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David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

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

April 15, 2024

Ms. Lori Tsuhako, Director
Department of Housing and Human Concerns
County of Maui
Wailuku, Hawaii 96793

Dear Ms. Tsuhako:

SUBJECT: FISCAL YEAR ("FY") 2025 BUDGET (BFED-1) (HO-4)

Thank you for participating in the Committee's discussions on April 11, 2024. The Committee respectfully submits the follow-up questions listed below. May I further request that, after approval by the Office of the Mayor, you transmit a written response to bfed.committee@mauicounty.us by **April 19, 2024**.

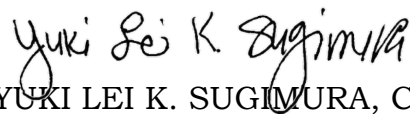
1. Appendix B to Bill 60 (2024), Revenues – Fees, Rates, Assessments and Taxes, refers to a "Department of Housing Special Revenue/Trust and Agency Fund," with language relating to the Residential Workforce Housing Requirement. Paragraph 4(a) notes an in-lieu fee per residential workforce housing unit as required by Chapter 2.96, Maui County Code.
 - a. What is the authority for having fees deposited into a special fund? Please identify the fund and cite the authority that allows this.
2. Please provide a status update on the potential expansion of the County's Huliau Apartments project in Kahului. When will a final report be issued from the Department's consultant on the potential expansion?
3. It was noted that the Lahaina Crossroads Apartments contained lead and asbestos. How will debris and material from the Lahaina

Ms. Lori Tsuhako
April 15, 2024
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Crossroads Apartments be disposed of? Will the U.S. Army Corps of Engineers oversee the debris disposal?

Thank you for your attention to this request. Should you have any questions, please contact me or the Committee staff (James Krueger at ext. 7761, Kasie Apo Takayama at ext. 7665, or Yvette Bouthillier at ext. 7758).

Sincerely,



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

bfed:2025bgt:240412aho01:clm

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

BFED Committee

From: BFED Committee
Sent: Monday, April 15, 2024 5:04 PM
To: loriann.tzuhako@co.maui.hi.us
Cc: BFED Committee; Saumalu Mataafa; kimberly.ferguson@co.maui.hi.us; Michelle Santos; Zeke Kalua; Josiah Nishita; Keanu LauHee; Cynthia Sasada; Lesley Milner; Kristina Cabbat
Subject: PLEASE READ attached letter re: FISCAL YEAR ("FY") 2025 BUDGET (BFED 1) (HO-4); reply by 04/19/2024
Attachments: (HO-4) Correspondence to Housing and Human Concerns 04-15-2024.pdf

Ms. Tzuhako: Please refer to the attached letter from the Budget, Finance, and Economic Development (BFED) Committee Chair, dated April 15, 2024. Please respond by **April 19, 2024**

Mayor's Office (attention: Michelle Santos and Zeke Kalua): Please forward the attached letter to Mayor Bissen for his information.

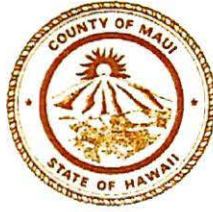
Ms. Milner: FYI
Mr. Nishita: FYI

Thank you,
Yvette Bouthillier, Senior

RICHARD T. BISSEN, JR.
Mayor

LORI TSUHAKO
Director

SAUMALU MATA' AFA
Deputy Director



**DEPARTMENT OF HOUSING
& HUMAN CONCERNS**
COUNTY OF MAUI
2200 MAIN STREET, SUITE 546
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7805

April 17, 2024

Ms. Lesley Milner 
Acting Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

 4-19-24
Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
Budget, Finance, and Economic Development Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura:

SUBJECT: FISCAL YEAR ("FY") 2025 BUDGET (BFED-1) (HO-4)

Thank you for your correspondence of April 15, 2024. The information requested in your letter is listed below in bold and is followed by the Department's responses.

1. **Appendix B to Bill 60 (2024), Revenues – Fees, Rates, Assessments and Taxes, refers to a "Department of Housing Special Revenue/Trust and Agency Fund," with language relating to the Residential Workforce Housing Requirement. Paragraph 4(a) notes an in-lieu fee per residential workforce housing unit as required by Chapter 2.96, Maui County Code.**
 - a. **What is the authority for having fees deposited into a special fund? Please identify the fund and cite the authority that allows this.**

The Department defers to the Department of Corporation Counsel to cite the authority for depositing fees into a special fund and respectfully requests the Committee allow them time to provide the information.

Presently, pursuant to Chapter 2.96, MCC, developers have the option of paying an in-lieu fee to the County as a means to satisfy their residential workforce housing requirements. To date, no developer has utilized the in-lieu option. Anecdotally, developers have indicated that the fee is too high on a per unit basis when compared to using housing credits.

In lieu fees paid by a developer would be deposited into the Affordable Housing fund (Index Code 101001) for the development of future workforce housing projects.

2. Please provide a status update on the potential expansion of the County's Huliau Apartments project in Kahului. When will a final report be issued from the Department's consultant on the potential expansion?

PBR Hawaii & Associates, Inc. (PBR) is the consultant for this project paid through the Dwelling Unit Revolving Funds (DURF) issued by the Hawaii Housing Finance Development Corporation (HHFDC). The PBR contract and HHFDC DURF funding expired December 31st, 2023.

The draft environmental assessment (EA) is dated March, 2021. The issuance of the final EA is awaiting a determination by the County on several key design features including the number of potential units and the probable need to mitigate archeological findings on the property. PBR has held several meetings with DHHC to discuss the options available for the expansion. Plans, cost analysis, and suggestions have been provided by PBR. In order to move forward with permitting, and development, a decision needs to be made by the Administration.

DHHC last met in January 2024 with Tom Schnell of PBR. Given the expiration of the County's contract with PBR in December, 2023 and the inability of DURF funding to be expended past the contract date, we have encountered administrative challenges around payment and submission of a final summary report. The Department is exploring other avenues to fund the completion of the report.

3. It was noted that the Lahaina Crossroads Apartments contained lead and asbestos. How will debris and material from the Lahaina Crossroads Apartments be disposed of? Will the U.S. Army Corps of Engineers oversee the debris disposal?

The Department of Management is overseeing the debris removal for the project.

A Lahaina Crossroads HAZMAT report, dated May 30, 2023, indicated the property contained asbestos and lead in the structure. A Property Condition Assessment for the Crossroads was performed by CBRE and the Final Report, dated September 19, 2023, confirmed the presence of lead and asbestos.

Honorable Yuki Lei K. Sugimura, Chair
Budget, Finance, and Economic Development Committee
April 17, 2024
Page 3 of 3

Thank you for providing an opportunity to provide this information. Should you have any questions, please feel free to contact me at Ext. 7805.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Tsuhako". The signature is fluid and cursive, with the first name "Lori" being more prominent and the last name "Tsuhako" following in a similar style.

LORI TSUHAKO, LSW, ACSW
Director of Housing and Human Concerns

BFED Committee

From: Janina Agapay <Janina.E.Agapay@co.maui.hi.us>
Sent: Friday, April 19, 2024 10:01 AM
To: BFED Committee
Cc: Lesley Milner
Subject: (BFED-1)(HO-4)
Attachments: (BFED-1)(HO-4).pdf

Hello,

Please see attached correspondence from Department of Housing and Human Concerns.

Thank you,

Janina Agapay

County of Maui

Budget Office

(808) 270-7836

Janina.E.Agapay@co.maui.hi.us