some financial compensation for the loss of this investment, many cannot effectively recover to a new permanent residence due to the lack of financial resources. Additionally, some residents who may not have suffered direct



impacts or damages from the volcanic event seek to move out of high hazard areas, such as lava zones 1 and 2, to help mitigate future risk of such volcanic impacts.

To estimate the financial damages from these numerous impacts, the County gathered the best available data from federal, state, and local resources. These resources include damage assessments from federal agencies and county departments as well as information gathered from nonprofit organizations and through public outreach.

3.4.1 FEMA DAMAGE ASSESSMENT

FEMA's Individual and Household Program (IHP) provides important data that helps to better understand the locations and extents of damages in the County. The IHP is one of the primary federal sources of recovery assistance and provides damage assessments, known as FEMA Verified Loss (FVL) estimates, for eligible households. As of December 2019, 3,091 households had registered for FEMA IHP assistance. Of these applicants, 1,202 were identified as having some impact that made them eligible for FEMA housing assistance. Damage assessments were conducted, resulting in an estimated **\$133,695,400.71 in total FEMA Verified Loss**. In some cases, FEMA identified properties as "inaccessible," and an FVL was determined based on FEMA's assessment these homes were "functionally destroyed." Due to gaps with FEMA recorded data, the County utilized data it had collected after the Kīlauea event to record impacts. This is described in more detail in Section 3.4.6 – Impact Analysis.

3.4.2 SBA LOANS

U.S. Small Business Administration (SBA) loans are another key source of information for estimating unmet needs. Unlike FEMA damage assessments, SBA damage assessments and loans represent the full damage to the home and the amount necessary to fully repair it back to pre-event conditions. For this reason, SBA data are typically used to calculate an average rebuild cost and unmet needs. As of December 2019, **SBA had verified \$71,729,889** in real property damages, which included real estate repair and reconstruction. The approved amount of SBA assistance for these properties was \$27,399,000; within this \$15,565,200 in loans has been dispersed and \$11,833,800 has been cancelled by the borrower and/or SBA since the disaster event (data as of August 2020).

3.4.3 INITIAL DAMAGE ASSESSMENT – COUNTY OF HAWAI'I

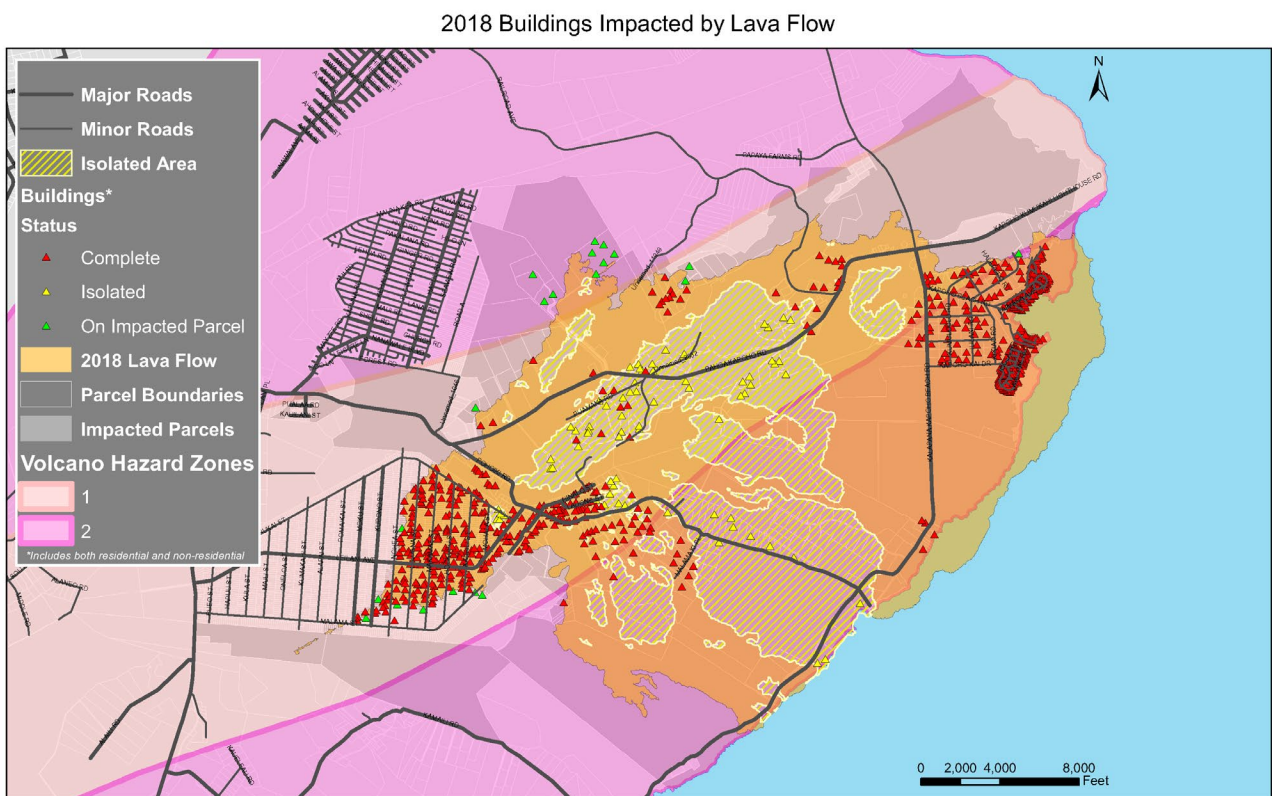
The County collected information from residents and conducted field assessments in the wake of the 2018 Kīlauea eruption in order to record properties that were impacted and to what extent they were damaged. These findings were cross referenced with Real Property Tax data and aerial imagery of the impacted areas prior to and after the eruption. There was no multi-family housing in the Eruption Area prior to the 2018 Kīlauea eruption as this area is predominantly rural and agricultural. The results of the initial damage assessment are:

- 1,579 Parcels Inundated:
 - 612 Residences
 - 294 Primary Residences
 - 318 Secondary Residences
 - 63 Agricultural Parcels
 - 915 Parcels (vacant or other)
- 191 Isolated Parcels:
 - 116 Residences
 - 34 Agricultural Parcels
 - 41 Parcels (vacant or other)



The Eruption Area where properties and applicants are eligible to participate in CDBG-DR funded activities is represented by Census Tract 211.01 Block Groups 1 and 2, and Census Tract 211.06 Block Groups 2 and 4 (see Table 2-2). In Census Tract 211.06, Block Groups 2 and 4 are 77.23% and 68.49% LMI respectively. Block Group 1 of Census Tract 211.01 is considered 68.38% LMI, however Block Group 2 of the same Census Tract is not LMI-eligible (see Figure 2-3). Approximately half of the destroyed homes and much of the inundated land is in Census Tract 211.01 Block Group 2. The County is prioritizing LMI households and primary homes in the administration of its voluntary housing buyout program and is limiting the housing relocation services to LMI households. There remains an opportunity and a need to serve non-LMI households through the voluntary housing buyout program. CDBG-DR program funds serving non-LMI households will need be addressed by the Urgent Need National Objective. The National Objective to be fulfilled through this program will be specific to each qualifying household and based on verification of each applicant's household income. The proportion of funds serving LMI and non-LMI households will be closely monitored to ensure that the County is meeting both its LMI and Urgent Need National Objectives based on the demand on this voluntary program.

Figure 3-1. Real Property Impacts, Buildings Located in Lava Zone 1 and 2



An additional source of information for estimating damages and homes with unmet needs was provided by an assessment of all structures located in lava zones 1 and 2. These zones are utilized by the U.S. Geological Survey and identify potential lava risk. Lava zones 1 and 2 are considered to pose the greatest risk hazard and are defined as:



Lava Zone 1 - Includes summits and rift zones of Kīlauea and Mauna Loa, where vents have been repeatedly active in historical time.

Lava Zone 2 - Areas adjacent to and downslope of zone 1. Between 15–25% of zone 2 has been covered by lava since 1800, and 25-75% has been covered within the past 750 years. Relative hazard within zone 2 decreases gradually as one moves away from zone 1.

3.4.4 IMPACTS TO AFFORDABLE HOUSING

The County did not suffer any recorded impacts to public housing facilities, homeless shelters or HUD-assisted housing from the disaster event. One factor contributing to this outcome is HUD's established policy of non-participation areas for the purpose of HUD assistance in Lava Zones 1 and 2 on the Island of Hawai'i. The 2018 Kīlauea eruption occurred in areas of Lava Zone 1 and 2 along the lower east rift zone of Kīlauea volcano.

For the purpose of these CDBG-DR funded activities the Public Housing Agency (PHA) for the County of Hawai'i is the Section 8 Division of its Office of Housing and Community Development. The PHA has been consulted in the identification of impacts from the 2018 Kīlauea eruption as well as the proposed projects in this Action Plan. The County administers a Section 8 program with approximately 2,055 households assisted annually. Of these households with rents subsidized with federal and state funding, approximately 1837 are tenant-based, 213 are project-based, 26 are Veterans Affairs Supportive Housing (VASH), eight are Mainstream, and 79 are HOME tenant-based. The current waitlist has 595 applications and is made up of extremely low-income, very low-income, and low-income applicants. The approximate waiting period is five (5) years.

There were 23 Section 8 voucher holder households impacted by the Kīlauea eruption between May 2018 and July 2019. None lost their rental property as a direct result of the eruption however most were displaced or relocated do to the exposures related to the disaster event, such as earthquakes, the release of volcanic gas, exposure to tephra, or the risk of lava inundation where they lived. Since the eruption five households chose to return to their units, 12 households leased units elsewhere, two households went off the program, and four households moved off-island without a transfer of their voucher.

3.4.5 HOUSING UNMET NEED CALCULATION

The County engaged in a complex analysis of FEMA, SBA, and County-acquired data to identify the extent and cost of impacts from the Kīlauea event. Unlike many other disasters, the nature of the eruption made large areas inaccessible or still had volcanic activity occurring, preventing FEMA and SBA from obtaining accurate impact data. The County conducted a sophisticated analysis process utilizing a variety of algorithms in attempts to cross-reference data from each data set and identify types of impacts, values associated with loss, and the type of assistance provided. Unfortunately, due to data gaps and significant inconsistencies among data, the County decided to utilize its own damage assessment data because it was deemed to be the most consistent and reliable. The County used its own data resources to identify impacted properties using GIS data combined with County land and structure market values to estimate damages for properties located within the inundation and isolation area. FEMA and SBA data were used to estimate damages outside if this area. Finally, SBA and FEMA assistance figures were calculated to identify total estimated assistance provided. Based on the process described above, approximately **\$239,544,272 in unmet housing needs** were identified. Initial County estimates of damages, assistance, and unmet need based on existing assessment data are recorded in Table 3-3.



Table 3-3 - Housing Unmet Need Summary

Recovery Area	Damage/Need	Assistance Received or Anticipated	Unmet Need
Housing	\$269,135,147	\$29,590,875	\$239,544,272

County officials recognize that available FEMA, SBA, and insurance data provide important but limited perspective on damages and potential unmet needs. The County had undertaken an extensive damage analysis after the eruption event. The County recorded addresses of people impacted and attempted to identify the type and extent of damage sustained. The County preferred to use its data whenever possible, considering it was determined to be the most accurate due to the availability of appraised values for the properties and witness descriptions of the damages sustained. Many of these damages were then verified through the use of drones to overfly isolated sites and sites in dangerous locations. Many impacted persons either did not register for FEMA assistance, registered but were denied assistance, or did not receive sufficient assistance to fully repair their homes, which made the availability of the County data all the more crucial. Unfortunately, homeowner insurance data was not available during the development of this Action Plan in order to calculate assistance provided by insurance to be incorporated into the unmet needs calculation.

3.4.6 IMPACT ANALYSIS

To identify the cost of the impacts, the County overlaid parcel maps with the lava coverage GIS data to identify all parcels potentially impacted. These parcels are identified in Figure 3-2.

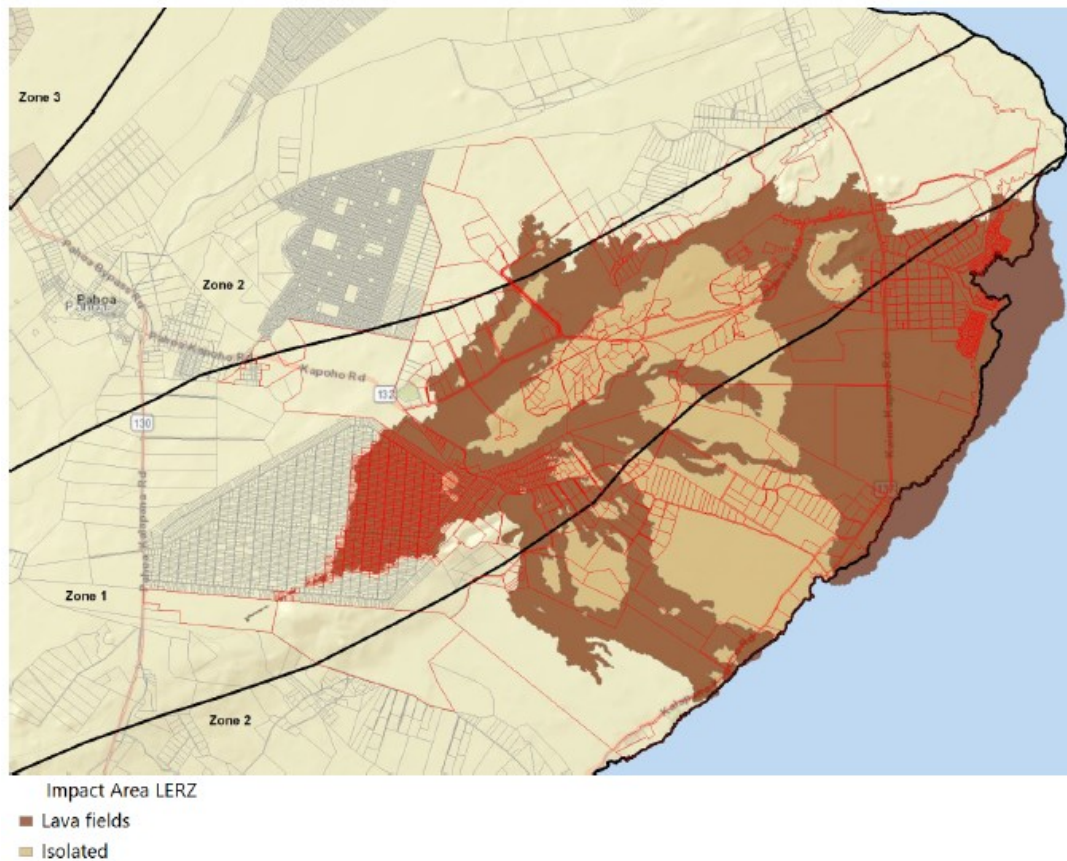
This data was then reviewed against the intake data the County had acquired after the event recording types and locations of impacts. Properties identified as being inundated or isolated due to lava flows were considered complete losses. The County, therefore, used its market value data for land and structures for all properties that were identified as inundated and isolated. Much of the inconsistency among SBA, FEMA, and County data involved the type and magnitude of damage for properties that were partially impacted along the edge of the lava flows. To address this, the County applied the percentage of lava inundation on the property to the values of the structure and land. This resulted in the identification of \$260,383,912 in estimated loss to over 1,700 properties in the inundated/isolated lava area. It should be noted that FEMA only identified 235 properties within this area as having a real property loss eligibility, which included properties requiring Home Repairs, Replacement Housing, or recorded as Inaccessible. SBA recorded 243 properties with real property loss, which would include verified damage requiring Housing Reconstruction or Housing Repairs.

Table 3-4 - Estimated Residential Lava Impact

Value Type	Quantity	Estimated County Market Loss Value
Land Value	1,731 (parcels)	\$144,859,600
Structure Value	759 (structures)	\$130,008,300
Total		\$274,867,900
Factor for % in Lava		\$260,383,912



Figure 3-2. Parcels Impacted or Isolated by Lava



Lastly, in order to identify impacts to properties outside of the inundation areas, the County relied on SBA and FEMA records to identify these properties because the County did not have consistent internal records of those damages. The County identified properties with real property damage, as recorded by FEMA and SBA, outside of the areas identified in Figure 3-1. There were three categories of properties that recorded damage outside of the lava inundation/isolation area: those recorded by FEMA, those recorded by SBA, and those recorded by both. Those properties with damages recorded solely by FEMA or SBA used the respective agency’s verified damage records. Properties that were recorded by both FEMA and SBA utilized SBA’s damage data because FEMA only recorded a total verified loss of \$1,212,779, while SBA recorded \$6,398,793 in estimated loss (data as of March 2020). A summary of these findings is provided in Table 3-5.

Table 3-5 - Estimated Residential Impact Outside Lava Inundation/Isolation Area

Data Source	# of Properties with Verified Real Property Loss	Verified Loss Estimate
FEMA	38	\$273,788
SBA	44	\$2,078,654
Both FEMA and SBA	128	\$7,126,327
Total	210	\$8,751,235

* Utilized SBA verified damages number because it is typically a more accurate count for damages.



Utilizing the data from the inundated/isolated lava area with the FEMA and SBA damage data for properties outside of that area accounts for 210 properties that sustained recorded real property damage. This resulted in a total estimated real property loss of \$8,751,235 (data as of March 2020). This resulted in a total estimated impact of **\$269,135,147** across 1,941 parcels.

3.4.7 CALCULATED ASSISTANCE

The second step in calculating unmet need is to determine the amount of approved housing assistance that has been made available to residents. This typically includes FEMA, SBA, and insurance compensation. Unfortunately, the County has been unable to obtain insurance data and therefore is limited to identifying and calculating FEMA and SBA assistance only. The County calculated assistance for properties in the inundated/isolated lava areas and then calculated the assistance for those properties outside of that area. The County utilized all FEMA housing assistance data in its total financial assistance calculation, which totaled \$13,188,000 though only \$11,682,000 was designated for properties suffering real property damage (data as of February 2020). Properties suffering real property damage were those designated eligible by FEMA as requiring Home Repairs, Replacement Housing, or recorded as Inaccessible. While there were over 1,700 properties identified by the County in the inundated/isolated area as impacted, FEMA was able to approve housing assistance to approximately 1,000 properties. In addition to the FEMA assistance, the County calculated the amount of SBA assistance provided for properties that were recorded by SBA as in need of reconstruction, repair, or relocation among eligible uses of funds. The approved amount of SBA assistance for these properties was \$27,399,000; within this \$15,565,200 in loans has been dispersed and \$11,833,800 has been cancelled by the borrower and/or SBA since the disaster event (data as of August 2020). The total federal assistance related to housing for properties in the lava inundation and isolation area totaled **\$27,247,200**.

Note on Calculations

The uniqueness of this disaster event is evident in the fact that FEMA recorded housing assistance to properties with no recorded eligibility criteria or which met one of the three real property damage eligibility criteria (Home Repairs, Replacement Housing, or Inaccessible) while not recording any verified loss. This was due to the fact that some properties were inaccessible, and therefore loss or even impact could not be verified by FEMA.

In addition to the FEMA individual assistance and SBA assistance calculated above, the County also received Disaster Case Management Program (DCMP) funds to assist with housing recovery. This program worked with the local unmet needs table Kīlauea Hui to allocate \$662,675 in non-federal disaster assistance to survivors (data as of August 2020).

Table 3-6 - Housing-Related Assistance

Financial Assistance	Approved Amount
FEMA	\$11,682,000
SBA	\$15,565,200
Disaster Case Management Program	\$1,681,000
Kīlauea Hui	\$662,675
Total	\$29,590,875



At the time of approving this Action Plan no private insurance data has been made available to assist in unmet needs calculations. The County will continue to try to identify and secure information pertaining to this data and will reevaluate unmet needs if this data is made available.

