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David M. Raatz, Jr., Esq.

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COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

March 20, 2025

Mr. Richard "Remi" Mitchell, Director
Department of Housing
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Mitchell:

SUBJECT: **FISCAL YEAR 2026 BUDGET** (BFED-1) (HO-01)

May I please request you submit your response to the following questions by **March 31, 2025**. This will enable the Committee to comprehensively review the FY 2026 Budget.

1. Please outline the major changes in your Department's budget from FY 2025 to FY 2026. If your budget will decrease, how will this impact your Department's operations and ability to serve the public?
2. How many vacant positions currently exist within your Department?
 - a. Please include the job titles for the vacancies and indicate how long the positions have been vacant.
 - b. What is the anticipated timeline for filling these vacancies?
 - c. What are the consequences, if any, for removing funding for these vacant positions from the FY 2026 Budget?
3. If your Department had expansion positions in the FY 2025 Budget, how many of those positions were filled? If they have not been filled, are they included in the FY 2026 Budget? How many months of funding are being requested?

4. If your Department is proposing expansion positions in the FY 2026 Budget, how do you plan to fill those positions?
5. How many positions were filled in FY 2025 that were not expansion positions?
6. Describe your recruitment process.
 - a. How did your Department recruit to fill vacancies and what were the most effective methods for attracting candidates?
 - b. Does your Department take an active role in recruitment or is recruitment handled primarily by the Department of Personnel Services? Please explain.
7. The following questions are related to overtime payments:
 - a. How much in overtime has been paid to date in FY 2025 and what was the reason for the overtime?
 - b. Were any of these overtime costs attributed to the number of vacant positions in your Department?
 - c. Do you anticipate that overtime costs in FY 2026 will increase or decrease and what are the reasons for your assumption?
8. The following questions are related to your Department's program and activities for FY 2026:
 - a. Identify the programs and activities conducted by your Department because of a Federal or State mandate. Indicate for each program and activity the amount of Federal or State funding your Department anticipates receiving and the amount of County funding your Department is requesting.
 - b. Identify the programs and activities conducted solely because of a Maui County Code mandate and indicate the amount your Department is requesting.
9. If your Department had Capital Improvement Projects in FY 2025:

- a. Provide the current status of each CIP, if different from the information provided in the Fiscal Year 2025 2nd Quarter CIP Report.
 - b. Provide information on how much funding has been encumbered or expended to date for each project.
10. If your Department has proposed CIPs for FY 2026:
 - a. Rank your proposed CIPs, by priority.
 - b. Will CIP funding included in the FY 2026 Budget be encumbered by June 30, 2026? If not, how much do you anticipate will be encumbered by that date?
11. If your Department manages a revolving fund:
 - a. Explain whether the revolving fund is still needed and why.
 - b. Provide the current balance.
12. If your Department manages grants:
 - a. For each grant line-item not designated for a specific recipient (e.g., Small Business Promotion; Youth Programs), provide a breakdown of the grants that will be funded by the line item.
 - b. Provide a breakdown of all grants that will be funded by your Department under Sub-object Code 6317, County grant subsidy.
 - c. Did your Department apply for any grant funding in FY 2025? If yes, how much grant funding was received?
13. Provide details on your Department's Carryover/Savings that were included in the FY 2026 Budget.
14. What are your top three Department priorities for FY 2026 and how does your Department's budget reflect that?

15. How much has your Department spent on Professional Services in FY 2025, and what projects and consultants were funded under this line item?
16. How much of your Department's expenditures in FY 2025 will be reimbursed by the Federal Emergency Management Agency in relation to the wildfires? What amount of FY 2026 expenditures are expected to be reimbursed?
17. If your Department is receiving Federal grants, including pass-through grants:
 - a. What amount is your Department receiving for routine operations?
 - b. What amount is your Department receiving for August 2023 Maui Wildfires disaster recovery?
 - c. Explain any factors that could jeopardize your receipt of Federal grants, including Federal policy changes, compliance requirements, or expiration dates.
 - d. Explain how your Department will adjust if it does not receive the anticipated Federal grant funding.
18. If your Department received funding to repair or replace equipment, locations, and structures destroyed in the wildfires, provide the current status for each. If there are items still pending repair or replacement, provide the estimated cost and timeline for the repair or replacement.

The Department is scheduled to present on **April 10, 2025**. The schedule is subject to change and Committee staff will reach out if there are any changes to the schedule.

