



DEPARTMENT OF
HOUSING AND HUMAN CONCERNS
COUNTY OF MAUI

ALAN M. ARAKAWA
Mayor

CAROL K. REIMANN
Director

JAN SHISHIDO
Deputy Director

RECEIVED

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OFFICE OF THE MAYOR

March 17, 2017

Honorable Alan M. Arakawa
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Riki Hokama
Chair, Budget and Finance Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

 3/17/17
Mayor Date

Dear Chair Hokama:

SUBJECT: SECTION 8 HOUSING PROGRAM GRANT (BF-92)

This letter is in response to your correspondence of March 10, 2017 in which you requested an explanation of how the Department of Housing and Human Concerns plans to pay for fringe benefits related to Section 8 employees for Fiscal Year 2018 forward.

The Housing Division began work last year to take the necessary steps to reduce the County's General fund contribution. Our plan is two-fold:

1. Maximizing Voucher Utilization:
 - a. HUD pays Section 8 program administrative fees in direct proportion to the number of vouchers used, and the number of families in homes. We focused on increasing voucher utilization, which resulted in an increase from 1,219 to 1,464.
 - b. We are actively attempting to acquire 100 additional vouchers for the County. This will also increase the amount paid to us by HUD which will further decrease our dependency on the General Fund.
2. Reducing Expenses:
 - a. Effective FY18, we are defunding 6 positions within Section 8.
 - b. Our operating budget, with the exception of rent, is in-line with similar programs of our size. At \$227,600, rent is the largest operating expense

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Chair, Budget and Finance Committee
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other than salaries for FY2018. If we could reduce rent, more funds could go towards reducing the fringe.

In FY18, the County's Section 8 Program is expected to bring in over \$21 million into the County to assist our most vulnerable citizens, keep residents in homes and off the street.

Our income from HUD will never be enough to cover our entire operating cost, including fringe, for Section 8. Maui's staff has been successful in their efforts, but we will require some level of financial support from the Maui County Council in order to keep our staffing at a level which will allow us to continue succeed. Upon review of other Section 8 programs in Hawaii, there is no successful program that doesn't receive support from their County.

Therefore, with the elimination of staff, the reduction in fringe support will go down from approximately \$765,125 to approximately \$543,470 for FY18. In addition, the amount that we are saving in salaries (\$276,051) will be applied to further reduce fringe to approximately \$270,000. An investment of \$270,000 from Maui County brings in a return on investment of \$21 million from HUD. This figure may be further reduced should we be able to acquire more vouchers.

Thank you for the opportunity to provide this information. Should you have any future questions, please contact me at Ext. 7805.

Sincerely,



CAROL K. REIMANN
Director of Housing and Human Concerns