3.4.8 UNMET NEED CALCULATION

The unmet needs can now be calculated utilizing the previously identified damages/need data and the estimated assistance provided. This is calculated utilizing the **\$269,135,147** total estimated damages as recorded by FEMA, SBA, and the County. The total assistance amount is indicated in Table 3-6 above and totals **\$29,590,875**. Therefore, the estimated residential unmet need is the total estimated damages minus the estimated assistance, which results in a total estimated unmet residential recovery need of **\$239,544,272** (Table 3-7).

Table 3-7 - Unmet Need Calculation

Recovery Area	Damage/Need	Assistance Received/Anticipated	Unmet Need
Housing	\$269,135,147	\$29,590,875	\$239,544,272

3.5 Public Infrastructure and Facilities

This section describes the County-identified public infrastructure and facility impacts and the methodology for calculating the total unmet need of **\$95,250,000** (Table 3-8).

Table 3-8 - Infrastructure Unmet Need Summary

Recovery Area	Damage/Need	Assistance Received or Anticipated	Unmet Need
Infrastructure	\$236,000,000	\$140,750,000	\$95,250,000

3.5.1 PUBLIC INFRASTRUCTURE AND FACILITY IMPACTS

Lava flow in the Puna District resulted in the loss of approximately 33 miles (12.5 public and 20 private) of roadway, isolation of 8 miles of roadway, and 14.5 miles of water line loss. The primary county roads affected include Highway 137, Highway 132, Pohoiki Road, Leilani Avenue, Hinalo Street, Lighthouse Road, Laune Street, and Honuaula Street. In addition, Pāhoa Regional Park, Isaac Hale Beach Park (Pohoiki), and Ahalauni Park were impacted. Information provided by FEMA Public Assistance project worksheets, FHWA, County-department-led assessments and capital improvement planning identified \$236,000,000 in estimated damages resulting from the Kīlauea eruption (data as of January 2020).

Direct impacts on one segment of the infrastructure (e.g., roads) have cascading impacts on other sectors of infrastructure, such as utilities tied to extent and location of home reconstruction. Also, the loss of electrical power and availability of emergency communications towers can diminish the ability of first responders (and the public) to communicate. Damaged transportation routes can prevent safe evacuation of residents and create isolated communities. While many of the infrastructure components other than those presented here



have implications for effective recovery and resilience, for the most part, they are largely being addressed by individual service providers and are beyond the scope of this strategic document.

3.5.2 INFRASTRUCTURE CALCULATED ASSISTANCE

Many of the roads impacted by the eruption provide critical access to various parts of the island. They provide access to residential neighborhoods and jobs and are transportation corridors for people and shipping traversing the Puna District. Due to these factors as well as significant public pressure, the County has been aggressively seeking and securing funds to help rebuild these roads. Table 3-9 provides a list of anticipated funds to assist with public facilities and infrastructure.

Table 3-9 - Anticipated Assistance

Financial Assistance	Approved Amount
FEMA PA 428	\$95,000,000
FHWA	\$5,750,000
State Legislature	\$40,000,000
Total	\$140,750,000

3.5.3 INFRASTRUCTURE UNMET NEED CALCULATION

Due to the extreme impacts of this event, the County remains in great need of recovery and rebuilding assistance to address unmet infrastructure and facility needs. While County departments, with support from numerous organizations and volunteers, were successful in addressing many urgent and critical needs during the immediate aftermath of the disaster, substantial need remains. The estimated unmet infrastructure need is based upon FEMA Public Assistance project worksheets, FHWA and County-department-led assessments, and capital improvement planning. The County estimates damages to total \$236,000,000 (data as of January 2020). The County has received a significant amount of funds specifically to address impacts to infrastructure and public facilities, primarily roads, in the aftermath of the event. While not all of the funds have been obligated, the County is anticipating \$140,750,000 in recovery funding from federal, state, and local sources.

Table 3-10 - Infrastructure Unmet Need Summary

Recovery Area	Total Need	Assistance Received or Anticipated	Unmet Need
Infrastructure	\$236,000,000	\$140,750,000	\$95,250,000

3.6 Economic Development

In addition to direct damages and impacts to housing and infrastructure, the County's economy was also severely impacted by the Kilauea volcanic event. These damages were somewhat more complex in nature as they included both direct physical impacts as well as the resulting loss in business during and after the event. The two primary industries impacted were agricultural and tourism related industries. Inundation and isolation caused by the lava



flows impacted several farms and the ensuing reduction in tourism after the eruption event has had a substantial impact on the local economy. The County's primary tourist attraction, Volcanoes National Park, had to close for 162 days which deterred tourists from visiting the island and patronizing many of the County's local businesses. This continued well after the event ended as the Kilauea active lava pool, which drew many of the tourists, was no longer present after the eruption event. Information provided by State of Hawaii's Department of Business, Economic Development and Tourism (DBEDT) and the Hawaii Department of Labor & Industrial Relations (DLIR) indicated that approximately 2,950 jobs were lost in the 1-year period following the eruption.

3.6.1 ECONOMIC IMPACTS

Businesses that were directly impacted by the volcano event were primarily agricultural businesses. These were farms which were inundated or isolated due to the lava flows. Analysis conducted by the University of Hawaii and Hawaii State Department of Agriculture indicated that 46 farms were lost due to lava inundation and isolation with a self-reported loss totaling \$28,000,000. In addition to damages and losses in agriculture, there was a substantial longer-term impact to the tourism economy. While no tourism businesses were reported to be directly damaged by volcanic activity the resulting loss of tourism had a substantial impact on the economy. Information provided by the Hawai'i Tourism Authority, State of Hawaii's Department of Business, Economic Development and Tourism and TZ Economics estimated that the County sustained at least \$415,000,000 in lost revenue after the Kilauea event. This resulted in a total economic impact of \$443,000,000 (data as of June 2020).

3.6.2 ECONOMIC CALCULATED ASSISTANCE

There have been two sources of recovery funding for local businesses and the economy since the eruption event, the U.S. Small Business Administration (SBA) and Cities for Financial Empowerment. The approved amount of SBA assistance for businesses was \$14,938,100; within this \$6,157,800 in loans has been dispersed and \$8,780,300 has been cancelled by the borrower and/or SBA since the disaster event (data as of August 2020). Additionally, Cities for Financial Empowerment has provided \$20,000 to assist in economic recovery. These sources have provided for a total of \$6,177,800 in economic recovery funding.

Table 3-11 - Economic Recovery Assistance

Financial Assistance	Approved Amount
SBA	\$6,157,800
Cities for Financial Empowerment	\$20,000
Total	\$6,177,800

3.6.3 ECONOMIC UNMET NEEDS CALCULATION

In order to identify the economic unmet need, the total amount of economic recovery assistance provided or anticipated to-date was reduced from the total estimated economic impact. These results are provided in the table below.



Table 3-12 - Economic Unmet Need Summary

Recovery Area	Total Need	Assistance Received or Anticipated	Unmet Need
Economic	\$443,000,000	\$6,177,800	\$436,822,200

3.7 Total Unmet Need

In addition to funds designated for specific uses, such as housing, infrastructure/public facilities, and economic development, the County anticipates receiving non-specific recovery funding assistance that comes from federal, state, and private funding sources. Because these funds could go to any of the previous three categories for assistance, they need to be accounted for in the unmet needs calculation. The non-specific or general recovery funds include those identified in Table 3-13.

Table 3-13 - Unmet Need Summary

Recovery Area	Damage/Need	Assistance Received or Anticipated	Unmet Need	CDBG-DR Grant Award
Housing	\$269,135,147	\$29,590,875	\$239,544,272	\$79,648,950
Infrastructure	\$236,000,000	\$140,750,000	\$95,250,000	\$0
Economic Development	\$443,000,000	\$6,177,800	\$436,822,200	\$0
General Recovery or Administration	\$0	\$31,685,599	(\$31,685,599)	\$4,192,050
Totals	\$948,135,147	\$208,204,274	\$739,930,873	\$83,841,000

3.8 Unmet Needs Outreach

3.8.1 PUBLIC AND STAKEHOLDER ENGAGEMENT

Direct outreach to impacted residents and business owners was at the core of the County’s unmet need assessment. Where available, the County placed the highest importance on information gathered from the public through public meetings, stakeholder meetings, and direct outreach. The County gathered and analyzed large quantities of data used to help shape the priorities in this plan. Additionally, the County believed it most important to verify quantitative and statistical data with direct feedback from the public. To gather this information, the County employed a variety of outreach methods, including public meetings, stakeholder meetings, direct outreach to FEMA registrants, and collaboration with Voluntary Organizations Active in Disaster (VOADs) and other nonprofit groups, among others. Input from these efforts directly impacted the calculations of unmet needs and the County’s strategic allocations of CDBG-DR funding.



This Action Plan was developed during the COVID-19 pandemic of 2020. Considering the mitigation actions communities are taking to limit the spread of the virus public meetings with the community did not occur as would be custom for the County in developing plans of a similar scale and scope. Critical community engagement at a broader scale was able to occur in the summer and fall of 2019. The public comment period for this Action Plan will focus on individual comments that will be received on-line and in-person at the County's offices.

3.8.2 STAKEHOLDER ENGAGEMENT SUMMARY

During the development of this Action Plan, the County facilitated a multi-phase community engagement strategy to support recovery efforts. Key activities included:

- The Disaster Recovery Division gathered input from the community to confirm the long-term community goals and establish the recovery specific objectives and priorities;
- The Planning and Technical Support Team incorporated community input and conducted technical analyses to provide options for recovery strategies and projects;
- The Disaster Recovery Division worked through sector-based the working groups to evaluate community input and technical data to make informed decisions on recovery strategies and projects;
- The Disaster Recovery Task Force was consulted on the projects in this Action Plan.

It is estimated that at least 3,600 persons representing a broad cross-section of the community provided input that helped shape and inform the Plan, as shown in Figure 3-3. The Disaster Recovery Division worked with the Puna Community Development Plan (CDP) Action Committee and the community to affirm the community goals established for the Puna Community Development Plan and to establish the recovery objectives for the Kīlauea Recovery and Resilience Plan. The County also issued multiple surveys to confirm agreement with the recovery objectives, gauge the impacts and unmet needs of the residents in the Puna District as well as define economic impacts county-wide.

To inform the development of this Action Plan, and the recovery planning process overall, public meetings were held throughout the areas impacted by the 2018 Kīlauea eruption to provide opportunities for members of the public to learn about the CDBG-DR program, describe impacts from the disaster, identify additional unmet needs, and inform the development of recovery programs and projects. These large-scale community SpeakOut events occurred:

- Recovery SpeakOut on July 27, 2019, at Kea'au High School
- Youth SpeakOut on October 4, 2019, at Pāhoā High School
- Community SpeakOut October 5, 2019, at Pāhoā High School

Hawai'i County conducted three public outreach meetings, locally referred to as "SpeakOuts", between July and October 2019. During these meetings, the County presented interactive activities, panel discussions with County leaders, a General Plan mini-SpeakOut, and mapping stations for cultural assets and individual priorities related to types of capital, including built, social, natural, political, and financial. One of the SpeakOuts was youth-focused, where teens from different Puna schools sat on a discussion panel with the Mayor and two Council members. They answered questions about what it means to be "Puna and Hawai'i Island Strong", the challenges their generation faces, and what supports are needed for youth in the future. The County also used the engagements to gather



feedback from the public on a variety of topics, including damages and impacts from the volcano, remaining needs, and ideas for potential programs and projects, among others. This format also allowed impacted residents to ask questions about the CDBG-DR program and other recovery funding sources to better understand how they may be able to assist with recovery activities. SpeakOuts and public meetings were advertised using a variety of media and outreach methods to help reach as many impacted residents and stakeholders as possible. Outreach included flyers, radio public service announcements, County website announcements, and announcements during gatherings at community and faith-based organizations.

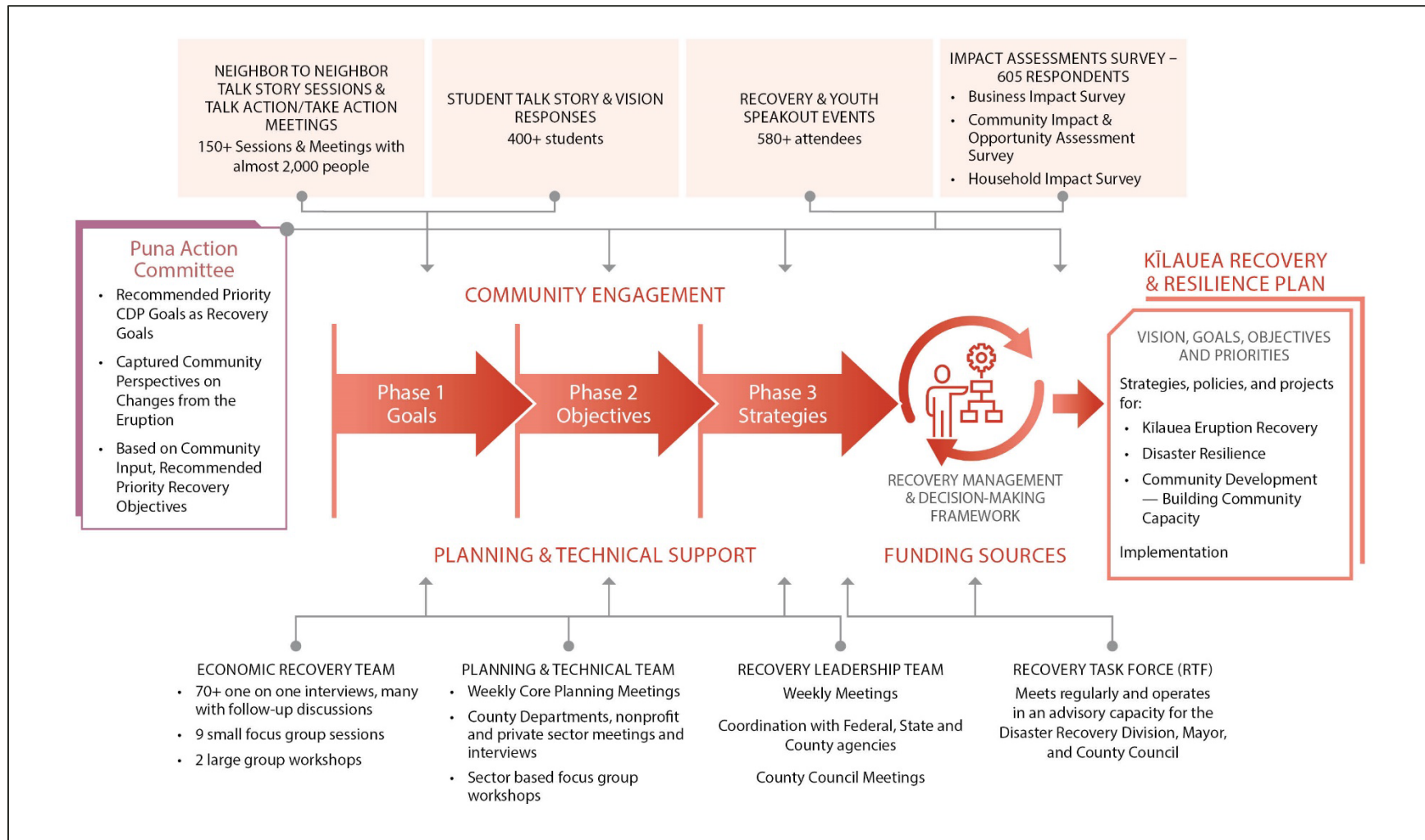
Since the onset of the recovery planning process the County has held stakeholder meetings with individuals representing a cross-section of the County such as property owners, community leaders, elected officials, and faith-based organizations, among others. During these meetings, stakeholders were given the opportunity to assist the County in identifying impacts and unmet needs from the disaster and discussing key recovery topics specific to their area of expertise. Multiple committees and organizations supported the County throughout the development of this Action Plan. These groups consisted of representatives from local, County, and State governments as well as non-governmental organizations such as nonprofits, community organizations, and VOADs, among others.

The Task Force was consulted on the design of the voluntary housing buyout program through a workshop-style format. Data on the disaster impacts to housing and unmet need housing recovery need were shared and discussed. The federal grant requirements associated with the County's allocation of CDBG-DR funding were provided. Components of a voluntary housing buyout program including HUD programmatic guidelines and best practices, key decision points and considerations for eligibility, prioritization and fairness were discussed. Specific criteria for the voluntary housing buyout program detailed in Section 4.4.1 of this Action Plan were built from the consensus of the Task Force, including eligibility based on geological impacts and conditions from the 2018 Kīlauea eruption; prioritization to serve low- to moderate-income households and primary residences in order to address the most significant housing security needs among disaster survivors; and the impact of potentially duplicative assistance from private insurance or subsidized SBA loans relative to the purpose of the buyout program and reduced grant award amounts.

In subsequent discussions with the Task Force key concerns were shared about how projects identified in this Action Plan were prioritized and the role of the Task Force as advisory to the County in disaster recovery efforts with participation in project implementation. Specific concerns included decisions to prioritize a voluntary housing buyout program and housing relocation services while not identifying CDBG-DR grant funds for potentially eligible economic revitalization or infrastructure projects. The County worked to clarify the requirements for these funds to be used to address housing unmet need before they are allocated to other eligible uses that are further detailed in Section 4.2 Basis of Funding Allocations of this Action Plan. The group discussed how the County would track housing unmet need during the administration of the CDBG-DR project activities so that it could determine if and when unmet housing recovery needs are met by CDBG-DR or other sources of funds. The Task Force highlighted the importance of providing the overall strategy for long-term recovery that is presented in the County's Kīlauea Recovery and Resilience Plan which is in the process of finalization during this period of developing this Action Plan for CDBG-DR funding. While this Action Plan for CDBG-DR grant funds focused on housing recovery solutions, the Kīlauea Recovery and Resilience Plan will address long-term recovery strategies in addition to housing, including infrastructure, economic development, management of natural and cultural resources, and building community resilience. Finally, the Task Force emphasized the importance of available recovery funding to be invested to support Puna's recovery from the 2018 Kīlauea eruption.



Figure 3-3. Community Engagement Strategies and Outputs





3.9 Summary of Completed and Ongoing Recovery Efforts

This section summarizes completed and ongoing recovery efforts during and following the volcanic activity occurring between May and August of 2018. These efforts include recovery work conducted by county, federal, and state organizations and nonprofit and other local organizations.

3.9.1 COMPLETED AND ONGOING RECOVERY EFFORTS

In the wake of extreme public safety risks and damages from 2018 Kīlauea eruption, the County has worked in partnership with numerous organizations to begin addressing recovery needs throughout the County. These substantial efforts have included emergency response, sheltering, setup and management of a recovery operations center, provision of essential household goods and supplies, infrastructure repair, housing assistance, public facility reconstruction, among many others.

An overview of the recovery efforts to-date are described in Figure 3-4.