Please be prepared to provide a ten-minute presentation on the changes in your Department's budget from FY 2025 to FY 2026, addressing the following:

- Operations
- CIPs, if any
- Grants awarded by the Department, if any

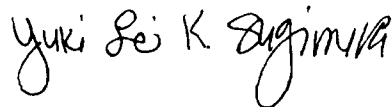
Mr. Richard "Remi" Mitchell
March 20, 2025
Page 5

- Grants received by the Department, if any
- Revolving funds, if any
- Rates and fees, including any estimated increase or decrease in revenue as a result of the changes

Please transmit your response to bfed.committee@mauicounty.us by **March 31, 2025**. To ensure efficient processing, please include the Committee item number in the subject line. Please use a font size of at least 12 points for the response. This formatting allows Committee members and the community to clearly read the document once posted.

Should you have any questions, please contact me or the Committee staff (Kirsten Szabo at ext. 7662, James Krueger at ext. 7761, or Pauline Martins at ext. 8039).

Sincerely,



YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic
Development Committee

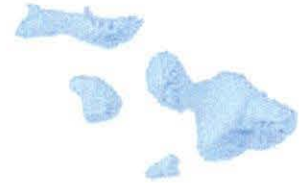
bfed:2026bgt:253019aho01:kes

cc: Mayor Richard T. Bissen, Jr.
Budget Director

RICHARD T. BISSEN, JR.
Mayor

RICHARD E. MITCHELL, ESQ.
Director

SAUMALU MATA'AFA
Deputy Director



DEPARTMENT OF HOUSING
COUNTY OF MAUI
2065 MAIN STREET, SUITE 108
WAILUKU, MAUI, HAWAI'I 96793
PHONE: (808) 270-7351
FAX: (808) 270-6284

April 2, 2025

Ms. Lesley Milner 
Budget Director
County of Maui
200 South High Street
Wailuku, Hawai'i 96793

APPROVED FOR TRANSMITTAL


Mayor Date

Honorable Richard T. Bissen,
Jr. Mayor, County of Maui
200 South High Street Wailuku,
Hawai'i 96793

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
Budget, Finance, and Economic Development Committee
Maui County Council
County of Maui
Wailuku, Hawai'i 96793

Dear Chair Sugimura:

SUBJECT: FISCAL YEAR 2026 BUDGET (BFED-1) (HO-01)

The Department of Housing (Department) is in receipt of the Budget, Finance, and Economic Development (BFED) Committee's correspondence dated March 20, 2025, concerning the above-referenced subject matter. Both the BFED Committee's questions and the Department's responses are noted below:

- 1. Please outline the major changes in your Department's budget from FY 2025 to FY 2026. If your budget will decrease, how will this impact your Department's operations and ability to serve the public?**

this impact your Department's operations and ability to serve the public?

Please see the list of major changes in the Department's FY 2026 budget below:

- Increase in Equivalent Personnel from thirty-nine to forty-nine.
- New Grant Subsidies:
 - Hale 'O La'ie - \$5.2 million for maintenance and renovation
 - Lana'i Affordable Housing Project - \$10 million for water and wastewater infrastructure
 - Lahaina Community Land Trust - \$3 million for property acquisition and insurance gap programs
 - Women's Reintegration Program - \$175,000 for social services and rental assistance
 - Kilohana Makai Workforce Housing Project - \$1 million for increased costs for the Wela Street Extension and Subdivision requirements
- Revolving Funds
 - Affordable Housing Fund - \$42,024,992 to fund the Department's FY 2026 projects
 - Homeowner Programs Revolving Fund - \$2 million for the Ohana Assistance Program
- Operations
 - Community Development Block Grant (CDBG) Program - \$2,006,803 to fund program, positions, and operations

2. How many vacant positions currently exist within your Department?

As of March 22, 2025, there are eighteen vacancies within the Department.

a. Please include the job titles for the vacancies and indicate how long the positions have been vacant.

The five positions listed below were authorized in the FY 2025 Budget but unfunded under the Housing Choice Voucher Program (Section 8). The positions will remain authorized but unfunded in FY 2026 to allow Section 8 the ability to fill the vacancies if the need arises or if it receives a higher funding allocation from the Department of Housing and Urban Development (HUD).

- Housing Specialist
- Housing Program Accountant
- Housing Program Technician
- Housing Clerk
- Housing Clerk

The six positions listed below were authorized in Ordinance 5769, Bill 6 (2025). The positions are included in the Department's FY 2025 reorganization. The Department is currently consulting with the Hawai'i Government Employees Association (HGEA) on the positions. After the HGEA consultation, the Department of Personnel Services (DPS) must price and classify the positions before the Department can post for recruitment.

