

COUNCIL OF THE COUNTY OF MAUI
BUDGET, FINANCE, AND ECONOMIC
DEVELOPMENT COMMITTEE

February 16, 2024

Committee
Report No. _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget, Finance, and Economic Development Committee, having met on December 12, 2023, and January 23, 2024, makes reference to the following:

1. Bill 109 (2023), entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2024 BUDGET FOR THE COUNTY OF MAUI, APPENDIX A, PART I, OFFICE OF THE MAYOR,."

Bill 109's purpose is to amend the Fiscal Year ("FY") 2024 Budget, Appendix A, Part I, Grants and Restricted Use Revenues - Schedule of Grants and Restricted Use Revenues by Departments and Programs for FY 2024, Office of the Mayor, by amending the Community Development Block Grant (CDBG) Program by: 1) increasing the appropriation by \$1,478,750; 2) deleting Maui Family Support Services, Inc.'s Exterior Rehabilitation of MFSS Building project and the County of Maui, Department of Fire and Public Safety's Lāna'i Fire Tanker project; 3) adding a new Affordable Rental Housing for Kūpuna project for the County of Maui. Bill 109 also adds a new appropriation for "CDBG-Coronavirus Program" in the amount of \$1,726,202 for an Affordable Rental Housing for Kūpuna project for the County of Maui and for CDBG-Coronavirus Program Administration.

2. Bill 5 (2024), entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2024 BUDGET FOR THE

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COUNTY OF MAUI, APPENDIX A, PART I, OFFICE OF THE
MAYOR,."

Bill 5's purpose is to amend the FY 2024 Budget, Appendix A, Part I, Grants and Restricted Use Revenues - Schedule of Grants and Restricted Use Revenues by Departments and Programs for FY 2024, Office of the Mayor, Community Development Block Grant (CDBG) Program, by: 1) deleting the overall appropriation of \$1,829,334; 2) deleting Maui Family Support Services, Inc.'s Exterior Rehabilitation of MFSS Building project and the County of Maui, Department of Fire and Public Safety's Lāna'i Fire Tanker project; 3) inserting an appropriation of \$296,554 for Ka Hale A Ke Ola Homeless Resource Centers, Inc.'s Phase 4, Building 4 project; 4) inserting an appropriation of \$365,867 for Community Development Block Grant (CDBG) Program Administration; and 5) adding a new Affordable Rental Housing for Kūpuna project for the County of Maui with an appropriation of \$2,645,663.

By correspondence dated September 18, 2023, the CDBG Program Director informed the Council that the Administration intended to reprogram unspent CDBG grant funds from FYs 2023 and 2024 totaling \$2,636,468.

By correspondence dated October 27, 2023, the Budget Director explained the proposed use of the CDBG grant funds is to acquire affordable rental housing for kūpuna displaced by the wildfires. The funds would be used in tandem with other grant funds awarded to the County under the Federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").

Your Committee notes Bill 109 recognizes CARES Act funds under the appropriation entitled "CDBG-Coronavirus Program." Your Committee also notes the Council previously recognized CARES Act funds in the

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FY 2021 Budget (Ordinance 5175). As a result, your Committee questioned whether it was necessary to recognize CARES Act funding again through Bill 109.

By correspondence dated December 11, 2023, the Budget Director confirmed CARES Act funds do not need to be recognized again in Bill 109.

By correspondence dated January 4, 2024, the Budget Director transmitted Bill 5, which appropriates CDBG funds for affordable rental housing for kūpuna without recognizing CARES Act funds.

The CDBG Program Director provided your Committee with correspondence dated December 8, 2023, from the Director of the Federal Office of Community Planning and Development, confirming CDBG funds could be reprogrammed for affordable rental housing.

The CDBG Program Director explained that a property manager would be contracted and responsible for the rental application process, coordination of repairs, and overall maintenance of the units. Association fees and other costs related to the units would be paid through the rent received. The CDBG Program Director said these costs may also be paid through the County's annual CDBG appropriation.