Figure 3-4. Recovery Efforts

<p>Eruption begins</p> <ul style="list-style-type: none"> • Immediate County, neighbor to neighbor, and HI-DARRT response to emergency and shelter need • Presidential Major Disaster Declaration • EOC is activated • Mayor assigns recovery team 	<p>Administration sets 6-month wait period to ensure safety and confirm eruption end</p> <ul style="list-style-type: none"> • Kūkulu Hou housing fair • HI-DARRT and community partners continue outreach and health, human service, and housing support 	<p>6-month wait period ends given no eruptive activity</p> <ul style="list-style-type: none"> • Talk Action, Take Action community meetings begin • Puna business recovery workshops • \$60 million State Legislature appropriation: \$20 million subsidy for relief, recovery, mitigation, and remediation assistance and \$40 million loan intended to match federal infrastructure grants • Consultants for volcanic risk mitigation, economic recovery, and recovery plan hired • Priority Recovery Objective crafted by the community, affirmed and recommended by the Puna CDP Action Committee • Begin road construction: Highway 132 temporary access • Recovery full website launch 	<ul style="list-style-type: none"> • Completed Highway 132 construction • Recovery SpeakOut II and Recovery Youth SpeakOut in Pāhoā 	<ul style="list-style-type: none"> • Complete Kīlauea Recovery and Resilience Plan • Complete Volcanic Risk Assessment • Complete Disaster Economic Recovery Plan • Release CDBG-DR Action Plan • Submit plans for selected road restoration 				
<p>SPRING 2018</p>	<p>SUMMER 2018</p>	<p>FALL 2018</p>	<p>WINTER 2018/2019</p>	<p>SPRING 2019</p>	<p>SUMMER 2019</p>	<p>FALL 2019</p>	<p>WINTER 2019/SPRING 2020</p>	<p>SUMMER/FALL 2020</p>
<p>Eruption ceases at Fissure 8</p> <ul style="list-style-type: none"> • Federal/State recovery funding sought • Governor provides \$12 million for disaster relief • Unemployment/employment benefits • Shelters close 		<ul style="list-style-type: none"> • Governor provides \$10 million for relief and planning • Public call for road access • Temporary reopening of a portion of Hwy 137 • Pāhoā Aquatic Center reopening • Community, County, and PGV collaborate to restore road access • Launch 'Ohana Talk Story Sessions 			<ul style="list-style-type: none"> • Priority Recovery Goals crafted by the community, affirmed and recommended by the Puna CDP Action Committee • County Interim Recovery Strategy to County Council • Case Management contract initiated through FEMA grant • Kīlauea Eruption Risk Assessment (KERA) • Household, Community & Business Impact Surveys Launched • Recovery SpeakOut event in Kea'au 		<ul style="list-style-type: none"> • Recovery Task Force established • Draft Volcanic Risk Assessment • Draft Kīlauea Recovery and Resilience Plan • Draft Disaster Economic Recovery Plan 	



SECTION 4. RECOVERY PROGRAMS AND PROJECTS

4.1 Recovery Goals

As a product of the County's recovery planning process with the community the following vision, goals, and strategies were developed in the Kīlauea Recovery and Resilience Plan. The CDBG-DR project activities described in this Action Plan are one part of this approach to long-term recovery.

Vision for Kīlauea Recovery and Resilience

To foster resilient communities that exist in harmony with the Puna region's ever-changing landscape. This vision honors 'āina, supports our communities to recover from the 2018 Kīlauea eruption, builds our capacity to mitigate against disaster events by reducing risk to life and property, and prioritizes economic opportunity and well-being for residents.

Goals for Kīlauea Recovery and Resilience

Near-Term Goal: Facilitate projects and efforts that continue to provide relief to residents and businesses impacted by the eruption in the Puna District.

Long-Term Goal: Implement strategies, policies, and projects that protect public health and safety, enhance community well-being, and help create a resilient economy islandwide.

Strategies for Kīlauea Recovery and Resilience

- Kīlauea Eruption Recovery: Invest in infrastructure that supports recovery, promote housing security, address eruption-impacted properties, and support community economic recovery.
- Disaster Resilience: Improve community planning and disaster preparedness, manage development in high hazard risk areas through land use, and implement mitigation measures for natural and built infrastructure.
- Community Development – Building Community Capacity: Build networks and community capacity, invest in targeted revitalization efforts in Puna to support disaster resilience and economic growth, identify areas for natural and cultural resources management and agriculture development, and improve access to goods and services.

4.2 Basis for Funding Allocations

This section describes how the findings of the unmet needs assessment informed development of recovery projects and the allocations of funding. The County's initial analysis indicates unmet need in all three core recovery categories of housing, infrastructure, and economic development. The requirements associated with this CDBG-DR funding are provided in the Federal Register Notice 85 FR 4681, other applicable federal register notices, and standing HUD policy on development in Lava Zones 1 and 2 on the Island of Hawai'i with HUD grant funding.



1. The Federal Register Notice 85 FR 4681 and other applicable federal register notices require that at a minimum 70% of CDBG-DR program funds must serve low- to moderate-income beneficiaries.
2. The Federal Register Notice 85 FR 4681 states that each grantee receiving an allocation for a 2018 or 2019 disaster is required to primarily consider and address its unmet housing recovery needs. Grantees may, however, propose the use of funds for unmet economic revitalization and infrastructure needs unrelated to the grantee's unmet housing needs if the grantee demonstrates in its needs assessment that there is no remaining unmet housing need or that the remaining unmet housing need will be addressed by other sources of funds.
3. HUD maintains a policy of non-participation areas for the purpose of HUD assistance in Lava Zones 1 and 2 on the Island of Hawai'i. This policy was first developed in 1971 in consultation with the Department of Interior (DOI) and U.S. Geological Survey (USGS); was revised in 1991 based on an updated report and scientific conclusions on Lava Zones 1 and 2 by the USGS; and in 2006 was revisited at request of the County and upheld by HUD. HUD policy of non-participation in Lava Zones 1 and 2 applies to HUD assistance, including the use of HUD grant funds, that involves new construction, resale, refinancing, acquisition for redevelopment, conversion of non-residential uses to residential uses, and major and minor rehabilitation of residential properties.

To determine the basis of funding allocations in this Action Plan the County evaluated the impacts from the 2018 Kīlauea eruption, the assessment of unmet recovery needs, the feedback and input from members of the public, the relationship of CDBG-DR funded project activities to planning activities for long-term recovery, and the requirements associated with CDBG-DR funding from HUD. The need for housing solutions was identified as the most significant category of unmet needs in the County. To reflect these findings, this Action Plan allocates the largest portion of funding to assist impacted homeowners through a voluntary housing buyout program.

The County assessed the impacts of housing recovery strategies on protected classes under Fair Housing law, racially and ethnically concentrated areas, and areas of concentrated poverty. The decision to focus on a voluntary housing buyout program with prioritization based on household LMI status, access from public roads, and property classification enables the limited CDBG-DR funding to assist impacted households to secure permanent housing as an outcome, especially for LMI households who lack access to financial resources in their recovery. This strategy also supports individual choice among participating property owners. An assessment of available single-family housing stock and developable land in the Puna district was conducted. One finding was that there were more than 5,000 platted, developable residential lots in the Puna district within Lava Zone 3.

A supplemental housing project was explored to develop affordable housing that could be rental and/or home ownership and multi-family or single-family in scope. As HUD policy prohibits the use of CDBG-DR funds for permanent housing or residential-serving infrastructure in lava Zones 1 and 2 on Hawai'i Island any housing development would need to be outside of the areas impacted by the 2018 Kīlauea eruption. The County evaluated the potential need for a voluntary buyout program with the opportunity to build affordable housing to assist displaced renters and recognized that the financial resources within this CDBG-DR allocation may not be sufficient to accomplish both projects successfully. The County will continue to explore the opportunity to develop affordable housing to assist displaced renters with non-CDBG-DR sources and any CDBG-DR funds that may be reallocated from the projects in this Action Plan in the future based on actual program participation and expenditures.



Hawai'i County has also allocated funding for Program Administration, which are eligible activities as defined by 24 Code of Federal Regulations (CFR) 570.206 and 24 CFR 570.205, respectively. Program administration may fund the necessary costs of setting up and managing the CDBG-DR recovery programs, including but not limited to pre-award program development activities, general program oversight, compliance monitoring, performance tracking, management of the Disaster Recovery Grant Reporting system, production of quarterly reports, and general administration.

4.2.1 PRE-AWARD AND PRE-AGREEMENT COST REIMBURSEMENT

The County currently does not intend to seek reimbursement for the costs of eligible pre-award and pre-agreement activities. State funding made available to the County for recovery from the 2018 Kīlauea eruption has provided for the administrative activities in anticipation of receiving CDBG-DR funding from HUD.

4.2.2 CDBG-DR BUDGET SUMMARY

The County of Hawai'i intends to utilize CDBG-DR funding to support multiple recovery programs that will complement one another and lead to greater community-wide recovery and future resilience. Table 4-1 below summarizes the proposed allocation of CDBG-DR funding to address the unmet needs described in Section 3. The Expenditure Schedule is based on the timely expenditure of CDBG-DR funds within six years from the time of the grant agreement, which is expected in Q3 of 2020. Detailed projected expenditures on a quarterly basis are presented in Appendix B.

While the expenditures in Table 4-1 and Appendix B are projected, the County may spend program funding based on program demand so long as all CDBG-DR funds are expended within six years of the obligation of CDBG-DR funds by HUD and pursuant to a grant agreement . Based on the interest of applicants and the prioritization of grant awards, program activities and spending may occur on a faster timeline than is currently projected in this Action Plan.



Table 4-1 - CDBG-DR Budget Summary

Use of Funds	Allocation	Expenditure Schedule						
		2020	2021	2022	2023	2024	2025	2026
Housing								
Voluntary Housing Buyout	\$78,000,000	\$0	\$4,000,000	\$16,000,000	\$20,000,000	\$20,000,000	\$12,000,000	\$6,000,000
Housing Relocation Services	\$1,648,950	\$0	\$120,000	\$360,000	\$360,000	\$360,000	\$360,000	\$88,950
Administration	\$4,192,050	\$167,050	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$525,000
Total	\$83,841,000	\$167,050	\$4,820,000	\$17,060,000	\$21,060,000	\$21,060,000	\$13,060,000	\$6,613,950



4.3 National Objectives

Section 101(c) of the authorizing statute sets forth the primary objective of the program as the development of viable communities by the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons with low and moderate incomes. The statute further states in Section 104(b)(3) that this is to be achieved in the CDBG program by ensuring that each funded activity meets one of the following three named national objectives:

- Benefiting Low- and Moderate-Income (LMI) Persons
- Preventing or Eliminating Slums or Blight
- Meeting Urgent Needs

The statute also states that each grant recipient must ensure that at least 70% of its expenditures must be used for activities qualifying under the first of those national objectives benefiting Low- and Moderate-Income Persons.

For each CDBG-DR-funded activity that is meeting the Urgent Need National Objective, Hawai'i County will assess the type, scale, and location of the disaster-related impacts that the activity is addressing. In this way, the County will ensure that each activity meeting the Urgent Need National Objective is responding directly to an identified disaster-related impact. A significant portion of the Eruption Area in Census Tract 211.01 Block Group 2 is not LMI-eligible (see Figure 2-3) although approximately half of the destroyed homes and much of the inundated land from the 2018 Kīlauea eruption is in this area. The County is prioritizing LMI households and primary homes in the administration of its voluntary housing buyout program and is limiting the housing relocation services to LMI households. There remains an opportunity and a need to serve non-LMI households through the voluntary housing buyout program. CDBG-DR program funds serving non-LMI households will need be addressed by the Urgent Need National Objective.

There are currently no program activities planned to address slum and blight.

The County's CDBG-DR-funded recovery programs will be implemented in accordance with these requirements. The County has developed these programs with the intent to prioritize activities that will benefit populations with greatest need. In particular, the County will ensure that, at minimum, 70% of the total CDBG-DR funds will directly benefit LMI households.

4.4 Housing Programs

Hawai'i County communities and residents continue the recovery process after suffering the impacts from the 2018 Kīlauea eruption that occurred from May through August. The primary focus of the County's CDBG-DR-funded disaster recovery programs is to provide relief for those people most impacted by the volcanic event. Pursuant the Federal Register Notice (85 FR 4681) each grantee receiving an allocation for a 2018 or 2019 disaster is required to primarily consider and address its unmet housing recovery needs. Grantees may, however, propose the use of funds for unmet economic revitalization and infrastructure needs unrelated to the grantee's unmet housing needs if the grantee demonstrates in its needs assessment that there is no remaining unmet housing need or that the remaining unmet housing need will be addressed by other sources of funds. As described in Section 3 of this Action Plan, housing assistance for both homeowners and renters were identified as being the greatest unmet need in the



impacted area. To reflect these unmet needs, assistance will be provided through a **Voluntary Housing Buyout Program** and **Housing Relocation Services**.

Hawai'i County has established several objectives for the housing programs. The primary objective of the CDBG-DR housing programs is to assist homeowners of greatest need who lost their homes to volcanic lava inundation or isolation. The County seeks to ensure that the housing needs of moderate, low-, very low-, and extremely low-income households are assisted with housing. Additionally, the County seeks to reduce exposure to volcanic hazards as part of this recovery process and is considering primary residences, secondary residences and inundated undeveloped parcels in priority order for this voluntary buyout program.

4.4.1 VOLUNTARY HOUSING BUYOUT PROGRAM

Program Description

The Voluntary Housing Buyout Program (VHBP) will acquire properties impacted by the 2018 Kīlauea eruption (DR 4366). Properties will be acquired through the voluntary sale of properties by the property owner to the County.

This program is available for property owners who owned the applicable buyout property during the disaster event and will include a buyout offer based upon the pre-disaster (2017) total market value (100%) of the land and structure on the property based on County of Hawai'i Real Property Tax. Eligible properties include those directly impacted by the volcanic event and those that continue to experience physical effects of the eruption, including heat and gases at their property.

Properties acquired by the County through this program will have any structures located on the site demolished and cleared from the site. Utilities will be disconnected, and any driveways and sidewalk will be cleared. The properties must be "dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices." Properties acquired by the County for the purpose of a buyout must be deed-restricted to meet this requirement.

Program Budget

The total program budget for the VHBP is **\$78,000,000**. This allocation may be increased or decreased based on the demand for the Program with amendment to the Action Plan and approval by the Hawai'i County Housing Agency and HUD.

Connection to the Disaster and Long-Term Recovery

The voluntary buyout of residential properties through the VHBP is an eligible activity under the CDBG program as described in 24 CFR 570.201(a) with further definition described in the Federal Register Notice (85 FR 4681).

As part of long-term recovery, it is the County's objective to implement this voluntary housing buyout program in close coordination with individual property owners who are applicants to and beneficiaries of the program as well as the communities where buyout activities are occurring. Due to the voluntary nature of buyout programs these activities must be approached strategically so that potential applicants and members of the community understand the considerations in participating in this program, and the opportunities and challenges involved with the maintenance of properties following a buyout. HUD encourages grantees implementing buyout programs to acquire contiguous parcels of land to the extent practicable for uses compatible with open space, agriculture, recreation, natural floodplain functions, ecosystem restoration, and/or wetland management practices.



A critical component of the voluntary housing buyout program will be the development of a management plan for the acquired properties. The County will work with communities where buyout activities are taking place to develop this management plan with the knowledge of which properties are participating in the voluntary buyout programs and how communities are rebuilding homes or farms in these areas. The County will own the properties following the buyout. The County may continue to manage these properties or can explore opportunities where appropriate to provide access agreements to former owners while maintaining the compatible open space uses; to preserve sites of cultural significance; to provide for maintenance agreements; to transfer title to a community association or land stewardship group for the maintenance and use of these properties in a way that is compatible with open space uses; or to lease lands for agricultural uses that are productive in the eruption areas and require a minimal investment in crops or infrastructure that could be lost to a future eruption. Responsible management of these properties is critical to the long-term recovery of communities impacted by the 2018 Kīlauea eruption.

CDBG Eligibility and National Objective

The voluntary buyout of residential properties through the SFHBP is an eligible activity under the CDBG program as described in 24 CFR 570.201(a) with further definition described in the Federal Register Notice (85 FR 4681). All housing activities for the VHBP will meet the National Objectives requirement under the authorizing statute of the CDBG program. Activities under the VHBP are anticipated to primarily meet the Low- to Moderate- Income (LMI) National Objective. This Federal Register Notice (85 FR 4681) requires that at a minimum 70 percent of program funding will serve LMI households. The Urgent Need National Objective may also be utilized on an as-needed basis to serve eligible applicants who are not LMI but suffered impacts to their homes during the 2018 Kīlauea eruption. The National Objective to be fulfilled through this program will be specific to each qualifying household and based on verification of each applicant's household income.

Geographic Area

In Federal Register Notice (85 FR 4681) the Department of Housing and Urban Development designated the entire County of Hawai'i as the Most Impacted and Distressed area for this CDBG-DR funding. Eligible homes must be located in Hawai'i County and must either have been directly impacted by the volcanic event and/or be physically affected by secondary effects of volcanic activity, such as heating or gases. Direct impacts are defined under this program as properties that were inundated by lava, have become isolated by lava, or suffered direct physical damage from lava, including structures affected by fires caused by lava. Secondary impacts can include heating from magma below the surface or gas emissions that make the property uninhabitable.

Eligibility Requirements and Threshold Factors

All applicants to the VHBP must meet certain eligibility standards to qualify for assistance. The following threshold requirements must be met for an applicant to be eligible for assistance. Eligibility does not ensure assistance, and it is expected that there will be more eligible applicants than can be served with available funds. Threshold requirements are those that will either allow an applicant to continue to move forward in the program or result in disqualification. All applicants to the VHBP must meet the following minimum requirements:

- The property must be located in Hawai'i County.
- The property must meet at least one of the four criteria listed below.
 - Inundated by lava
 - Isolated by lava



- Suffered direct physical damage from lava, including structures affected by fires caused by lava (includes wildfires)
- Been physically affected by secondary effects of volcanic activity, such as heating or gases

Applicants need not have registered for FEMA Individual Assistance to be eligible for VHBP. For those who were registered, the VHBP may use FEMA damage information for informational purposes, but the VHBP damage verification process will constitute the official documentation of damage linking back to the 2018 Kīlauea eruption. Hawai'i County will either use existing County documentation or conduct on-site inspections to determine if the property was impacted by the event.

Additional threshold factors to determine eligibility for the VHBP include:

- All applicants must have owned their property prior to the 2018 Kīlauea eruption and must currently own their property. Applicants must be able to demonstrate clear title to the property.
- Applicants qualifying their property as a primary home must provide proof that they resided in the structure at the time the disaster as a primary home.
- Applicant must be current on property taxes or current on an approved payment plan (including exemptions under current law). Any liens on the property will be cleared at closing, including outstanding homeowner association (HOA) dues.
- Property qualifying as a primary or second home must have had an eligible structure prior to the disaster. Eligible structures for the VHBP must have served as dwelling units. Structures do not have to have been permitted prior to the eruption to be eligible for this program; however, proof of use as a dwelling unit prior to the disaster is required.
- Properties with an eligible structure used for both residential and commercial purposes are eligible for the program; however, the commercial purpose must be a secondary use of the property.
- No condominiums, co-operatives, townhomes, or other housing units that share any common wall or area will be eligible under the VHBP.
- Properties containing recreational vehicles and camper trailers used as a residence are not eligible for financial compensation. Only the value of the land will be provided for properties that did not contain structures with assessed values as recorded by the County.
- Otherwise eligible second homes and undeveloped parcels are eligible for the VHBP but will be prioritized after primary homes.

Prioritization

Applicants applying for disaster assistance through the VHBP will be processed according to priorities based on the criteria outlined below.

Low- to Moderate-Income (LMI) Households

Hawai'i County has created a two-tiered priority system in which LMI applicants are prioritized over non-LMI applicants. The Federal Register Notice (85 FR 4681) requires that at a minimum 70 percent of program funding will serve LMI households. LMI eligibility will be specific to each qualifying household and based on verification of each applicant's household income. In order to assist those most severely impacted by the disaster event, a second phase of prioritization will take place.



Public Road Access

Once LMI eligibility is determined, applicants who lack road access to their property because public roads will not be restored shall be prioritized.

Property Classification

Once LMI eligibility is determined, applicants will be prioritized based on the following the property classification prior to the disaster. Prioritization will be based on:

1. Documented primary home
2. Second home
3. Undeveloped residential parcel

Grant Size Limits and Duplication of Benefits

In order to serve as many disaster survivors as possible with available recovery funding a limit to the total buyout amount has a maximum of **\$230,000**. This figure represents the median pre-disaster (2017) total market value of properties where a structured that was a primary residence was destroyed during the 2018 Kīlauea eruption.