- Research Specialist
- Accountant III
- Secretary 1 – County Housing Programs Division (CHPD)
- Secretary 1 – Housing and Community Development (HCD) Division
- Secretary II – Federal Housing Programs Division (FHPD)

The position listed below was authorized in FY 2023. The reporting hierarchy for the position changed when the Department of Housing and Human Concerns was bifurcated. The Department is currently consulting with HGEA on the position. After HGEA consultation, the DPS must price and classify the positions before the Department can post for recruitment.

- Planner IV

The two positions listed below are established but pending DPS review of adjustments to the job classification's minimum qualifications.

- CHPD Housing Administrator (one month)
- HCD Division Housing Administrator (ten months)

The two positions listed below are vacant and pending reallocation approval before they can be filled. The proposed reallocation for each position is included in the Department's FY 2025 reorganization. The Department is currently consulting with HGEA on the positions. After HGEA consultation, the DPS must price and classify the positions before the Department can post for recruitment.

- Secretary III (five months)

- FHPD Housing Administrator (ten months)

The Housing Program Specialist V position in the CHPD is currently vacant and pending redescription review by DPS. The review is included in the Department's FY 2025 reorganization. The Department is currently consulting with HGEA on the position. After HGEA consultation, the DPS must price and classify the position before the Department can post for recruitment.

The Housing Inspector position in Section 8 recently became vacant due to a promotion within the Department. The position became vacant April 1, 2025. The Department will begin recruitment immediately.

b. What is the anticipated timeline for filling these vacancies?

The DPS will commence its review and approval of position descriptions, pricing and classification when the HGEA consultation conclude in April 2025. The Department is hopeful it can post its vacancies for recruitment in May 2025.

c. What are the consequences, if any, for removing funding for these vacant positions from the FY 2026 budget?

The Department will not be appropriately staffed with the necessary and relevant skilled professional resources to fulfill its powers, duties and functions identified in the Maui County Charter.

3. If your Department had expansion positions in the FY 2025 Budget, how many of those positions were filled? If they have not been filled, are they included in the FY 2026 Budget? How many months of funding are being requested?

The Department filled the following four expansion positions that were authorized in the FY 2025 Budget:

- Director
- Deputy Director
- Private Secretary
- Administrative Assistant II

The following six additional expansion positions were authorized via Ordinance 5769, Bill 6 (2025):

- Accountant III

- Research Specialist
- Program Specialist III
- Secretary 1 – CHPD
- Secretary 1 – HCD
- Secretary II – FHPD

All six positions are still vacant and pending HGEA consultation and a DPS audit. The DPS audit includes reviewing, pricing and classifying each position description. Each position is included in the Mayor's FY 2026 Budget with twelve months funding.

4. If your Department is proposing expansion positions in the FY 2026 Budget, how do you plan to fill those positions?

The Department does not have any expansion positions in its FY 2026 Budget. However, the functions and positions of CDBG will transfer into the Department from the Mayor's Office in FY 2026. The Department plans to absorb the current CDBG staff into the Department.

5. How many positions were filled in FY 2025 that were not expansion positions?

The Department filled the following three positions in FY 2025:

- Section 8 Housing Specialist
- Section 8 Housing Supervisor
- Program Specialist III (DHHL Liaison)

6. Describe your recruitment process.

a. How did your Department recruit to fill vacancies and what were the most effective methods for attracting candidates?

The Department submitted requests to post its job opportunities in Workday. The request were reviewed and approved by DPS, and the job opportunities were published on Maui County's recruiting platform, NEOGOV. The job opportunities were also concurrently listed in the newspaper by DPS. The Department received a reasonable number of qualified applicants for the positions it filled in FY 2025.

The Department's Leadership Team will target skilled prospects in the community and invite them to apply for key positions. The Department will also partner with DPS in an upcoming job fair to provide information on its mission and vacant opportunities.

b. Does your Department take an active role in recruitment, or is recruitment handled primarily by the Department of Personnel Services? Please explain.

The Department plays a large role in reviewing the job classification and position description before it is posted for recruitment. The Department invites viable candidates to apply for open positions.

DPS plays a large role posting, publicizing, and screening open job opportunities for each civil-service recruitment. Applications are submitted to DPS and then screened against a position's minimum qualifications before an eligible list is provided to the Department. DPS has the discretion to qualify applicants.