Your Committee requested the CDBG Program Director to consider the accessibility needs kūpuna may have when selecting units to acquire. Your Committee notes that Council authorization by resolution under Section 3.44.015(C), Maui County Code, is required prior to acquisition of the units.

Your Committee voted 6-0 to recommend passage of Bill 5 (2024) on first reading and the filing of Bill 109 (2023). Committee Chair Sugimura and members Johnson, Paltin, Rawlins-Fernandez, Sinenci, and U'u-Hodgins voted "aye." Committee Vice-Chair Kama and members Cook and Lee were excused.

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Your Committee is in receipt of Bill 5, CD1 (2024), approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions.

Your Budget, Finance, and Economic Development Committee **RECOMMENDS** the following:

1. That Bill 5, CD1 (2024), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2024 BUDGET FOR THE COUNTY OF MAUI, APPENDIX A, PART I, OFFICE OF THE MAYOR," be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That Bill 109 (2023) be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



YUKI LEI K. SUGIMURA, Chair

bfed:cr:24049aa:jgk

ORDINANCE NO. _____

BILL NO. 5, CD1 (2024)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2024 BUDGET FOR THE COUNTY OF MAUI,
APPENDIX A, PART I, OFFICE OF THE MAYOR

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 5528, Bill No. 22, CD1, FD2 (2023), as amended, "Fiscal Year 2024 Budget", Appendix A, Part I, Grants and Restricted Use Revenues – Schedule of Grants and Restricted Use Revenues by Departments and Programs for Fiscal Year 2024, Office of the Mayor, Community Development Block Grant (CDBG) Program is amended by deleting projects for Maui Family Support Services, Inc. and County of Maui, Department of Fire and Public Safety; adding a project for County of Maui; increasing the total amount allocated to the program by \$1,478,750; and deleting the overall appropriation for the program and appropriating the funds by project, to read as follows:

"I. GRANTS AND RESTRICTED USE REVENUES- SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS FOR FISCAL YEAR 2024

REQUEST DEPARTMENT/PROGRAM

APPROPRIATION

8. Office of the Mayor

a. Community Development Block Grant (CDBG) Program

[1,829,334]

(1) Disbursement for salaries and premium pay is not restricted by Section 5.

[(2) Maui Family Support Services, Inc.

Project: Exterior Rehabilitation of MFSS Building

(a) Rehabilitation of walls, gutter system, and irrigation system.]

[(3) County of Maui, Department of Fire and Public Safety

Project: Lāna'i Fire Tanker

(a) Acquisition for Fire Tanker apparatus to serve the Lāna'i community.]

[(4)] (2) Ka Hale A Ke Ola Homeless Resource Centers, Inc.

296,554

Project: Phase 4, Building 4

(a) Rehabilitation of Building 4 (approximately 2 studio units and 2 two-bedroom units) will ensure a safe and habitable facility for houseless families (30-year old building).

[(5)] (3) Community Development Block Grant (CDBG) Program Administration.

365,867

<p>(4) <u>County of Maui</u> <u>Project: Affordable Rental Housing for Kupuna</u> <u>(a) Acquisition of multiple condo units to provide permanent</u> <u>affordable rental housing to kupuna displaced by the Maui</u> <u>Wildfires.</u></p>	<p><u>2,645,663</u></p>
<p>b. Workforce Innovation and Opportunity Act (WIOA)</p> <p>(1) Disbursement for salaries and premium pay is not restricted by Section 5.</p>	<p>1,221,938</p>
<p>c. State of Hawai'i, Broadband Community Engagement Funding</p>	<p>100,000</p>
<p>d. Coronavirus State Fiscal Recovery Fund (CSFRF)</p>	<p>12,500,000"</p>

SECTION 2. Material to be repealed is bracketed. New material is underscored.

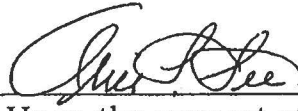
SECTION 3. This Ordinance takes effect upon approval.

APPROVED AS TO FORM AND LEGALITY:



KRISTINA C. TOSHIKIYO
Deputy Corporation Counsel

INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "Sheri Lee", is written over a horizontal line.

Upon the request of the Mayor.