Assistance for the acquisition of an eligible property for buyout is based on the pre-disaster (2017) County appraised total market value of the property. The County will establish an appeals process for applicants to pursue should additional information be available to determine the pre-disaster total market value of a property during the buyout process.

The County is required to prevent the duplication of benefits in determining the total buyout amount. If an applicant received or was approved for federal or other assistance, such as an insurance payout, for the same purpose as the buyout program, those funds will be evaluated as a possible duplication of benefits against the final buyout amount for which an applicant is eligible under the VHBP. Common sources of disaster recovery assistance that are for a “different purpose” than a buyout and would not be considered a duplication of benefits include:

- FEMA Individual Assistance for rental assistance, home repairs, or housing replacement;
- SBA loans for home repairs, housing reconstruction, housing relocation, or other approved purposes;
- Private insurance payouts for loss of structure and/or contents;
- Private sources such as grants for home repairs or in-kind assistance.

The County must conduct an individualized review of each applicant to determine that the amount of assistance the applicant is eligible for will not cause a duplication of benefits by exceeding the unmet needs of that applicant. The maximum buyout amount will be applied after any duplication of benefits is analyzed. Even if no duplication of benefits is identified, program costs and grant awards must abide by cost principles and are required to be “necessary and reasonable.” Applicants are required to provide information on all sources of disaster recovery assistance to help determine whether any assistance may be duplicative, and that CDBG-DR assistance is necessary and reasonable. See Section 6.3 Prevention on the Duplication of Benefits for more information.

Proposed Start/End Dates

This program is anticipated to begin in April 2021 and to be completed by June 2026. Specific application deadlines for the VHBP will be determined following the approval of this Action Plan by HUD and execution of a grant agreement between the County of Hawai'i and HUD.



Responsible Entity

The Hawai'i County Recovery Division within the Planning Department has direct oversight of the VHBP.

Performance Goals

Hawai'i County is targeting the acquisition of approximately 300 properties through the VHBP.

4.4.2 HOUSING RELOCATION SERVICES

Program Description

This program will provide housing relocation services for income qualified residents who were displaced from their residence by the 2018 Kīlauea eruption (DR 4366) and do not currently have secure, permanent housing. Participants who have been approved through the Voluntary Housing Buyout Program and are income-qualified may also participate in these services. Housing relocation services include:

- Identification and location of rental properties
- Financial assistance with housing costs, including security deposits in securing rental properties; and closing costs related to the purchase of a property
- Identification and location of housing for sale or residential parcels available for development for ownership

Program Budget

The total program budget for this program is **\$1,648,950**. This allocation may be increased or decreased based on the demand for the Program with amendment to the Action Plan and approval by the Hawai'i County Housing Agency and HUD.

Relation to Impacts of the Disaster and Long-Term Recovery

The provision of housing relocation services for residents who lost homes during the 2018 Kīlauea eruption is one of the prime objectives being undertaken by the County. The loss of more than 600 residential structures created a significant need for housing relocation services to assist persons displaced by the disaster, especially residents with significant financial constraints whose households likely are low- to moderate-income.

The program will assist the lower Puna community in responding to the impacts of the 2018 Kīlauea eruption and promote the availability of affordable housing in economically, racially, and ethnically diverse communities by centering individual choice in survivors' housing goals. The housing relocation services proposed in this Action Plan will assist displaced LMI households in finding new housing regardless of their participation in the voluntary housing buyout program. The program will also facilitate individual choice in supporting households find housing that is affordable for them, whether through renting or home-buying.

CDBG Eligibility and National Objective

The provision of public services is an eligible activity under the CDBG-DR program as described in 24 CFR 570.201(e), (k) and (n). All activities supported by this program will meet the National Objectives requirement under the authorizing statute of the CDBG program. Activities under the Housing Relocation Services will meet the LMI benefit National Objective.



Geographic Area

Housing relocation services will be limited to the identification of housing within the County. Applicants must be residents of Hawai'i County.

Eligibility Requirements and Threshold Factors

All applicants to this program must meet certain eligibility standards to qualify for assistance. For this program, eligible applicants include those who can provide evidence of impacts from the 2018 Kīlauea eruption. Eligible applicants will demonstrate that they do not currently have secure, permanent housing as a result of the 2018 Kīlauea eruption.

The Federal Register Notice (85 FR 4681) requires that at a minimum 70 percent of program funding will serve LMI households. Only LMI households will be eligible for housing relocation services. LMI eligibility will be specific to each qualifying household and based on verification of each applicant's household income.

Prioritization

Only LMI households will be eligible for housing relocation services. Prioritization will be based on the timeliness of eligible participants applying for housing relocation services and is subject to available funding.

Grant Size Limits and Duplication of Benefits

Assistance through security costs for rental properties will be limited to no more than 200% of the monthly rent as documented in a lease agreement.

Assistance through closing costs related to the purchase of a property will be limited to no more than 10% of purchase value of a property.

The County is required to prevent the duplication of benefits in determining the assistance allowable under Housing Relocation Services. If an applicant received or was approved for federal or other assistance, such as an insurance payout, for the same purpose as the Housing Relocation Services, those funds will be evaluated as a possible duplication of benefits against the final assistance amount for which an applicant is eligible under this project. Common sources of disaster recovery assistance that are for a "different purpose" than Housing Relocation Services and would not be considered a duplication of benefits include:

- FEMA Individual Assistance for post-disaster rental assistance, home repairs, or housing replacement;
- SBA loans for home repairs, housing reconstruction, housing relocation, or other approved purposes;
- Private insurance payouts for loss of structure and/or contents;
- Private sources such as grants for home repairs or in-kind assistance.

The County must conduct an individualized review of each applicant to determine that the amount of assistance the applicant is eligible for will not cause a duplication of benefits by exceeding the unmet needs of that applicant. Even if no duplication of benefits is identified, program costs and grant awards must abide by cost principles and are required to be "necessary and reasonable." Applicants are required to provide information on all sources of disaster recovery assistance to help determine whether any assistance may be duplicative, and that CDBG-DR assistance is necessary and reasonable. See Section 6.3 Prevention on the Duplication of Benefits for more information.



Proposed Start/End Dates

This program is anticipated to begin in April 2021 and to be completed by June 2026. Specific application deadlines for the housing relocation services will be determined following the approval of this Action Plan by HUD and execution of a grant agreement between the County of Hawai'i and HUD.

Responsible Entity

The Hawai'i County Recovery Division within the Planning Department has direct oversight of the housing relocation services.

Performance Goals

Hawai'i County is targeting service to approximately 100 households through the housing relocation services.



SECTION 5. RECOVERY COMMITMENTS

5.1 Promotion of Long-Term Recovery Planning

The County of Hawai'i is committed to both addressing immediate recovery needs and planning for resilience improvements that will provide long-term recovery benefits and mitigate the impacts of future disasters. Collectively, the recovery activities the County has completed to-date combined with the recovery projects outlined in this Action Plan contribute significantly to the County's overarching strategy for long-term recovery and resilience.

Following the 2018 Kīlauea eruption, the County commenced a series of planning efforts to identify opportunities to promote long-term recovery. The County's coordinated planning efforts include strategies for addressing unmet housing needs, future land use planning relative to exposure to natural hazards, and economic recovery and resilience. Through the development of an island-wide volcanic risk assessment these efforts included a comprehensive assessment of the County's infrastructure to identify vulnerable, substandard, or ineffective systems that may have contributed to increased volcanic damage risk. Additional infrastructure and facility improvements to support long-term recovery for Puna were identified with assistance from the County's Department of Public Works, Civil Defense, Planning Department, Department of Water Supply, Police and Fire Department, HI-DARRT, Office of Housing and Community Development, and Department of Parks and Recreation. The findings of this analysis informed the update to the County's Multi-Hazard Mitigation Plan. As part of the recovery from the 2018 Kīlauea eruption the County is seeking to leverage multiple sources of funds to accomplish these important projects to instill long-term resilience in the Puna district, and apply a lens for hazard mitigation opportunities that build resilience with funding not tied to disaster recovery across Hawai'i Island.

5.2 Leverage of Funds

The County of Hawai'i fully understands the importance of maximizing the recovery value of limited resources. As illustrated by the substantial unmet needs identified in this Action Plan, the costs to fully recover and become more resilient during future eruptions far outweigh the available funding. As such, the County has made it a priority to leverage multiple sources of funding, where possible, to support the greatest potential recovery and resilience benefits. This includes prioritizing projects in which other Federal, State, and local funding sources can be leveraged to allow CDBG-DR funding to pay only a portion of project costs. This strategy will allow the County to utilize limited CDBG-DR funding to support a maximum number of programs and projects.

In addition, since the first recovery efforts began, the County has pursued and utilized numerous resources to advance critically important recovery projects. These resources are documented in Section 3 of this Action Plan and include assistance from FEMA, SBA, and the State of Hawai'i as well as numerous nonprofits. These resources have contributed to significant recovery achievements and have allowed for the CDBG-DR funds to be used to assist with needs that are not supported by other available sources.



5.3 Protection of People and Property; Construction Standards

The County's CDBG-DR project activities will be designed to facilitate safe, durable housing for individuals and families impacted by the 2018 Kīlauea eruption. As properties acquired through a voluntary buyout program must be maintained as open space this project activity will contribute to reduced risk to property and life in areas that have been exposed to recurring eruptions. Residents who have been displaced by the eruption are considering rebuilding while others have moved or look to move to areas of reduced exposure to volcanic hazards. HUD policy prohibits the use of CDBG-DR funds for permanent housing or residential-serving infrastructure in Lava Zones 1 and 2 on Hawai'i Island.

While the proposed CDBG-DR project activities in this Action Plan will involve minimal construction activity that will be directly undertaken or funded by the County, federal regulations related to the CDBG-DR grant award require the County to affirmatively follow modern, safe construction standards.

The County is committed to enforcing modern building codes and all other applicable codes, standards, and ordinances for all CDBG-DR programs or activities. For any construction activities the County will undertake utilizing CDBG-DR funding it will verify that quality materials and standards are being utilized, all necessary permits and approvals are in place, resilience features are incorporated into projects, and green building standards are being incorporated when possible and cost effective. To improve the protection of County residents and property, site visits will be conducted regularly during construction to verify that the proper materials and construction standards are being applied during the project. As with all permitted construction, projects will be inspected during these site visits using a detailed checklist to ensure all applicable construction standards are followed.

5.3.1 CONSTRUCTION STANDARDS

All projects with construction components funded through CDBG-DR funds will use high-quality materials and will meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. Per Hawai'i County Code the International Building Code (IBC) 2006 will be adhered to as required and where appropriate. Any rehabilitation projects will comply with Housing Quality Standards (HQS) and all applicable local codes and ordinances. All CDBG-assisted housing must meet all applicable State and local housing quality standards and code requirements, and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR Part 982.401. All deficiencies identified in the final inspection must be corrected before final retainage is released.

Any projects involving rehabilitation, reconstruction, or new construction will be required to meet Section 8 Housing Quality Standards detailed under local Construction Standards as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973. Developments must also meet all local building codes or standards that may apply.

5.3.2 NECESSARY AND REASONABLE COSTS

Part of the process in the duplication of benefits procedures includes verifying necessary and reasonable costs. This helps ensure that funds are efficiently and effectively utilized. The determination of necessary and reasonable costs will apply to any project or program receiving funding, including grant awards to individual property owners or



businesses, as well as administrative and planning funds. The County will utilize the cost principles described in 2 CFR Part 225 (Office of Management and Budget (OMB) Circular A-87) to determine necessity and reasonableness. According to 2 CFR Part 225, “A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made.” The County will follow these principles and fund only project costs that are deemed necessary and reasonable.

5.3.3 GREEN BUILDING

In conformance with FR 81, No. 117 (June 17, 2016), substantial rehabilitation, the construction of new housing or replacement housing must include Green Building Standards. Acceptable Green Building Standards include, “an industry-recognized standard that has achieved certification under at least one of the following programs: (i) ENERGY STAR (Certified Homes or Multifamily High Rise); (ii) Enterprise Green Communities; (iii) LEED (NC, Homes, Midrise, Existing Buildings O&M, or Neighborhood Development); (iv) ICC–700 National Green Building Standard; (v) EPA Indoor AirPlus (ENERGY STAR a prerequisite); or (vi) any other equivalent comprehensive green building program, including regional programs such as those operated by the New York State Energy Research and Development Authority or the New Jersey Clean Energy Program,” as described in FR 78.

Where funds will be used for the rehabilitation of structures, contractors and sub-grantees will be provided the HUD CPD Green Building Retrofit Checklist, and these standards will be incorporated where feasible. The County will promote the use of green infrastructure policies, as identified on EPA’s website www.epa.gov/greenbuilding, for any infrastructure project undertaken utilizing CDBG-DR funds.

5.3.4 MITIGATION MEASURES

All mitigation measures implemented through a CDBG-DR-funded program will be a necessary expense related to the disaster relief, long-term recovery, and restoration of infrastructure, housing, or economic revitalization. This will include detailed assessments of each proposed mitigation measure, including housing acquisition and relocation and infrastructure and facility resilience improvements, to ensure consistency with this requirement.

5.3.5 APPEALS

The County will institute both a complaint and an appeals process to address citizen concerns and applicant grievances. The purpose of these policies and procedures for appeals is to set forth guidelines for processing appeals from the Disaster Recovery Division of the Planning Department as to the resolution of grievances filed by participants in County housing recovery programs.

Applicants who are dissatisfied with the quality or implementation of a housing recovery program may follow the appeals process outlined in the County’s policy and procedures documents for the associated programs. Appeals may be considered relative to the determination of eligibility for the voluntary housing buyout program or housing relocation services, as well as the application of established program policies and procedures. For the voluntary housing buyout program, appeals may be considered for the eligibility of a property, pre-disaster market valuation of a property, duplication of benefits analysis and/or maximum grant award. Exceptions may be granted based on the applicability of the Uniform Relocation Act, new documented information such as evidence of capital improvements to a property prior to the disaster event, or based on third-party verification such as the valuation of property by a licensed real property appraiser. For the housing relocation services program, appeals may be



considered for the eligibility of an applicant or a property, the specific assistance provided, and the calculation of total assistance based on duplication of benefits analysis and established limits to grant awards. Exceptions may be granted based on new documented information and the applicability of the Uniform Relocation Act.

5.3.6 BROADBAND INFRASTRUCTURE

The County will ensure that any new construction or substantial rehabilitation of a building with more than four rental units will include installation of broadband infrastructure where feasible, as defined by 24 CFR 5.100. The County will document conditions that impact the feasibility of broadband infrastructure installation, including but not limited to financial burden, program alteration, or structural limitations.

5.4 Disaster-Resistant Housing for All Income Groups

As detailed in Section 3, this Action Plan proposes the allocation of most of the CDBG-DR funding to support the acquisition of housing on a voluntary basis in areas impacted by the 2018 Kīlauea eruption. The loss of housing as a direct result of the disaster has created a demand for housing adjacent subdivisions and areas in the Puna District.

LMI households, particularly those that include children, people who are elderly, or people with disabilities, may experience increased challenges during recovery. Many residents who are LMI and lost their homes are unable to rebuild their lives or reestablish permanent housing but for the benefits of a voluntary housing buyout program. To assist residents with the greatest potential need, priority for each housing program will be given to applicants who qualify as LMI, as defined by HUD's established income limits for the County.

When conducting the unmet needs assessment, the County reviewed the best available data to determine areas with concentrations of LMI residents, residents with disabilities, and residents with other vulnerabilities that were most impacted by the disaster. During the implementation of its housing programs, the County will use this information to conduct targeted outreach to these populations and neighborhoods to ensure information on CDBG-DR-funded housing programs is available. The County is utilizing case managers to collect ongoing needs information from residents. The County will ensure that CDBG-DR program information and opportunities are disseminated to LMI households who may be in need of housing assistance.

5.4.1 ASSISTANCE FOR THE HOMELESS, LOW-INCOME AND OTHER VULNERABLE POPULATIONS

The County will work to address disaster-related homeless needs through the proposed housing programs outlined in this Action Plan, including the housing relocation services. As outlined in Section 2, LMI households impacted by the disaster are at the highest risk for homelessness. As such, it is anticipated that providing priority housing assistance to these residents will help to return residents who are currently experiencing homelessness to a safe and adequate housing unit while preventing additional residents from becoming homeless.

While the County's CDBG-DR resources are not sufficient to address the needs of all groups, the County is committed to being part of collective efforts inclusive of government, the community and private sector to provide needed resources and public services to assist the residents experiencing homelessness, low-income populations, and other vulnerable populations. The County of Hawai'i will continue to work closely with organizations that serve



the needs of homeless, limited income, and vulnerable populations through ongoing participation in a wide range of committees and community-based efforts. The County will continue to support these ongoing efforts and the CDBG-DR project activities outlined in this Action Plan are part of the solution among individuals and families impacted by the 2018 Kīlauea eruption. This will include aiding in the prevention of homelessness by aiding local homeless services agencies and those who serve the homeless as well as continuing to support the Homeless Management Information Systems (HMIS) program to better track needs and resources to assist the homeless.

The County is leading efforts to provide solutions to housing insecurity in coordination with the State of Hawai'i homeless services providers, and faith-based organization to expand shelter opportunities and assistance to the homeless and at-risk populations. There are several programs and projects underway, through the County and its partners, to provide additional supportive housing, prevent homelessness, address emergency shelter needs, and develop transitional housing and supportive programs for transitional housing.

5.5 Minimizing and Addressing Displacement

The County plans to minimize displacement of persons or entities and assist any person or entity displaced as a result of implementing a project with CDBG-DR funds. The County will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as well as implementing regulations at 49 CFR Part 24, except where waivers or alternative requirements are provided for this grant. To this end, the County of Hawai'i has in effect a residential anti-displacement and relocation assistance plan for the administration of CDBG entitlement program funding and will follow its provisions and requirements in connection with any activity assisted with funding under the CDBG-DR program.

5.6 Program Income

Any program income resulting from programs/projects derived from CDBG-DR funds will be re-allocated to the purposes for which this plan has been developed. By doing so, the County will ensure that program income will aid in the continuing recovery process for the County and allow for the maximum benefits to be accomplished in the utilization of CDBG-DR funds.

5.7 Performance

Performance goals have been established in this Action Plan for each proposed use of CDBG-DR funding. The County of Hawai'i will diligently track the performance of each program and project funded through the CDBG-DR program and will regularly document progress towards achieving performance goals.

As each project moves through implementation, the County will evaluate performance reports and determine any corrective action as needed. Based on performance, the County may determine the need to modify existing programs or create new programs. This effort will work in conjunction with the ongoing needs assessment and together will determine any adjustments, enhancements, or improvements to the overall program and its implementation. Any changes to proposed CDBG-DR-funded activities will be documented in an amendment to this Action Plan.



5.8 Plan Clarity and Citizen Participation

Concerted efforts have been made by the County to involve members of the public and stakeholders in the development of this Action Plan, including the identification of unmet needs and recovery programs and projects to address these needs. The County encourages open public participation in disaster recovery planning and implementation and incorporated public concerns and comments into the development process for this Action Plan.

The County's Disaster Recovery Division is committed to provide as much opportunity for public participation as possible during the ongoing COVID-19 pandemic. The County's Citizen Participation Plan for the CDBG-DR grant award outlines the policies and procedures to facilitate that process and maximize public participation in crafting the CDBG-DR Action Plan.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 (ADA), the County of Hawai'i will not discriminate against qualified individuals with disabilities in its services, programs, or activities. The County has established Procedure for Providing Reasonable Accommodations for Individuals with Disabilities to ensure that departments and agencies within the Executive Branch meet their obligations to reasonably accommodate individuals with disabilities in a consistent, appropriate, and thorough manner. The County will meet accessibility standards, provide reasonable accommodation to persons with disabilities, and take into consideration the functional needs of persons with disabilities in the relocation process and all CDBG-DR program activities. In practice, events conducted as part of HUD-funded CDBG-DR activities will take place at ADA accessible venues, accommodation will be provided to individuals with disabilities who request it for participation in public events or access to print or digital information. Housing relocation services will be knowledgeable of and adaptive to individuals' functional needs.