The initial process poses a challenge to the Department as viable applicants are disqualified by DPS' initial review. Disqualified applicants cannot be reviewed by the Department, whose expertise may come in handy when discerning the skills, background, and experiences of applicants.

7. The following questions are related to overtime payments:

a. How much in overtime has been paid to date in FY 2025 and what was the reason for the overtime.

The Department has paid a total of \$9,936.76, to date in overtime from its general fund. Over half of the amount paid was for Department of Management staff who assisted on the Department's reorganization while it recruited for an Administrative Assistant. The remaining amount of overtime payment relate to inter-island travel before and after the Department's regularly scheduled work hours.

The Department has paid a total of \$3,844.52 in overtime from its grant funds. The overtime was requested early in FY 2025 to cover vacancies in Section 8. The vacancies have since been filled.

b. Were any of these overtime costs attributed to the number of vacant positions in your Department?

Please see response to Question 7(a).

- c. Do you anticipate that overtime costs in FY 2026 will increase or decrease and what are the reasons for your assumption?**

The Department requested the same amount of overtime in FY 2026 as it did in FY 2025. The Department anticipates a reduction in overtime requests as it continues to fill its vacancies.

- 8. The following questions are related to your Department's program and activities for FY 2026:**

- a. Identify the programs and activities conducted by your Department because of a Federal or State mandate. Indicate for each program and activity the amount of Federal or State funding your Department anticipates receiving and the amount of County funding your Department is requesting.**

The Department receives the following federal grants from HUD, which is determined by a formula based on population size, poverty level, overcrowding, and population growth.

- o Section 8 - \$34,839,040
- o CDBG - \$2,006,803
- o HOME Investment Partnerships Program (HOME) - \$3 million
- o National Housing Trust Fund (HTF) - \$3 million

The Department also receives \$2 million in state funds for the Ohana Zones program to operate the County's Huliau property in Kahului. The program provides property management and case management funds for twelve families housed at Huliau.

- b. Identify the programs and activities conducted solely because of a Maui County Code mandate and indicate the amount your Department is requesting.**

The Department manages the following revolving funds that are included in the Maui County Code (MCC):

- o Affordable Housing Fund - \$42,024,992 to fund the Department's FY 2026 projects
- o Homeowner Programs Revolving Fund
 - Ohana Assistance Program - \$2,000,000
 - First-Time Homebuyers Program - \$2,000,000
- o Experimental & Demonstration Housing Fund - \$4,750,000

9. If your Department had Capital Improvement Projects in FY 2025:

- a. Provide the current status of each CIP, if different from the information provided in the Fiscal Year 2025 2nd Quarter CIP Report.**

Not applicable.

- b. Provide information on how much funding has been encumbered or expended to date for each project.**

Not applicable.

10. If your Department has proposed CIPs for FY 2026:

- a. Rank your proposed CIPs, by priority.**

Not applicable.

- b. Will CIP funding included in the FY 2026 Budget be encumbered by June 30, 2026? If not, how much do you anticipate will be encumbered by that date?**

Not applicable.

11. If your Department manages a revolving fund:

- a. Explain whether the revolving fund is still needed and why.**

The Affordable Housing Fund is required under the Maui County Charter and is essential in providing seed funding for housing programs and projects.

The Homeowner Programs Revolving Fund under Chapter 3.34, MCC, provides homeowner and prospective homeowner funding opportunities for residents and helps add units to the County's residential workforce housing inventory.

The Mayor's FY 2026 Budget includes funding for the Experimental and Demonstration Housing Revolving Fund which provides innovative housing solutions for Maui County residents. The Department plans to re-establish the fund and solicit bids in FY 2026.

b. Provide the current balance.

Please see the current balance of each revolving fund below:

- Affordable Housing Fund - \$11,892,593
- Homeowner Programs Revolving Funds - \$2,734,841
- Experimental & Demonstration Hsg. Revolving Fund - \$0

12. If your Department manages grants:

a. For each grant line-item not designated for a specific recipient (e.g., Small Business Promotion; Youth Programs), provide a breakdown of the grants that will be funded by the line item.

The Department plans to execute grant amendments with the following agencies for the County's Rental Assistance Program in FY 2026:

- Family Life Center - \$810,000
- Ka Hale A Ke Ola Resource Centers - \$446,400
- Women Helping Women - \$220,000
- Maui Economic Opportunity, Inc. - \$850,000

The remaining balance will be used within the Rental Assistance Program to address the agencies' arising needs.

b. Provide a breakdown of all grants that will be funded by your Department under Sub-object Code 6317, County grant subsidy.