Language for limited English proficient (LEP) persons can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the County. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. The County will take affirmative steps to communicate with people who need services or information in a language other than English.

In order to determine the level of access needed by LEP persons the County in its administration of CDBG-DR funded activities will balance four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the CDBG-DR program; (2) the frequency with which LEP persons come in contact with the CDBG-DR program; (3) the nature and importance of the program, activity, or service provided by the CDBG-DR program to people's lives; and (4) the resources available to the County and associated costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services in a way that is consistent, appropriate, and meaningful.

Section 2.1.2 of this Action Plan provides available, representative data for individuals and households with limited English proficiency by language group for the County of Hawai'i, Puna District and for the area immediately impacted by the 2018 Kilauea eruption. These data will be used to guide the application of these balancing factors to provide meaningful access to information and services to LEP persons. For oral interpretation in languages other



than English the County will utilize a language line for telephone interpreter services. The County will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. If there are fewer than 50 persons in a language group that reaches the 5 percent threshold the County does not translate vital written materials, but provides written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials at no cost. Due to the limited LEP populations and specific language groups reported in the 2018 Kīlauea eruption area and adjacent parts of the Puna District detailed in Section 2.1.2 this Action Plan was not made available in languages other than English. Throughout the community engagement that informed this Action Plan, during the public comment period and since, the County has received no requests for information related to recovery from the 2018 Kīlauea eruption or CDBG-DR related activities in a language other than English.

The eruption area includes several private neighborhoods with associations responsible for private road maintenance and other functions. The Disaster Recovery Division will collaborate with representatives of these groups, in addition to community and faith-based organizations, to ensure their members are informed of the CDBG-DR project activities and how they can participate. Staff also will make themselves available to teleconference with interested groups. Community members also are part of the County's Disaster Recovery Task Force who receive regular updates on the recovery process, including the development of this Action Plan.

The County's Disaster Recovery Division has publicized the CDBG-DR allocation and process through presentations to the County Council, which are well-attended by residents impacted by the eruption, through local media, on the eruption recovery website, and through a newsletter to generate public exposure and feedback. On the recovery website (<https://recovery.hawaiicounty.gov>) a dedicated page to CDBG-DR has been created to provide the public an overview of the program. The County's website is built to be accessible to individuals who are visually impaired and can be navigated using standard text-to-speech software programs. Public inquiries about the CDBG-DR funds and process are managed to facilitate appropriate documentation and timely response. The CDBG-DR page on the website also will be used to house the Action Plan and subsequent amendments and explain the public input process. The intent of the County's Disaster Recovery Division is to have the public be well prepared to provide input by the time the public comment period begins. All documents posted to the County's website, including the Action Plan, are reviewed and formatted for access by the visually impaired using standard text-to-speech software programs.

Members of the public will be able to submit comments and complaints via an email link on the website, as well as through non-electronic means. The email address for complaints will be monitored daily. The County will respond promptly within 15 days of receipt of each correspondence. The Disaster Recovery Communications Specialist will monitor the email address, log all complaints, and coordinate to provide responses.

5.9 Substantial Amendment

If the need arises, this Action Plan will be amended in accordance with the Federal Register and all related HUD requirements. The following modifications will constitute a substantial amendment to this Action Plan:

- A change in program benefit or eligibility criteria
- The allocation or re-allocation of 10% or more of the CDBG-DR grant



- The addition or deletion of an activity

Prior to submitting a substantial amendment, the County will work with its HUD representative to ensure the proposed change is consistent with the Federal Register and all other HUD requirements.



SECTION 6. PRE-AWARD IMPLEMENTATION PLAN

Per the Public Law 114-113 Guide for Review of Financial Management of CDBG-DR Grantees, “each grantee must submit Risk Analysis Documentation to demonstrate in advance of signing a grant agreement that it has in place proficient controls, procedures, and management capacity.” This is inclusive of the grantee’s ability to prevent duplication of benefits as defined by Section 312 of the Stafford Act as well as demonstration that the grantee “can effectively manage the funds, ensure timely expenditure of funds, maintain a comprehensive website regarding all disaster recovery activities assisted with these funds, and ensure timely communication of application status to applicants for disaster recovery assistance.” Finally, the grantee must demonstrate that it has adequate policies and procedures to detect and prevent fraud, waste, and abuse.

In addition to the financial management review, each grantee is required to submit a Pre-Award Implementation Plan to describe the grantee’s capacity to carry out the recovery, including the operational and program management functions relative to CDBG-DR funding. Any capacity gaps must be identified and filled based on the plan and timeline outlined by the grantee. The County of Hawai'i submits its Pre-Award Implementation Plan with this Action Plan.

6.1 Financial Controls

As a recipient of federal funds, County is subject to the Single Audit Act of 1984, as amended in 1996. The Single Audit Act, which standardizes requirements for auditing federal programs, requires review of all federal programs by an independent Certified Public Accountant (CPA) for compliance with program requirements and proper expenditure of funds. The Department of Finance coordinates the conduct of the single audit with an independent Certified Public Accountant (CPA) annually. The single audit report completed for each fiscal year is submitted to the Mayor and County departments and is made available to the public on the County’s website.

The County submitted its most recent Single Audit produced in response to the most recent audit conducted in accordance with 2 CFR Part 200, Subpart F, and its most recent financial statement prepared in accordance with 2 CFR 200.510. Neither the Single Audit nor financial statement indicate that County of Hawai'i has material weaknesses, significant deficiencies, or questioned costs.

The County of Hawai'i has completed and submitted the P.L. 116-20 and 115-254 Financial Management and Grant Compliance Certification to HUD on July 2, 2020. This was completed by the Disaster Recovery Division of the Planning Department, which will implement CDBG-DR grant award, with the Department of Finance. The County affirms that it has the requisite financial controls in place to account for the \$83,841,000 of CDBG-DR funding in a manner that is consistent with all federal and local accounting requirements.

The County of Hawai'i has been a CDBG entitlement community since 1974. This has required the County to manage and maintain financial processes, policies, and procedures for the CDBG program for more than 40 years. In addition, the County has been the recipient of a variety of programmatic funds from HUD, including but not limited to HOME funds, Neighborhood Stabilization Program (NSP) 1 & 3 funds, Tenant Based Rental Assistance (TBRA), and Housing Preservation Grant Program (HPG) funds. The County’s 2019 allocation of HUD funds includes



approximately \$2.5 million in CDBG funds, \$2.8 million in HOME funds, and \$4.4 million in Housing Trust Funds (HTF).

The CDBG entitlement program, while recognizably different from the CDBG-DR program, is structured similarly with many of the same regulatory requirements. This provides the County with a considerable amount of familiarity with much of the regulatory requirements and processes of the CDBG-DR program. The County is keenly aware of the differences between the entitlement and disaster recovery programs and will make the necessary accommodations to comply with Public Law 114-113. Those considerations are described in more detail throughout the Pre-Award Implementation Plan.

The County has standards to ensure that accounting records contain the appropriate information on the CDBG-DR grant award, authorizations, obligations, unobligated balances, assets, liabilities, expenditures, program income, and interest as defined by the Federal Register Notice 85 FR 4681 and the federal Uniform Administrative Requirements 24 CFR Part 570, as applicable. The County intends to utilize the existing centralized accounting system, which has managed the County's entitlement program, to support the grants management function of the CDBG-DR program. The County utilizes an accounting system called Fiscal and Resource Enterprise Software for the County (FRESH). This system is managed by the County's Department of Finance. FRESH is an enterprise-wide software application that is used for Budgeting, Purchasing and Disbursements, General Ledger Accounting, Billing and Receivables, Inventory, and Human Resources, and Payroll, among other non-financial management functions. It is an application that allows the purchasing and budgeting process to be distributed to department users and allows for greater management control of expenditures through real-time financial reporting and online approvals. Access levels are customized according to staff function and department.

The Disaster Recovery Division of the County's Planning Department will use HUD's Disaster Recovery Grant Reporting (DRGR) system to draw down funds and report program income. These systems, though used for reporting critical program metrics to HUD, will be used as grant management tools by the Department as well.

In addition to electronic systems, supporting original or source accounting documentation is maintained in compliance with the County's recordkeeping policies. These policies comply with the recordkeeping requirements specified in FR-5928-N-01.

The County understands that the DRGR system is HUD's official system of record to submit the detailed Action Plan for project setup, draw down funds, report program income, and submit Quarterly Performance Reports. The official system of record for County financial records and reporting is FRESH. County staff members attended HUD-hosted training on management of the DRGR system in Atlanta, GA, from July 10-11, 2019. County staff will be responsible for all DRGR project setup, data entry, quarterly reporting, and Action Plan amendments. Funding drawdowns, approvals, and other financial activity will be managed by County staff members only.

The County has established clear and actual lines of responsibility and approval authority, including separation of duties. The County's CDBG-DR grant award will be managed by the Disaster Recovery Division of the Planning Department. In this role the Division will have responsibility over grant compliance and day-to-day financial management which are governed by CDBG-DR program policies and procedures that complement the established financial policies and procedures of the County. The County of Hawai'i Department of Finance is responsible for maintaining the fiscal integrity of the County's financial records. This office reports results of the County's operations and changes in its financial position to various interested parties, such as state and federal grantors,



regulatory agencies, and concerned taxpayers. The Department of Finance, which is overseen by the Director of Finance, will manage controls on the financial management functions of the CDBG-DR program. Additionally, the Department of Finance will coordinate budgeting, single audit requirements and risk management for the CDBG-DR grant award with the Disaster Recovery Division. An independent Internal Auditor for the CDBG-DR grant award, which will report to the Mayor, will lead internal monitoring and compliance for the CDBG-DR program.

Accountability and financial transparency are not only required by the Federal Government where federal funds are used but are hallmarks of a well-run government. In support of transparent financial reporting, the County of Hawai'i posts unaudited Budget Reports and Accounts Payable Check Register online with the Annual Comprehensive Annual Financial Report (CAFR) and Approved Budget.

The County of Hawai'i Department of Finance prepares the CAFR in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. Additionally, the County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds, governmental funds, and business-type activities apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

6.2 Procurement

In addition to local and state law, procurement for CDBG-DR programs is governed by federal regulations under 24 CFR Part 570, 24 CFR Part 85, and 2 CFR 200.318-200.36. The County of Hawai'i Purchasing Manual developed by the Department of Finance and managed by the Purchasing Officer is the guiding document governing procurement activities for the County. A copy of the Purchasing Manual is kept in the Planning Department. All manuals are updated periodically when material becomes available.

In addition to compliance with the County of Hawai'i Purchasing Manual, all Planning Department procurement activities paid for using CDBG-DR funds are to be performed in accordance with the appropriate federal and state statutes, rules, and regulations, whichever is stricter. Copies of the federal statutes, rules, and regulations governing the use of federal funds shall be kept in the Planning Department.

The County of Hawai'i is currently following its established Purchasing Manual and has developed supplemental procedures related to procurement for the expenditure of CDBG-DR funds to ensure that these standards are equally or more restrictive as the federal requirements. However, where the local procurement standards are less restrictive, the more stringent federal requirements will be followed for CDBG-DR programs. The procurement manuals utilized by the County for CDBG-DR were developed in consultation with the County's CDBG Entitlement Program through the Office of Housing and Community Development. These standards have been consistently approved by HUD as part of HUD's past monitoring activities with the County. The County's Purchasing Officer within the Department of Finance has reviewed the procurement policies and procedures to ensure conformity applicable CDBG-DR regulations. The County's Corporation Counsel has provided the opinion that the County's procurement policies and procedures for CDBG-DR are proficient and consistent with the specific applicable procurement standards identified in 2 CFR 200.318 through 200.326.



Per Federal Register Notice 5928-N-01, Part III, Management and Oversight of Funds, Section 2(a) Procurement, the County provides the following chart cross-referencing the State of Hawai'i Revised Statutes (HRS) and Administrative Rules (HRA), along with the County Purchasing Manual which provide sources for policies and procedures for the statutory requirements in 2 CFR 200.318 – 200.326. The County's procurement practices meet the federal requirements in 2 CFR 200.318-200.36 ensuring fair and open competition.

Table 6-1 - Procurement & Contracting Procedures

2 CFR Statutory Citation	Statutory Requirements	Sources for Policies and Procedures	County of Hawai'i Responsible Department
2 CFR 200.318(a)	Documented procurement standards	<ul style="list-style-type: none"> County of Hawai'i Purchasing Manual HRS §103D HAR §3-120 through §3-132 Rules and Regulations of the Director of Finance, Rule 4 	Department of Finance, Purchasing Division
2 CFR 200.318(b)	Contractor oversight	<ul style="list-style-type: none"> County of Hawai'i Purchasing Manual, § 18.0 Vendor Performance, page 32 	Planning Department, Disaster Recovery Division
2 CFR 200.318(c)	Conflict of interest provisions	<ul style="list-style-type: none"> County of Hawai'i Purchasing Manual, § 4.0 Ethical Procurement, page 6 HRS §103D-101 Requirements of Ethical Public Procurement County Code Chapter 2, Article 15, §2-84 HAR 3-131-1.02 	Department of Finance, Purchasing Division
2 CFR 200.318(d)	Avoidance of unnecessary acquisition	<ul style="list-style-type: none"> Rules and Regulations of the Director of Finance, Rule 4.2 b), page 13 	Department of Finance, Purchasing Division
2 CFR 200.318(e)	Promotion of economy (intergovernmental agreements / inter-entity agreements)	<ul style="list-style-type: none"> County of Hawai'i Purchasing Manual, § 7.0 Price Term Agreements, page 15 County of Hawai'i Purchasing Manual, § 8.0 Cooperative Purchasing / Vendor List Contracts, page 15 	Department of Finance, Purchasing Division
2 CFR 200.318(f)	Excess and surplus property	<ul style="list-style-type: none"> HAR §3-130-9 Excess State Property 	Department of Finance, Purchasing Division
2 CFR 200.318(g)	Value engineering clauses	<ul style="list-style-type: none"> HRS §103D-411 Value Engineering Clauses HAR §3-132 Value Engineering Incentives in Construction Contracts 	Department of Finance, Purchasing Division
2 CFR 200.318(h)	Responsible Contractors	<ul style="list-style-type: none"> County of Hawai'i Purchasing Manual, § 6.6.2, page 13 and pages 51 - 58 	Department of Finance, Purchasing Division



2 CFR Statutory Citation	Statutory Requirements	Sources for Policies and Procedures	County of Hawai'i Responsible Department
2 CFR 200.318(i)	History of Procurement	<ul style="list-style-type: none"> County of Hawai'i Paper & Electronic Records Retention Schedule HRS §103D-320 Retention of Procurement Records 	Planning Department, Disaster Recovery Division
2 CFR 200.318(j)	Use of Time and Material Contracts	<ul style="list-style-type: none"> HAR §3-122-140 Time and Materials Contract 	Department of Finance, Purchasing Division
2 CFR 200.318(k)	Settlement of contractual and administrative issues	<ul style="list-style-type: none"> HRS §103D-703 Authority to Resolve Contract and Breach of Contract Controversies 	Department of Finance, Purchasing Division
2 CFR 200.319	Competition	<ul style="list-style-type: none"> HRS §103D- 405 Maximum Practicable Competition 	Department of Finance, Purchasing Division
2 CFR 200.320	Types of Procurement	<ul style="list-style-type: none"> County of Hawai'i Purchasing Manual, § 6.0 Purchasing Methods, pages 7 - 15 	Department of Finance, Purchasing Division
2 CFR 200.321	MBE/WBE Surplus provisions	<ul style="list-style-type: none"> County of Hawai'i Grant Compliance Policies and Procedures for CDBG-DR 	Department of Finance, Purchasing Division
2 CFR 200.322	Procurement of recovered materials	<ul style="list-style-type: none"> HRS §103D-1005 Recycled Products 	Department of Finance, Purchasing Division
2 CFR 200.323	Contract cost and price	<ul style="list-style-type: none"> HRS §103D-312 Cost or Pricing Data 	Department of Finance, Purchasing Division
2 CFR 200.324	Federal Pass through	<ul style="list-style-type: none"> HRS §103D-404 Relationship with Using Agencies 	Department of Finance, Purchasing Division
2 CFR 200.325	Bonding	<ul style="list-style-type: none"> HRS §103D-324 Contract Performance and Payment Bonds 	Department of Finance, Purchasing Division
2 CFR 200.326	Federal contract provisions	<ul style="list-style-type: none"> Grant Compliance Policies and Procedures for CDBG-DR 	Department of Finance, Purchasing Division

6.3 Prevention of Duplication of Benefits

Federal law prohibits any person, business concern, or other entity from receiving federal funds for any part of such loss for which the recipient of assistance has already received financial assistance under any other program, private



insurance, charitable assistance or any other source. Per 42 U.S.C. 5155(a) such duplicative funding is called Duplication of Benefit (DOB) and occurs when:

- A beneficiary receives assistance, and
- The assistance is from multiple sources, and
- The assistance amount exceeds the need for a particular disaster recovery purpose.

This prohibition laid out in the Stafford Act, as amended, is a significant added layer of regulation not found within the County's entitlement CDBG program. This is a new regulation with which the County will comply for its CDBG-DR grant.

The County must conduct an individualized review of each applicant to determine that the amount of assistance the applicant is eligible for will not cause a duplication of benefits by exceeding the unmet needs of that applicant. The County will establish and follow policies and procedures to uphold the safeguard against DOB within its program guidelines for each eligible activity. Understanding that prevention of DOB is especially critical in the context of housing programs, the County has established a framework for identifying potentially duplicative sources of funds and reducing documented duplications from potential project awards prior to any award being made.

To ensure that the County of Hawai'i does not provide a duplication of benefits, the County will adhere to the following general process in its work with applicants to programs funded through the CDBG-DR grant award:

1. Determination of the applicant's total need;
2. Identify all disaster recovery assistance received;
3. Determine whether or not assistance was duplicative; and
4. Deduct duplicative assistance from the applicant's total need.

During the application period and eligibility determination, a case manager will document sources of funds received or approved from private insurance, SBA, FEMA, and/or volunteer organizations (including in-kind assistance). Once sources have been identified and after determining an applicant's remaining unmet recovery need, any sources of funds previously received for the same purpose that the CDBG-DR award will be intended will be deducted except where those funds were spent on activities allowable per Stafford Act and HUD guidance, sometimes known or referred to as Allowable Activities. Allowable Activities will not result in a reduction of the final award.

The County has worked with HUD to determine the specific applicability of when known sources of disaster recovery assistance, such as from FEMA, SBA, insurance, or private philanthropic sources, constitutes a duplication of benefits. In applying the provisions of Federal Register Notice 84 FR 28836 regarding the Duplication of Benefits it has been determined that assistance from FEMA (e.g. rental assistance, home repairs, home replacement), SBA (e.g. loans for repairs, reconstruction or relocation), private insurance (e.g. loss of structure and contents), and private sources (e.g. grants for home repairs) do not constitute a duplication of benefits for the Voluntary Housing Program and Housing Relocation Services presented in this Action Plan because these sources of assistance are for a "different purpose" than the expressed purpose and use of these CDBG-DR eligible projects.

Federal Register Notice 84 FR 28836 regarding the Duplication of Benefits also requires the County to ensure that program costs and grant awards abide by cost principles and are "necessary and reasonable." Under cost principles, a cost assigned to a grant "is reasonable if, in its nature and amount, it does not exceed that which would be



incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost” pursuant to 2 CFR 200.404. The County must consider factors described at 2 CFR 200.404(a) through (e) when determining which types and amounts of cost items are necessary and reasonable. Based on these factors, HUD generally presumes that if a cost has been paid by another source, charging it to the Federal award violates the necessary and reasonable standard unless grant requirements permit reimbursement. For programs and grant awards it would not be considered necessary and reasonable if disaster recovery assistance received remains unspent and available to the applicant and is above the CDBG-DR assistance the applicant is eligible for; or if disaster recovery assistance has been spent on a different purpose or use than this assistance was intended. If CDBG-DR assistance that an applicant would be otherwise eligible for is deemed not to be necessary and reasonable it will be considered duplicative and deducted from the applicant’s total need.

The County understands that applicant benefits from FEMA, SBA, and insurance can be a moving target with additional funds received much later than initial payouts or due to appeals and litigation. Further, all funding sources may not be known at the time of application. Therefore, the County will continuously monitor program applicants and perform its due diligence to verify benefits that may have been secured from FEMA, SBA, private insurers, charitable contributions, and any other available financial assistance after the date of application.

Late or additional benefits from other sources can also result in a change to the outcome of the award amount for which an applicant is ultimately eligible. Applicant awards may have to be adjusted as new sources are identified to prevent DOB and minimize recapture.

The County has already secured FEMA and SBA data that it will use as a part of its DOB analysis. Further, the County has already established relationships with volunteer organizations that have provided assistance to disaster-affected individuals. The County will work to leverage these relationships and applicant release forms to obtain additional DOB data from philanthropic sources.

As a part of its case management process, the County will require applicants to execute an Application for Assistance that will include an Income Certification, Insurance Certification and Release, Release of Information, and Subrogation Agreement, which will become part of each applicant’s record. These documents will hold each applicant accountable for the accuracy of information provided and provide the County recourse if it is determined later that applicants received other financial assistance not identified at the time of application.

If a duplication of benefit arises within the term of the applicant benefit delivery and compliance/monitoring period, the County of Hawai'i will adhere to the guidelines set forth in OMB Circular A-87 and the Stafford Act (Chapter 37 of Title 31) for recapture of funds. Beneficiaries of CDBG-DR program funds will be informed of fund recapture in an agreement executed with the County if it is determined that a DOB exists. The CDBG-DR Program Manager will bear responsibility for ensuring compliance with DOB regulatory requirements at the eligibility stage, and for monitoring latent additional funding sources.

6.4 Timely Expenditures

Per Federal Register Notice 85 FR 4681 published January 27, 2020, CDBG-DR funds must be expended within a six-year time frame beginning on the date the grant agreement is signed by HUD. However, HUD will regularly review the County’s progress in drawing down funding from its line of credit with the U.S. Treasury for allocated CDBG-DR



funds. The County will review in-house expenditures and beneficiary expenditures to ensure that funds are spent on eligible costs and in a timely manner. The County projects that 100% of its allocation of funds will be expended over the six-year period of performance. Initially this projection will be based on a bell curve where a majority of the funds will be expended in years two through four. The County will prepare a more specific and detailed projection once the program activities as defined and will update these projections as projects are in implementation. Project funds and schedules will be monitored by the County of Hawai'i Department of Finance, the Planning Department, and ultimately audited through the County's independent audit function.

As the County is an entitlement community, County staff members already have experience with monitoring the expenditure rate of its annual CDBG allocation. With the County's current allocation of CDBG funds, County of Hawai'i Department of Housing and Community Development maintains detailed spreadsheets monitoring the expenditure of funds and project schedules. Considering that the CDBG-DR grant award to the County is significantly larger than its annual entitlement CDBG allocation, the County will adapt and enhance its current processes by establishing standard tracking mechanisms, processes, and templates to ensure consistency and continuity among program activities. Activities to track the timely expenditure of the CDBG-DR grant award, include, but are not limited to:

- Consistent tracking of expenditures against budgeted quarterly targets;
- Internal monthly review of expenditures, including the analysis of variances against benchmarks between actual and projected expenditures; and
- Corrective actions to address variances or lags in expenditures at the project level, through the revision of expenditure projections, or the reprogramming of funds.

Per Federal Register Notice 85 FR 4681, the County will submit a projection of expenditures and an outcomes plan to HUD within 120 days after the Action Plan has been submitted through the DRGR system. Revised projections will be sent to HUD when program changes impact projected outcomes, funding levels, and recovery timelines. The County understands that HUD will use this information to track the County's projected versus actual performance. This practice will serve as a tool to measure overall performance, as well as project-specific performance.

The County will aggressively monitor its contractors, using benchmarks, milestones, and projections to prevent bottlenecks in the process while also minimizing delays in expending funds for eligible project activities. Contractors and subrecipients will be required to provide reporting to track actual expenditures versus projected expenditures. The frequency of reporting will be established on a per project basis given the potential varied nature of eligible activities that the County may choose. It is expected that the County will require contractors and subrecipients to provide monthly reports; however, due to the varying nature of each project, specific projects may be asked to provide those project updates more frequently.

The County will establish certain benchmarks with contractors that must be achieved prior to the release of funding. As a part of its contractual obligations to the County, contractors will be required to present the County with a plan on how they will implement procedures to reach the determined benchmarks. Each contract with contractors will require that penalties be implemented for failure to reach benchmarks. In addition to ensuring that contractors are meeting project timelines, these benchmarks will allow the County to project expenditures for each individual project.



The County of Hawai'i has a variety of unmet needs, and as such will undertake a variety of projects to meet those needs. The County understands that some projects/programs may take longer than others to implement and complete. In an effort to demonstrate consistent progress towards recovery, the County will direct attention toward those programs furthest along in development, with an eye toward eliminating internal regulatory barriers that limit its ability to move forward on projects that are critical to the County's recovery and long-term resilience efforts. These projects may take longer to plan and coordinate. The County will consider how it may phase longer term projects to demonstrate progress.

6.5 Management of Funds

The County of Hawai'i will ensure that the appropriate protocols are in place to manage the CDBG-DR funds and to incorporate measures to prevent any fraud, waste, and/or abuse of government funds. The County will use its existing protocols and resources supplemented by any potential planning consultant(s) to assist with the development of policies, procedures, and other program resources to effectively manage program funds.

6.5.1 ANTI-FRAUD, WASTE, AND ABUSE

A variety of measures will be taken by the County to identify and address fraud, waste, and abuse within the CDBG-DR recovery program. The primary measures are described in this Action Plan, with remaining measures being addressed in the subsequent policies and procedures that will be established for the CDBG-DR program.

The County of Hawai'i understands its fiduciary duty to ensure proper disbursement of grant funds for eligible activities. The County will remain in compliance with applicable CDBG-DR rules and regulations, as well as other applicable federal regulations such as Office of Management and Budget Circulars A-87, A-133, 2 CFR 200.318 - 326 and 24 CFR Part 85 (Uniform Administrative Requirements) in the management of the CDBG-DR funds. The County will adhere to the conflict of interest provisions referenced at 24 CFR 570.

Within the County's CDBG-DR Grant Compliance and Accounts Manuals, among other policies and procedures, the County addresses specific fraud, waste, and/or abuse issues, including timesheet recordkeeping, travel, purchasing of property and equipment, and accounting policies. Policies and procedures for verification of the accuracy of information provided by applicants will be developed for specific CDBG-DR funded project activities. Generally, the County's oversight and monitoring shall include procedures to ensure the veracity of the information being provided by applicants. The County's internal control functions will test program staff's adherence to the verification procedures by testing applicant files using judgmental sampling techniques and possibly utilize analytics software designed to identify anomalies and irregularities.

The primary purpose of the County's monitoring system is to ensure that all projects comply with applicable federal regulations and are effectively meeting their stated goals. The monitoring will address program compliance with contract provisions, including but not limited to environmental reviews, procurement, fair housing, Section 3, Davis-Bacon Act and other labor standard provisions, Uniform Relocation Act (URA), equal opportunity requirements, OMB Circular A-87, program income, and other CDBG financial requirements. Additionally, to prevent fraud, waste and abuse the County's monitoring system will be put in place to:



- Ensure that only expenditures that are eligible CDBG activities, address disaster-related needs directly related to the approved natural disaster, and meet at least one of the CDBG national objectives are funded;
- Ensure that documentation is produced to substantiate that all program activities meet a national objective, address disaster-related needs, and are eligible activities;
- Ensure that all program costs, administrative costs, and activities undertaken are documented.

The frequency and program components monitored will be determined by a risk analysis. All projects will be monitored at least once on-site during the life of the activity. The County anticipates that monitoring activities will include project and applicant file review, as well as on-site visits to projects. The County will utilize resources including written monitoring and technical assistance guidelines, checklists, and policies and procedures that will be developed specifically for the CDBG-DR program activities selected for implementation, using existing CDBG resources and HUD's Disaster Recovery Monitoring Checklist as a template for their creation. The results of monitoring activities will be reported to the Disaster Recovery Officer.

Individuals can report fraud, waste, or abuse of county funds anonymously via a web-based application, email or phone directly to the Mayor's office and via phone or email to the Legislative Auditor and the Finance Director. All reports are investigated.

Any discovered, suspected, or reported fraud, waste, and abuse within the CDBG-DR programs will be documented and reviewed. The disposition of the incident will be documented in a written decision. Any corrective or disciplinary actions will be carried out in accordance with the County of Hawai'i law and County personnel rules and regulations. Suspected fraud that requires further investigation. When the suspected fraud involves a County employee and internal investigation will first be conducted per established human resources policies and procedures and as required by the collective bargaining agreements. Verified fraud by County employees will then be referred to local law enforcement agencies. When the suspected fraud involves an individual or company outside of the County government investigations will be led by local law enforcement agencies. The County will coordinate with the HUD Office of the Inspector General (OIG) on any cases of fraud, whether suspected or verified, as necessary.

6.5.2 DOCUMENTATION AND MONITORING

The County of Hawai'i understands its fiduciary duty to ensure proper disbursement of grant funds for eligible activities. The County will remain in compliance with applicable CDBG-DR rules and regulations as well as other applicable federal regulations, such as Office of Management and Budget Circulars A-87, A-133, 2 CFR 200.318 - 326 and 24 CFR Part 85 (Uniform Administrative Requirements) in the management of the CDBG-DR funds. The County will institute measures to detect, investigate, and mitigate fraud, abuse, and mismanagement related to accounting, procurement, and accountability. The County will adhere to the conflict of interest provisions referenced at 24 CFR 570.

HUD will conduct monitoring for compliance by the County against federal requirements and programmatic policies and procedures throughout the life of the CDBG-DR grant award. The County thorough its internal monitoring procedures will also be responsible for maintaining compliance to federal requirements and programmatic policies associated with the CDBG-DR grant award. These activities will ensure that the County will:



- Fund only expenditures that are eligible CDBG activities, address disaster-related needs directly related to the approved natural disaster and meet at least one of the CDBG national objectives.
- Document that all program activities meet a national objective, address disaster-related needs, and are eligible activities.
- Document all program costs and maintain supporting documentation for all administration costs incurred and activities undertaken.
- Develop a monitoring policy that will outline the activities that will be monitored and the compliance parameters for each activity, including frequency of the monitoring activities. The County envisions that it will monitor project activities no less than quarterly to ensure compliance and timely expenditure of funds. The County anticipates that monitoring activities will include project and applicant file review as well as on-site visits to projects. The County will utilize resources, including written monitoring and technical assistance guidelines, checklists, and policies and procedures that will be developed specifically for the CDBG-DR program activities selected for implementation using HUD's Disaster Recovery Monitoring Checklist as a template for their creation.
- Build monitoring and compliance requirements into all contracts executed with vendors, professional services, and construction contractors. Vendors will be required to submit project performance reports, financial status reports, and documented requests for reimbursement/invoicing for the duration of contract periods.
- Provide a quality assurance (QA) and quality control (QC) functions for internal checks and balances, including random sample file audits as a self-check. This will include source documentation file audits conducted monthly by CDBG-DR program staff as a first-level internal check.
- Use the HUD-provided DRGR contracts management system and upload all quarterly performance reports (QPR) to that system. The County will develop QPRs that will be submitted to HUD no later than 30 days following the end of each quarter after grant award and continuing until all funds have been expended and all expenditures have been reported. Each quarterly report will include information about the uses of funds during the applicable quarter, including but not limited to the project name, activity, location, and national objective; funds budgeted obligated, drawn down, and expended; the funding source and total amount of any non-CDBG-DR funds to be expended on each activity; beginning and completion dates of activities; achieved performance outcomes; and the race and ethnic status of persons assisted under direct-benefit activities. The County will also post the submitted Quarterly Performance Reports to its official website.
- Enter its Action Plan for Disaster Recovery, including performance measures, into HUD's DRGR system. As more detailed information about uses of funds is identified by the County, it will enter such detail into DRGR.
- Develop and implement corrective actions if any weaknesses are identified during monitoring activities.

The County of Hawaii has a Legislative Auditor as required by our Charter, Section 3-18. The Legislative Auditor shall conduct or cause to be conducted the annual financial audit for the county as required in Article X, Financial Procedures, Section 10- 13, Post- audit. In addition, the Legislative Auditor should conduct performance and/or financial audits of the funds, programs, services, and operations of any county agency, executive agency or program based in their annual risk-based audit plan.

The Department of Finance employs an Internal Control Manager. This position is responsible for assessing risk and reviewing internal controls countywide. Under the direct supervision of the Finance Director, this position plans, coordinates, and supervises the conduct of audits and technical studies in the review, analysis, development,



installation and establishment of accounting and internal control systems and procedures for County-wide fiscal operations.

The Internal Auditor for CDBG-DR, which reports to the Mayor, will be to focus on performance reviews related to the CDBG-DR funding for the County of Hawai'i, in addition to conducting fraud, waste and abuse investigations as they relate to the CDBG-DR program. Ongoing monitoring of CDBG-DR activities will be based on adopted financial management and grant compliance policies and procedures, as well as policies and procedures specific to CDBG-DR funded projects. This position will work closely with the Internal Control Manager to determine higher level risk areas within the program.

6.5.3 CONFLICT OF INTEREST

The County will adhere to the conflict of interest provisions reference at 24 CFR 570.611. Further, the County has adopted a high standard within its Code Ethics that is consistent with 24 CFR 570.611. These provisions can be found within County of Hawai'i Code, Article 15. Code of Ethics, Section 2-84. Conflict of Interests.

6.5.4 PERSONALLY IDENTIFIABLE INFORMATION

In the normal course of grant administration, the Planning Department may receive personally identifiable information (PII), such as names, addresses, income verification documents, disability status, employment status, etc., from applicants and/or beneficiaries. CDBG and CDBG-DR activities most likely to result in the Planning Department's receipt of PII include housing assistance, small business assistance, and public services.

The Planning Department will take the following steps to protect PII:

- Maintain hard copies of PII records in locked filing cabinets;
- Password protect electronic folders and/or files containing PII.

Filing cabinet keys and electronic passwords will be available only to authorized County staff. The Planning Department will release records containing PII after verification to the following entities:

- Federal and state auditors;
- Other federal or state agencies for duplication of benefits analyses.

If records containing PII are subject to the Uniform Information Practices Act, (HRS Chapter 92F), such records shall only be released in accordance with state and federal law.

Hawai'i Revised Statue 487N defines a security breach as an incident of unauthorized access to and acquisition of unencrypted or unredacted records or data containing personal information where illegal use of the personal information has occurred, or is reasonably likely to occur and that creates a risk of harm to a person. Any incident of unauthorized access to and acquisition of encrypted records or data containing personal information along with the confidential process or key constitutes a security breach. Good faith acquisition of personal information by an employee or agent of the business for a legitimate purpose is not a security breach; provided that the personal information is not used for a purpose other than a lawful purpose of the business and is not subject to further unauthorized disclosure.



The County of Hawai'i shall provide notice to the affected person that there has been a security breach following discovery or notification of the breach. The disclosure notification shall be made without unreasonable delay, consistent with the legitimate needs of law enforcement, and consistent with any measures necessary to determine sufficient contact information, determine the scope of the breach, and restore the reasonable integrity, security, and confidentiality of the data system. The County of Hawai'i which maintains or possesses records or data containing personal information of residents of Hawaii shall notify the owner or licensee of the information of any security breach immediately following discovery of the breach, consistent with the legitimate needs of law enforcement.

In the event of a security breach of personal information, the County of Hawai'i will provide notice to the affected parties in coordination with law enforcement activities. The notice shall include a description of the following:

- The incident in general terms;
- Type of personal information that was subject to the unauthorized access;
- The general acts of the County to protect the personal information from further unauthorized access;
- Telephone number that the person may call for further information and assistance; and
- Advice that directs the person to remain vigilant by reviewing account statements and monitoring free credit reports.

Notice to affected persons may be provided by one of the following methods:

- Written notice to the last available address the business or government agency has on record;
- Electronic mail notice, for those persons for whom a business or government agency has a valid electronic mail address and who have agreed to receive communications electronically if the notice provided is consistent with the provisions regarding electronic records and signatures for notices legally required to be in writing set forth in 15 U.S.C. Section 7001; or
- Telephonic notice, provided that contact is made directly with the affected persons.

All PII collected shall be maintained, to the extent applicable, in compliance with the Privacy Act (5 U.S.C. 552a) and all other federal, state, and local laws.

6.6 Comprehensive Disaster Recovery Website

The County of Hawai'i has established a website <https://recovery.hawaiicounty.gov> to keep the public informed about volcanic recovery activity and resources. The website is maintained by the County's Disaster Recovery Division. It is accessible through the main page of the County government website. The County will maintain this website throughout the recovery period. The County's website is built to be accessible to individuals who are visually impaired and can be navigated using standard text-to-speech software programs.

The County's recovery website will serve as the primary repository of information for the County's disaster recovery actions and resources, and will contain links to all action plans, action plan amendments, QPRs, the Citizen Participation Plan, procurement policies, procurement notices/advertisements, notices of public meetings, executed contracts, activity/program information for activities described in the action plan, and other information relevant to the CDBG-DR program funds. There will be dedicated pages for CDBG-DR program information so that



this content is easily accessible by the public. Updates to the dedicated disaster recovery website will be made in conjunction with any new activity associated with the CDBG-DR program action plan and funds and will be made on a monthly basis as a minimum. Further, any new documentation created in support of the CDBG-DR program will be published to the website within 5 business days of the final approved publication date. All documents posted to the County's website will be reviewed and formatted for access by the visually impaired using standard text-to-speech software programs.

Constituents will be able to lodge complaints via an email link on the website, as well as through non-electronic means. The email address for complaints will be monitored daily. The County will respond promptly within 15 days of receipt of each complaint. The Disaster Recovery Communications Specialist will monitor the email address, log all complaints, and coordinate to provide responses.

Materials that will be published to the website will include:

- Action Plan, Action Plan Amendments and DRGR Action Plan
- Information on Projects and Programs funded by CDBG-DR
- Procurement Policies and Procedures
- Notice of Active Procurements
- Procured Contracts with CDBG-DR Funds
- Citizen Participation Plan
- Program Policies and Procedures
- Public Meeting Notices
- Anti-Fraud, Waste and Abuse Policy
- Program Applications and Required Forms
- Program Guidelines
- Complaint and Appeals policies.

The County will ensure that information accounting for how grant funds are used and managed or administered are available on the website for CDBG-DR activities. A QPR will be submitted to HUD no later than 30 days following the end of each quarter after grant award and continuing until all funds have been expended and all expenditures have been reported. No less than 3 days from submission to HUD, the County will post the QPR to the website for public access. In addition to these required reports, the County will also post its procurement policies, executed CDBG-DR contracts, as well as the status of services or goods currently being procured by the County.