In addition to the new grant subsidies listed in the response to Question 1, the Department also proposes funding for the Hale Mahaolu Homeowners and Counseling Program in the amount of \$190,000.

c. Did your Department apply for any grant funding in FY 2025? If yes, how much grant funding was received?

The Department applied for Congressional funding in FY 2025 for the Lanai Affordable Housing, Hale 'O Pi'ikea, and Hale Pilina projects. The Department was notified by the Department of Management that no funding will be awarded to the projects.

13. Provide details on your Department's Carryover/Savings that were included in the FY 2026 Budget.

The carryover savings included in the FY 2026 Budget are from the unrestricted fund balance for FY 2024 reflected in the County's Annual Comprehensive Financial Report (ACFR) along with anticipated additional revenues based on the funds collected in the first half of FY 2025. Any carryover savings from FY 2025 will be recognized in the FY 2027 Budget.

14. What are your top three Department priorities for FY 2026 and how does your Department's budget reflect that?

The Department's top priorities are to build internal capacity, support the development of residential workforce housing, and maintain housing services for residents.

As mentioned in previous responses, the Department's FY 2026 budget proposal adequately funds positions, resources, projects, and programs that support its priorities.

15. How much has your Department spent on Professional Services in FY 2025, and what projects and consultants were funded under this line item?

Please see the list below for professional services paid for by the Department:

- Hale Mahaolu - \$7,250 for property management services
- Do It All Cleaning - \$5,212.17 for cleaning services at the Department's 2065 Main Street, Suite 108, Wailuku, Hawai'i location
- Hawai'i Housing Finance and Development Corporation (HHFDC) - \$33,363 for Hawai'i Housing Planning Study update
- Maui Lock Service - \$267 for lock services

16. How much of your Department's expenditures in FY 2025 will be reimbursed by the Federal Emergency Management Agency in relation to the wildfires? What amount of FY 2026 expenditures are expected to be reimbursed.

The Department does not have expenditures in FY 2025 that it expects to be reimbursed by the Federal Emergency Management Agency.

The Department plans to submit a budget amendment in FY 2025 to recognize insurance funds for pre-development costs related to the Komohana Hale Apartments in Lahaina.

17. If your Department is receiving Federal grants, including pass-through grants:

a. What amount is your Department receiving for routine operations?

Please see the Department's response to Question 8(a).

b. What amount is your Department receiving for August 2023 Maui Wildfires disaster recovery?

The Department is not currently receiving any grants relating to the August 2023 Maui Wildfires.

c. Explain any factors that could jeopardize your receipt of Federal grants, including Federal policy changes, compliance requirements, or expiration dates.

The Department will need to assure all Federal, State, and County regulations are followed. Not following applicable regulations could jeopardize the Department's receipt of those funds.

d. Explain how your Department will adjust if it does not receive the anticipated Federal grant funding.

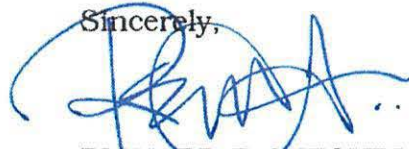
The Department manages a significant amount of federal funding. If funding for Section 8 was not available, the Administration and the Council would need to decide if it could supplement \$35 million worth of program costs.

18. If your Department received funding to repair or replace equipment, locations, and structures destroyed in the wildfires, provide the current status for each. If there are items still pending repair or replacement, provide the estimated cost and timeline for the repair or replacement.

The Department is in the process of negotiating a larger award amount for the loss of Komohana Hale Apartments and Crossroads Apartments with the Federal Emergency Management Agency due to cost-escalating factors. An estimated cost to rebuild is pending development cost proposals. The Department anticipates starting construction of Komohana Hale Apartments in FY 2027.

Should you have further questions, please contact me or the Department at (808) 270-7110 or email me at director.housing@co.maui.hi.us.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Mitchell', with a large flourish on the left side.

RICHARD E. MITCHELL, ESQ.
Director of Housing

BFED Committee

From: Tiare P. Horner <Tiare.P.Horner@co.maui.hi.us>
Sent: Thursday, April 3, 2025 5:13 PM
To: BFED Committee
Cc: Richard E. Mitchell; Saumalu Mataafa; Lesley J. Milner; Amanda M. Martin
Subject: (BFED-1)(HO-01)
Attachments: (BFED-1)(HO-01).pdf

BFED Committee -

Please see attached correspondence (BFED-1)(HO-01).

Mahalo,

Tiare P. Horner
Budget Specialist

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