The website is managed and updated by:

Tom Callis, Disaster Recovery Communications Specialist
County of Hawai'i Planning Department, 25 Aupuni Street, Suite 1301, Hilo, HI 96720
Email: tom.callis@hawaiiicounty.gov
Telephone: (808) 961-8729
Fax: (808) 961-8742



6.7 Timely Information on Application Status

Effective communication is one of the keys to success in delivering programs, particularly in the wake of a disaster. The County will, at a minimum, engage in a two-tiered applicant communication strategy, with larger program-wide information being made available on the County's disaster recovery website and proactive case management to move applicants along within program processes, notifying applicants of status at each critical juncture.

The County of Hawai'i believes that an effective and comprehensive communications strategy will better allow community access and create a culture of personal resilience among the individuals participating in CDBG-DR funded projects. The County has been proactive in engaging the community in an effort to create this culture, using the disaster recovery website as a clearinghouse of resources for community stakeholders. The County intends to maintain this website as the central repository of information to connect members of the public to resources available from the CDBG-DR program activities.

The County understands that a lack of information about program resources, progress, filed claims, and applications for assistance can exacerbate frustration in potential program beneficiaries. Further, the processes required to deliver benefits, particularly in housing-related activities, are complex processes that require extensive documentation. The incremental steps within a program require time and often patience.

To maintain a consumer-centered approach to the application process, the County will institute systems that allow for real-time status updates to applicants upon request. Although the County will not know the volume of case management needed until outreach and intake activities begin, the following actions can be taken:

- Providing direct access to an applicant's designated case manager;
- Monitoring case manager caseloads and adjusting as necessary to keep caseloads at reasonable levels that will ensure frequent applicant contact;
- Sending printed status updates to applicants or updating applicants through telephone or email;
- Facilitating face-to-face consultations with case managers;
- Monitoring after-hours voicemail systems daily and instituting a policy of return calls within a specified timeframe of voicemail receipt;
- Providing case manager telephone and email contact information to applicants.

Specific actions and strategies for keeping applicants informed on program information will be included in the policy and procedure manuals specific to each project.

One additional status-related issue that applicants may encounter is a program decision that the applicant considers adverse. The County will institute both a complaint and an appeals process to address applicant concerns and grievances.

Complaints or grievances will be reviewed, and a response will be issued within 15 business days, as required by HUD in the Federal Register notice. Where a complaint or grievance cannot be resolved within 15 days, the aggrieved party will be notified, in writing, of the expected timeline or process for resolution. Applicants will be notified of the complaint process at application intake, and information about the complaint process will be posted to the County's disaster recovery website.



Appeals of program decisions will be acknowledged within 15 days of receipt and resolved according to the appeals process that will be developed for each of the program activities the County chooses to undertake. Applicants will be notified, in writing, of their opportunity to appeal decisions and the process for appealing at the application stage of the process. They will be reminded of their right to appeal through details provided on all program status notifications. Information about the appeals process will also be posted to the County's disaster recovery website.

6.8 Capacity Assessment

Since 2003, the County of Hawai'i has received an approximate annual allocation of \$2.6 million in CDBG entitlement funds through its Office of Housing and Community Development. The County typically uses its program dollars to support housing to serve low- to moderate-income households, public facilities including public health and safety, infrastructure, economic development and public services. Through the delivery of these programs, County staff members have already delivered programs in compliance with many of the regulatory requirements mandated under Federal Register Notice 5398-N-01 for CDBG-DR funding because they overlay the CDBG Entitlement Program. However, there are additional regulations and/or alternative requirements that the County will be required to implement as a part of the CDBG-DR program. The scale of this funding and the type of project activities are also new for the County.

While the County has the general programmatic and financial infrastructure in place, the decision was made early on to build capacity around staffing to administer the CDBG-DR grant award and undertake other long-term recovery activities from the 2018 Kīlauea eruption. The Disaster Recovery Division of the County's Planning Department was created to coordinate the recovery effort from the 2018 Kīlauea eruption. This role involves collaboration with the individuals and communities impacted by the eruption and coordination with the County government along with state and federal agencies. In this capacity the Disaster Recovery Division will be responsible for implementing the CDBG-DR grant award. Under the supervision of the Disaster Recovery Officer, the Division is comprised of existing staff to execute specific functions related to CDBG-DR project activities such as grant management, policy and planning, environmental review, systems and reporting, and communications and outreach, including the maintenance of a disaster recovery website. A CDBG-DR program staff team will be recruited under the supervision of a CDBG-DR Program Manager to carry out specific CDBG-DR project activities, including functions such as program operations, financial management, compliance and monitoring, policy and planning, and systems and reporting.

The Disaster Recovery Officer reports to and is supported by a County Recovery Leadership Team which is comprised of principals from the Mayor's Office, Department of Finance, Planning Department, Civil Defense Agency, and Department of Research and Development. This group provides interagency coordination and integrated resource management within the County to ensure effective delivery of disaster recovery activities, including the implementation of the CDBG-DR grant award.

The Department of Finance is a key implementation partner within the County for CDBG-DR project activities. The Department will maintain the FRESH financial management system; implement financial controls and sound financial management practices to ensure financial compliance and timely expenditure of funds; facilitate internal monitoring and the prevent of fraud, waste and abuse; and will oversee procurement and other purchasing activities funded with CDBG-DR grant award. As the primary project undertaken with CDBG-DR funds will be a



voluntary housing buyout program the Property Management and Real Property Tax Divisions of the Department of Finance will be key implementation partners in these project activities.

The Office of Housing and Community Development has partnered with the Disaster Recovery Division to build off the County's experience administering CDBG entitlement program funds and other HUD grant programs. This collaboration has involved coordination on existing housing program models and unmet housing needs in the County to inform housing solutions for disaster recovery; identifying alignment between the County's 2020-2024 Consolidated Plan and this Action Plan for CDBG-DR; the adaptation of financial management and grant compliance policies and procedures under CDBG for the anticipated CDBG-DR grant award; and managing HUD technical assistance resources. The Office of Housing and Community Development and Disaster Recovery Division will continue collaborative work to ensure the successful implementation of the County's CDBG-DR program.

The Planning Department and Department of Public Works are close partners in the disaster recovery effort through their authorities permitting development, controlling land use, coordinating long-term planning, operating and maintaining public infrastructure, and managing policy priorities such as coastal zone management and flood control, cultural resources, and natural resources conservation. These authorities are central to the successful implementation of the proposed voluntary housing buyout program under this CDBG-DR grant award.

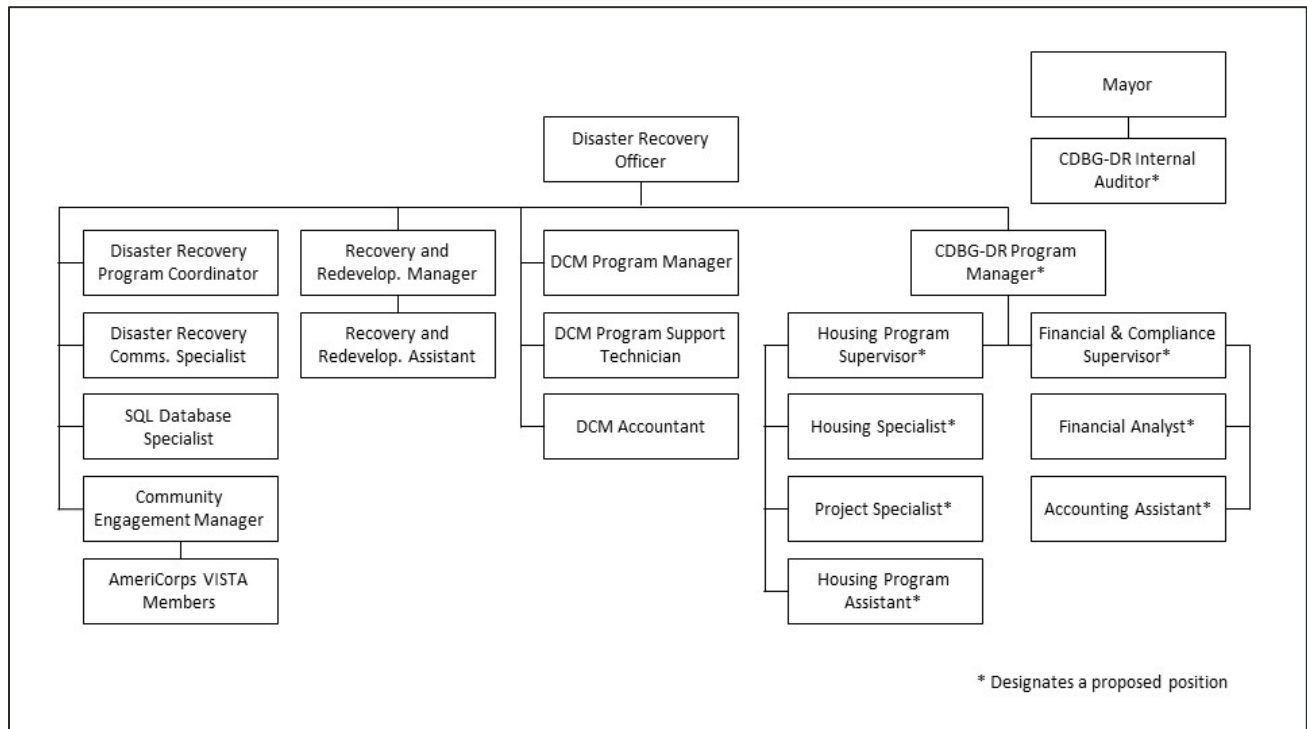
The Department of Information Technology serves the technology needs of County departments. For CDBG-DR project activities the Department will support applications, database management, data security, telecommunications infrastructure, and technology equipment necessary to manage the CDBG-DR grant award and implement project activities effectively.

6.9 Staffing

To support long-term recovery from the 2018 Kīlauea eruption the County decided early on to build capacity around staffing to administer the CDBG-DR grant award. Within the Disaster Recovery Division of the Planning Department the County's staffing model will be flexible to accommodate the needs associated with program activities. As the CDBG-DR projects get underway, the County will make the appropriate adjustments to accommodate workload demands, including identifying additional roles or creating additional positions within available grant resources. The organizational chart in this section shows the various functions that will be associated with program activities.



Table 6-2 - Staffing for Disaster Recovery Division and CDBG-DR Program



The County has existing staff members within the Disaster Recovery Division:

- Disaster Recovery Officer
- Disaster Recovery Program Coordinator
- Recovery and Redevelopment Assistant
- Recovery and Development Manager
- Disaster Recovery Communications Specialist
- Manager for Community Engagement and Collaboration
- Disaster Case Management Program Manager
- Disaster Case Management Program Support Technician
- Disaster Case Management Accountant

The County is in the process of recruiting for the following positions within the Disaster Recovery Division:

- SQL Database Specialist for Disaster Recovery
- CDBG-DR Internal Auditor (reporting to the Mayor)

The County will create the following positions to implement the CDBG-DR grant award:

- CDBG-DR Program Manager
- CDBG-DR Housing Program Supervisor
- CDBG-DR Housing Specialist
- CDBG-DR Project Specialist



- CDBG-DR Housing Program Assistant
- CDBG-DR Financial and Compliance Supervisor
- CDBG-DR Financial Analyst
- CDBG-DR Accounting Assistant

The Disaster Recovery Division will work collaboratively to implement CDBG-DR funded program activities. Under the supervision of the CDBG-DR Program Manager the CDBG-DR team will be responsible for program operations, policy and planning, systems and reporting, financial management, and compliance and monitoring. The CDBG-DR Project Specialist and Financial and Compliance Supervisor will be accountable for environmental review responsibilities under the supervision of the CDBG-DR Program Manager and with support from the Recovery and Redevelopment Manager. The Division staff not directly funded under CDBG-DR will supplement staffing and support the program through grant management, communications and outreach, policy and planning, and systems and reporting.

6.10 Internal and Interagency Coordination

Several departments within County will share in the implementation responsibilities for the CDBG-DR grant, as described above in Section 6.8: Capacity. However, the Planning Department through its Disaster Recovery Division will be ultimately responsible for ensuring internal and interagency coordination and communication among the various departments. As the programs evolve, it may be necessary to expand the responsibilities under any given department.

As a part of this process, department leaders have been informed of the types of responsibilities they will be tasked with under the grant. To the greatest extent possible, the County will standardize its processes and program templates so that each department is well versed in the logistics associated with each program activity. The County will develop a simplified workflow of activities based upon the setup of each program to be documented in the policies and procedures manuals for each CDBG-DR project activity. Upon program startup, department managers will establish timelines and milestones that will be communicated to each department head and involved staff members.

In addition to the interdepartmental cooperation that has already resulted in deployment of resources to affected citizens, the County has established the Recovery Leadership Team and the Disaster Recovery Task Force to open communication channels and relationships that will support implementation of recovery activities. These groups, more fully described below, will continue to provide critical services in development and implementation of CDBG-DR programs.

6.10.1 COUNTY OF HAWAI'I RECOVERY LEADERSHIP TEAM

The County's Recovery Leadership Team is comprised of principals from the Mayor's Office, Department of Finance, Planning Department, Civil Defense Agency, and Department of Research and Development. This group provides interagency coordination and integrated resource management within the County to ensure effective delivery of disaster recovery activities, including the implementation of the CDBG-DR grant award. The County's Recovery Leadership Team has worked with the Disaster Recovery Division staff to provide oversight and strategic direction



in damage analysis, recovery and mitigation planning, program and project identification, and implementation steps for the County. This coordination contributed to the development of this Action Plan.

During the current phase of long-term recovery, the Recovery Leadership Team has participated in meetings on an approximately weekly basis. This group provides feedback and addresses decisions related to recovery planning, policy, and project identification and prioritization. This includes provision of any related data and information relevant to individual members' areas of responsibility. The Recovery Leadership Team offers guidance related to their fields of expertise and areas of responsibility within the County, assistance with public outreach, and participation in the development of project activities funded through the CDBG-DR program.

The Recovery Leadership Team also provides oversight to ensure that recovery activities are feasible and consistent with other local and regional efforts. When establishing goals and identifying recovery programs and projects, the Recovery Leadership Team verifies consistency with other planning and related departmental efforts.

6.10.2 COUNTY OF HAWAI'I DISASTER RECOVERY TASK FORCE

The Disaster Recovery Task Force (Task Force) is an advisory committee that consists of local stakeholders who form a diverse and knowledgeable representation communities and individuals impacted by the 2018 Kīlauea eruption along with principals of County departments leading recovery efforts. The Task Force meets regularly and operates in an advisory capacity to the Disaster Recovery Division and ultimately County Administration in the implementation of long-term recovery efforts.

The Task Force was charged with assisting with the development of policy decisions and recovery strategies, in addition to collaborating with the Disaster Recovery Division on implementation. Task Force members informed the CDBG-DR project activities proposed in this Action Plan to ensure that as many stakeholder groups and community needs relative to the impacts of the 2018 Kīlauea eruption would be included in the planning process and prioritization of limited federal recovery resources. The Task Force will support public engagement strategies and the implementation of CDBG-DR project activities on an ongoing basis.

6.11 Technical Assistance

The County anticipates that the level of technical assistance will not be in high demand for this grant because the County will be administering the grant directly. The County will continuously work with HUD to identify technical assistance needs and potential resources or providers. To date, the County of Hawai'i has benefitted from the HUD-provided technical assistance supporting implementation plan development. County staff will be provided with all training necessary to ensure that activities funded under this Action Plan are correctly administered.

HUD-provided technical assistance to County leaders and department heads has been beneficial to date, outlining specific requirements of the Federal Register Notice along with guidance relative to best practices that should be considered by the County as it undertakes activities under the CDBG-DR program. This technical assistance included site visits with the County in January and March 2020 as well as bi-weekly coordination meetings with HUD staff. Further, County staff members have attended HUD-provided training, including the HUD Problem Solving Clinic in Kansas City, KS, from July 31–August 1, 2019, and have access to these resources as well as the HUD CDBG-DR program management tools through the [HUDEXchange.info](https://www.hudexchange.info) website. The County will consult with HUD on an as-needed basis for general policy guidance or clarification of statutory requirements.



Technical assistance will be provided to any contractors and sub-recipients on a consistent basis to ensure they are up to date on the most current disaster recovery information and program requirements. This will be accomplished through training sessions, webinars, presentations, or other communication tools.

6.12 Accountability

The Planning Department through its Disaster Recovery Division is the administering agency for the CDBG-DR grant award. Within the Disaster Recovery Division, the responsible party for program oversight and implementation is the CDBG-DR Program Manager. The CDBG-DR Program Manager is responsible to the County's Disaster Recovery Officer and HUD. The Disaster Recovery Officer is tasked with program coordination among County agencies and other stakeholders. The Disaster Recovery Officer reports to the County's Recovery Leadership Team and Mayor, and regularly reports on activities directly to the County Council and the public.

The Mayor will serve as authorized signatory of the contract between HUD and the County, and will authorize major agreements, contracts and change orders. The Managing Director also has delegated authority from the Mayor to sign contracts and agreements that bind the County. The Director of Finance or the Disaster Recovery Officer will certify to financial reporting, as appropriate for the reporting mechanism. The Disaster Recovery Officer will oversee compliance and monitoring, financial management, and oversight of the HUD line of credit, including management of timely expenditures. These activities will be conducted in coordination with the Department of Finance.

The Disaster Recovery Officer will serve as the lead point of contact for HUD related to monitoring and compliance and issue resolution. The CDBG-DR Program Manager will oversee daily operations of the CDBG-DR program, including applicant intake and eligibility, construction and contract management, policy and procedure, public information, and reporting, including management of the DRGR system.



SECTION 7. CERTIFICATIONS AND SF 424 FORM

Hawai'i County makes the following certifications with this Action Plan:

- a. Hawai'i County certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.
- b. Hawai'i County certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- c. Hawai'i County certifies that the Action Plan for Disaster Recovery is authorized under State and local law (as applicable) and that Hawai'i County, and any entity or entities designated by Hawai'i County, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG-DR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this notice. Hawai'i County certifies that activities to be undertaken with funds under this notice are consistent with its Action Plan.
- d. Hawai'i County certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this notice.
- e. Hawai'i County certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12U.S.C. 1701u) and implement regulations of 24 CFR part 135.
- f. Hawai'i County certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each UGLG receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).
- g. Each State receiving a direct award under this notice certifies that it has consulted with affected UGLGs in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and native areas of the State in determining the uses of funds, including the method of distribution of funding, or activities carried out directly by the State.
- h. Hawai'i County certifies that it is complying with each of the following criteria:
 1. Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in 2015 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.) related to the consequences of the 2018 Kīlauea eruption.
 2. With respect to activities expected to be assisted with CDBG-DR funds, the Action Plan has been developed to give the maximum feasible priority to activities that will benefit LMI families.



3. The aggregate use of CDBG-DR funds shall principally benefit LMI families in a manner that ensures that at least 70 percent (or another percentage permitted by HUD in a waiver published in an applicable Federal Register notice) of the grant amount is expended for activities that benefit such persons.
 4. Hawai'i County will not attempt to recover any capital costs of public improvements assisted with CDBG-DR grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (a) Disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, Hawai'i County certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).
- i. Hawai'i County certifies that the grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601–3619) and implementing regulations, and that it will affirmatively further fair housing.
 - j. Hawai'i County certifies that it has adopted and is enforcing the following policies, and, in addition, States receiving a direct award must certify that they will require UGLGs that receive grant funds to certify that they have adopted and are enforcing:
 1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
 2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
 - k. Each State or UGLG receiving a direct award under this notice certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out disaster recovery activities in a timely manner and that Hawai'i County has reviewed the requirements of this notice and requirements of Public Law 114–113 applicable to funds allocated by this notice, and certifies to the accuracy of Risk Analysis Documentation submitted to demonstrate that it has in place proficient financial controls and procurement processes; that it has adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, to ensure timely expenditure of funds; that it has to maintain a comprehensive disaster recovery Web site to ensure timely communication of application status to applicants for disaster recovery assistance, and that its implementation plan accurately describes its current capacity and how it will address any capacity gaps.
 - l. Hawai'i County certifies that it will not use CDBG-DR funds for any activity in an area identified as flood prone for land use or hazard mitigation planning purposes by the State, local, or native government or delineated as a Special Flood Hazard Area in FEMA's most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the State, local, and native government land use regulations and hazard mitigation plans and the latest- issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.



- m. Hawai'i County certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.
- n. The grantee certifies that it will comply with environmental requirements at 24 CFR Part 58.
- o. Hawai'i County certifies that it will comply with applicable laws.



Signature of Authorized Official

09/29/2020

Date



APPENDIX A

PUBLIC COMMENTS AND RESPONSES



APPENDIX A: PUBLIC COMMENTS AND RESPONSES

Key Facts

- Initial Action Plan Released: July 20, 2020
- Public Comment Period: July 20, 2020 – Aug. 18, 2020
- Written Comments Received: 93
- Action Plan Web Page Unique Views: 1,453

To inform members of the community about the Initial Action Plan for public comment the County issued a press release, presented the draft Initial Action Plan on the recovery website, disseminated the information through its distribution lists and social media, and issued legal notices were published in the two daily newspapers on the island. The County received 93 written comments on the draft Initial Action Plan via email, in-person, and mail. The majority of comments addressed the voluntary buyout program. Additional topics in the comments included the relationship to these housing projects supported with CDBG-DR funds to overall recovery plans; the restoration of public roads and other infrastructure that were impacted by the eruption; the unmet needs related to economy recovery.

Because of the COVID-19 pandemic, no public hearings were held. The County responded to and addressed individual questions and comments from the public as they were received. Additionally, the County organized virtual meetings with a community group formed by residents impacted by the eruption and a local homeowners association to understand concerns and address questions about the Initial Action Plan. Prior to release of the plan, input was received from the County's Disaster Recovery Task Force on the program design and priorities of buyout program.

Summary of Public Comments

Because comments from the public may fit into multiple categories, the total of number of comments listed under the categories will be greater than total number of comments received during the comment period. Responses are summarized below by category.

- The County received [70] comments in full support or in support with concerns and suggestions about the voluntary housing buyout program.
 - The number of comments in full support without any further suggestions or questions, other than asking how to apply was [39].
 - The number of comments in support with concerns and suggestions about the voluntary housing buyout program was [31].
- Among all comments received from the public in support of, in support with considerations, in opposition to, and pertaining to related disaster recovery issues, specific topics of concern fall into the following categories:
 - [20] questions or comments about program eligibility and duplication of benefits;
 - [11] questions or comments about the management of acquired properties and the need for a management plan for these areas;
 - [8] comments about road restoration;
 - [6] comments addressing total market value as the basis for a buyout;
 - [4] comments that were against or unfavorable toward buyouts;
 - [3] questions or comments about funds for small businesses, economic assistance, or infrastructure;
 - [2] general information requests;



- [2] requests to turn acquired properties into conservation land;
- [2] questions about whether unpermitted homes qualify;
- [2] questions or comments related to residents impacted by previous eruptions;
- [2] requests to extend the period for public comment or delay the action plan;
- [1] request to do an alternative analysis of other housing options with CDBG-DR funds;
- [1] comment that said the plan does not leverage the funding and that the County's planning lacks a vision;
- [1] question about zoning of impacted properties in relation to eligibility for a buyout;
- [1] question about whether non-citizens are eligible for CDBG-DR program funding;
- [1] comment about only helping primary homes;
- [1] question regarding the eligibility of isolated properties;
- [1] question about whether residents have to leave the land if they are bought out;
- [1] question about whether the proceeds from a buyout are tax-exempt;
- [1] question about how to find the market value of a property;
- [1] general question about program requirements;
- [1] request to help those experiencing ongoing volcanic impacts or secondary effects from the eruption;
- [1] comment about buyout amounts not being high enough;
- [1] comment about differentiating between Lava Zones 1 and 2 in the process of buyouts;
- [1] comment requesting to make Lava Zone 1 open space, create improvement district for Lava Zone 2 subdivisions, and reinvesting in safer areas;
- [1] request to prevent new buyers from participating.

Responses to Public Comments

Program Eligibility and the Duplication of Benefits

Twenty comments included questions or comments about duplication of benefits, including how insurance payouts and U.S. Small Business Administration loans would affect eligibility. Three of these comments were general inquiries into how insurance payouts would affect them; nine comments recommended that the County prioritize buying land or only offer compensation for the land; and five commenters said the County should make it easier for secondary homes and non-LMI residents to participate.

Response: The County is required to prevent the duplication of benefits in determining the total buyout amount. If an applicant received or was approved for federal or other assistance, such as an insurance payout, for the same purpose as the buyout program, those funds will be evaluated as a possible duplication of benefits against the final buyout amount for which an applicant is eligible under the voluntary housing buyout program. The County has worked with HUD to determine that common sources of disaster recovery assistance which are for a "different purpose" than a buyout and would not be considered a duplication of benefits include:

- *FEMA Individual Assistance for rental assistance, home repairs, or housing replacement;*
- *SBA loans for home repairs, housing reconstruction, housing relocation, or other approved purposes;*
- *Private insurance payouts for loss of structure and/or contents;*
- *Private sources such as grants for home repairs or in-kind assistance.*



The County must conduct an individualized review of each applicant to determine that the amount of assistance the applicant is eligible for will not cause a duplication of benefits by exceeding the unmet needs of that applicant. The maximum buyout amount will be applied after any duplication of benefits is analyzed. Even if no duplication of benefits is identified, program costs and grant awards must abide by cost principles and are required to be “necessary and reasonable.” Applicants are required to provide information on all sources of disaster recovery assistance to help determine whether any assistance may be duplicative, and that CDBG-DR assistance is necessary and reasonable. See Section 6.3 Prevention on the Duplication of Benefits for more information.

Management of Properties Following a Buyout Program

Thirteen comments included questions and/or concerns about how the County is going to manage the land that it acquires as part of a voluntary housing buyout program. Four of these comments were from property owners in Kapoho Vacationland concerned about how buyouts would impact the future of the subdivision; five mentioned concern over there being a “patchwork” or “checkerboard” of County-owned parcels; two requested acquired properties to be maintained as conservation land; and two were general inquiries into how the land would be used.

Response: As part of long-term recovery, it is the County’s objective to implement this voluntary housing buyout program in close coordination with individual property owners who are applicants to and beneficiaries of the program as well as the communities where buyout activities are occurring. Due to the voluntary nature of buyout programs these activities must be approached strategically so that potential applicants and members of the community understand the considerations in participating in this program, and the opportunities and challenges involved with the maintenance of properties following a buyout. HUD encourages grantees implementing buyout programs to acquire contiguous parcels of land to the extent practicable for uses compatible with open space, agriculture, recreation, natural floodplain functions, ecosystem restoration, and/or wetland management practices.

A critical component of the voluntary housing buyout program will be the development of a management plan for the acquired properties. The County will work with communities where buyout activities are taking place to develop this management plan with the knowledge of which properties are participating in the voluntary buyout programs and how communities are rebuilding homes or farms in these areas. The County will own the properties following the buyout. The County may continue to manage these properties or can explore opportunities where appropriate to provide access agreements to former owners while maintaining the compatible open space uses; to preserve sites of cultural significance; to provide for maintenance agreements; to transfer title to a community association or land stewardship group for the maintenance and use of these properties in a way that is compatible with open space uses; or to lease lands for agricultural uses that are productive in the eruption areas and require a minimal investment in crops or infrastructure that could be lost to a future eruption. Responsible management of these properties is critical to the long-term recovery of communities impacted by the 2018 Kīlauea eruption.

Road Restoration

Eight comments addressed the issue about road restoration. Four of these commenters said that residents need roads restored or a timeline for restoration before they can make a decision on participating in a voluntary housing buyout program.

Response: The County has announced plans for road restoration following the 2018 Kīlauea eruption. Road restoration projects are being implemented with FEMA Public Assistance Alternate Procedures (Section 428) grant funds. Funds for



roads or road segments that will not be restored will be applied to alternative projects identified and prioritized by the County with input from the impacted communities.

Use of Pre-Disaster (2017) Total Market Value

Six comments addressed the issue of tax assessments as a basis for buyout offers. Three of these noted their homes were under construction at the time of the eruption or finished in 2018 and may not be reflected in the 2017 tax assessment.

Response: Assistance for the acquisition of an eligible property for buyout is based on the pre-disaster (2017) County appraised total market value of the property. The County will establish an appeals process for applicants to pursue should additional information be available in determining the pre-disaster total market value of a property during the buyout process.

Unfavorable towards Voluntary housing Buyout

Four comments were against or unfavorable toward buyouts.

Response: The County understands that the proposed project of a voluntary housing buyout program may not be the priority all survivors of the 2018 Kilauea eruption.

Use of CDBG-DR Funds for Economic Development and Infrastructure

Three comments asked about the use of CDBG-DR funding for small businesses or economic development and supporting infrastructure.

Response: The Federal Register Notice 85 FR 4681 governing the County's allocation of CDBG-DR funds states that each grantee receiving an allocation for a 2018 or 2019 disaster is required to primarily consider and address its unmet housing recovery needs. Grantees may, however, propose the use of funds for unmet economic revitalization and infrastructure needs unrelated to the grantee's unmet housing needs if the grantee demonstrates in its needs assessment that there is no remaining unmet housing need or that the remaining unmet housing need will be addressed by other sources of funds. Other recovery funding sources will be used to support infrastructure and economic development.

Unpermitted Homes

Two comments asked about the eligibility of unpermitted homes for CDBG-DR funding and the voluntary housing buyout program.

Response: Properties with unpermitted residential structures prior to the 2018 Kilauea eruption would be considered eligible for HUD assistance through the CDBG-DR funded projects if the applicant can document residence at the property prior to the disaster event. All other program eligibility requirements apply.



Eligibility for Households Impacted by Prior Eruptions

Two questions or comments related to residents impacted by previous eruptions and whether these households would be eligible for CDBG-DR funded projects in this Action Plan.

Response: The Federal Register Notice 85 FR 4681 allocated \$83,841,000 in CDBG-DR funding to address impacts related to Kīlauea Volcanic Eruption & Earthquakes (Presidential Disaster Declaration DR4366) in 2018 and requires that funds be used only for specific disaster-related purposes. Projects and activities in response to eruptions prior to the 2018 Kīlauea eruption are not eligible with these CDBG-DR funds covered by this Action Plan.

Extension of CDBG-DR Initial Action Plan Public Comment Period

Two comments request the County to extend the public comment period for the Initial CDBG-DR Action Plan, or to delay the submission of the Initial Action Plan to HUD by the deadline of August 31, 2020.

Response: The Federal Register Notice 85 FR 50041 provides waivers and establishes alternative requirements and extensions for grants provided pursuant to Public Laws 115–254 and 116–20, among others, in connection with HUD's obligation or use by the recipient of these funds. This notice provides additional flexibility to CDBG-DR grantees as they continue their disaster recovery efforts while also responding to the Coronavirus Disease 2019 (COVID-19) pandemic. The County did not pursue a request to HUD to extend applicable deadlines because it has already utilized the 210 days to submit its Initial Action Plan to HUD that was provided for administratively in March 2020 and through this 85 FR 50041 which was published August 17, 2020. The County did not identify any additional needs that would require an extension of applicable timelines related to COVID-19 that HUD would evaluate in approving any extensions.

Housing Options and Leveraging Funding

One comment suggests the County analyze alternative housing options in its project activities; another comment discusses the opportunity to leverage CDBG-DR funds through the Initial Action Plan and the need for a vision in recovery planning efforts.

Response: Section 4.2 Basis for Funding Allocation in this Action Plan addresses these comments.

Underlying Zoning

One comment asks about the underlying zoning of properties that are eligible for the voluntary housing buyout program since much of the area is zoned agricultural under State Land Use.

Response: While the underlying zoning of a property is an important consideration, the voluntary housing buyout program will rely on the documented use of a property prior to the 2018 Kīlauea eruption in determining eligibility and prioritization within the program following HUD guidelines and requirements in the administration of CDBG-DR funded buyout activities.



Citizenship and Eligibility

One comment asks whether non-citizens are eligible for HUD assistance through CDBG-DR funding.

Response: Non-citizens who are eligible to receive federal assistance, such as long-term permanent residents, are eligible for benefits under CDBG-DR funded programs. There will be specific eligibility criteria for each program that will be applied to all eligible applicants.

Assistance to Primary Homes

One comment suggests limiting HUD assistance to primary homes.

Response: The County weighed this consideration in the development of the eligibility criteria and prioritization described in Section 4.4.1 Voluntary Housing Buyout Program of this Action Plan. The unmet need recovery need tied to the 2018 Kīlauea eruption includes second homes. After conducting a prioritization of program applicants based on household income and LMI status, primary homes will be prioritized over second homes and undeveloped parcels. Second homes are eligible for voluntary buyouts under HUD program guidelines for CDBG-DR funds.

Eligibility of Isolated Homes

One comment asks about the eligibility of isolated homes for the voluntary housing buyout program.

Response: Section 4.4.1 Voluntary Housing Buyout Program of this Action Plan details program eligibility criteria. Isolated homes are eligible for the voluntary housing buyout program.

Access to Land Following a Buyout

One comment asks about whether residents must leave the land if they are bought out.

Response: Following a buyout the property will be maintained in a way that is compatible with open space uses. Any structures that stand on the property or utilities that remain will be demolished. As part of the management of these properties following a buyout, access agreements with former owners of a property will be explored and further defined in the development of a management plan for buyout sites.

Tax Exemption for a Buyout

One comment asks whether a buyout is tax-exempt.

Response: A government-funded buyout is treated the same as any purchase or sale of real property under federal, state, and local law as they relate to taxation. Applicants should consult with their tax professional to understand the tax implications of participating in a voluntary housing buyout program.



Information on the Market Value of a Property

One comment asks about how to find the market value of a property.

Response: An applicant can go on-line to the County's Real Property Tax Division to find the total market value for their property at <https://www.hawaiipropertytax.com/search.html>. After searching for their property, an applicant should look for "Historical Assessments" and review the values under the "Total Market Value" column. Applicants can also contact the County's Real Property Tax Division by calling (808) 961-8354 or emailing cohappraisal@hawaiicounty.gov for assistance.

Voluntary Housing Buyout Program Requirements

Several comments were submitted with questions about on the general program requirements for the voluntary housing buyout program.

Response: Section 4.4.1 Voluntary Housing Buyout Program of this Action Plan details program requirements. In anticipation of the voluntary housing buyout program beginning in early 2021 public information detailing program requirements will be developed for interested applicants. The County will also maintain policies and procedures for the administration of the voluntary housing buyout program.

Ongoing Volcanic Impacts

One comment requests help to those experiencing ongoing volcanic impacts or secondary effects from the eruption.

Response: Section 4.4.1 Voluntary Housing Buyout Program of this Action Plan details program eligibility criteria. Properties experiencing ongoing volcanic impacts, such as heat or gases where lava did not erupt, are eligible for the voluntary housing buyout program.

Grant Size Limit

One comment suggests that buyout amounts are not high enough.

Response: In order to serve as many disaster survivors as possible with available recovery funding a limit to the total buyout amount has a maximum of \$230,000. This figure represents the median pre-disaster (2017) County appraised total market value of properties where a structure that was a primary residence was destroyed during the 2018 Kīlauea eruption. Assistance for the acquisition of an eligible property for buyout is based on the pre-disaster (2017) County appraised total market value of the property. The County will establish an appeals process for applicants to pursue should additional information be available in determine the pre-disaster total market value of a property during the buyout process.



Differentiation between Lava Zones 1 and 2

One comment suggests differentiating between Lava Zones 1 and 2 in the administration of the voluntary housing buyout program. One comment suggests maintaining areas of Lava Zone 1 as open space while creating improvement districts in Lava Zone 2 to support subdivisions and facilitate reinvestment in safer areas.

Response: Section 4.4.1 Voluntary Housing Buyout Program of this Action Plan provides details on program eligibility and prioritization based on impacts from the 2018 Kīlauea eruption as well as households and property characteristics prior to the disaster event. These are relevant considerations in the planning for the long-term recovery of the Puna makai area that must be addressed in consultation with communities in this area and implemented through changes to zoning and building codes.

Eligibility for New Property Owners

One comment suggests preventing property owners who purchased impacted properties following the 2018 Kīlauea eruption from participating in the voluntary housing buyout program.

Response: Section 4.4.1 Voluntary Housing Buyout Program of this Action Plan details program eligibility criteria. To be eligible all applicants must have owned their property prior to the 2018 Kīlauea eruption and must currently own their property.



APPENDIX B

TIMELY EXPENDITURE SCHEDULE



APPENDIX B: TIMELY EXPENDITURE SCHEDULE

Program	Budget	2020			
		Q1	Q2	Q3	Q4
Housing					
Voluntary Housing Buyout	\$0	\$0	\$0	\$0	\$0
Housing Relocation Services	\$0	\$0	\$0	\$0	\$0
Administration	\$167,050	\$0	\$0	\$25,000	\$142,050
Total	\$167,050	\$0	\$0	\$25,000	\$142,050

Program	Budget	2021			
		Q1	Q2	Q3	Q4
Housing					
Voluntary Housing Buyout	\$4,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Housing Relocation Services	\$120,000	\$0	\$40,000	\$40,000	\$40,000
Administration	\$700,000	\$175,000	\$175,000	\$175,000	\$175,000
Total	\$4,820,000	\$1,175,000	\$1,215,000	\$1,215,000	\$1,215,000



Program	Budget	2022			
		Q1	Q2	Q3	Q4
Housing					
Voluntary Housing Buyout	\$16,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Housing Relocation Services	\$360,000	\$90,000	\$90,000	\$90,000	\$90,000
Administration	\$700,000	\$175,000	\$175,000	\$175,000	\$175,000
Total	\$17,060,000	\$4,265,000	\$4,265,000	\$4,265,000	\$4,265,000

Program	Budget	2023			
		Q1	Q2	Q3	Q4
Housing					
Voluntary Housing Buyout	\$20,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Housing Relocation Services	\$360,000	\$90,000	\$90,000	\$90,000	\$90,000
Administration	\$700,000	\$175,000	\$175,000	\$175,000	\$175,000
Total	\$21,060,000	\$5,265,000	\$5,265,000	\$5,265,000	\$5,265,000



Program	Budget	2024			
		Q1	Q2	Q3	Q4
Housing					
Voluntary Housing Buyout	\$20,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Housing Relocation Services	\$360,000	\$90,000	\$90,000	\$90,000	\$90,000
Administration	\$700,000	\$175,000	\$175,000	\$175,000	\$175,000
Total	\$21,060,000	\$5,265,000	\$5,265,000	\$5,265,000	\$5,265,000

Program	Budget	2025			
		Q1	Q2	Q3	Q4
Housing					
Voluntary Housing Buyout	\$12,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Housing Relocation Services	\$360,000	\$90,000	\$90,000	\$90,000	\$90,000
Administration	\$700,000	\$175,000	\$175,000	\$175,000	\$175,000
Total	\$13,060,000	\$3,265,000	\$3,265,000	\$3,265,000	\$3,265,000



Program	Budget	2026			
		Q1	Q2	Q3	Q4
Housing					
Voluntary Housing Buyout	\$6,000,000	\$3,000,000	\$3,000,000	\$0	\$0
Housing Relocation Services	\$88,950	\$88,950	\$0	\$0	\$0
Administration	\$525,000	\$175,000	\$175,000	\$175,000	\$0
Total	\$6,613,950	\$3,263,950	\$3,175,000	\$175,000	\$0