

DEPARTMENT OF  
HOUSING AND HUMAN CONCERNS  
COUNTY OF MAUI

MICHAEL P. VICTORINO  
Mayor

LORI TSUHAKO  
Acting Director

LINDA R. MUNSELL  
Deputy Director


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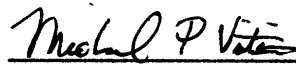
OFFICE OF THE  
COUNTY COUNCIL

April 16, 2019

Ms. Michele M. Yoshimura   
Budget Director, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

 4/17/19  
Mayor Date

For Transmittal to:

Honorable Keani Rawlins-Fernandez  
Chair, Economic Development and Budget Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

Dear Chair Rawlins-Fernandez:

**SUBJECT: REQUESTS/QUESTIONS FROM THE APRIL 9, 2019 MEETING (HC-7)  
(EDB-1)**

Thank you for your letter dated April 11, 2019 requesting the Department's responses to the questions raised at the April 9, 2019 EDB Committee meeting. The information requested is listed below in bold and is followed by the Department's responses.

- 1. What amount of funding has the County appropriated to Habitat for Humanity in the past, by project? What is the current balance of their revolving fund? (RH)**

Between FY2010 and FY2018, Habitat for Humanity Maui has received funding for the following projects:

Project	Amount	Funding Source
Kahawai Apartments	\$4,915,757	\$2,593,000 Affordable Housing Fund \$2,322,757 HOME funds
Harbor Lights Project	\$ 400,000	\$ 400,000 Affordable Housing Fund
Kahoma Residential	\$1,983,113	\$1,500,000 Affordable Housing Fund \$ 483,113 HOME funds
Total Funding	\$7,298,870	\$4,493,000 Affordable Housing Fund \$2,805,870 HOME funds

Both the Kahawai Apartments and the Harbor Lights projects are complete. Habitat currently has a balance of \$271,699.18 in AHF and \$240,608.22 in HOME funds remaining in their grants for the Kahoma Residential Project.

- 2. What is the capacity of the Department to complete the proposed projects listed under Appendix II. Special Purpose Revenues - Schedule of Revolving/Special Funds for Fiscal Year 2020, M. Affordable Housing Fund? Is it better for the Department to appropriate project funds by proviso under the Fund? (KK)**

The Department has overseen/monitored the affordable housing fund (as required by code) since the fund's inception. Housing Specialist Jessica Crouse is charged with the program's oversight and implementation. The Department is very confident in its ability to manage the grants to the proposed projects listed in Appendix II. We do not feel the need for approval by proviso. The current process has been very effective.

- 3. How many families can be supported by the County's Affordable Rental Housing Program with the proposed \$1 million grant? What is the approximate amount granted per family and how is this amount determined? Why is this program being outsourced to nonprofits? (TK/TP)**

The current funding for the County's Affordable Rental Housing Program has historically assisted as many as 402 families with an average subsidy per family of \$1,685 in FY2017. In FY2018, 322 clients/families were assisted with an average subsidy per family of \$2,039. And as of March, 2019, an additional 234 families have been assisted with an average subsidy per family of \$2,369.

Each family/client's need is evaluated on a case by case basis. Depending upon the particular circumstances and needs, clients/families can be subsidized for rental deposit and first month's rent, emergency rental assistance on a diminishing basis for 12 months and/or emergency utilities. Rental deposits paid by the agencies are returned to the agencies and re-used for subsequent clients. The program allows flexibility to accommodate the range of needs that are presented.

Eligibility requirements are in place as are caps on assistance by type, e.g., \$800 maximum for utility payments and \$7,000 cap on rental assistance. Clients need to demonstrate emergency need for assistance, show limited assets (for example less than \$5,000 in accessible cash), and demonstrate the ability to be sustaining after the subsidy ends. The program is implemented by four grantee agencies (Women Helping Women, MEO, Family Life Center and Ka Hale A Ke Ola) that abide by the guidelines and meet monthly with the Department to coordinate assistance and avoid duplication.

The Department's Grants Management Division and Homeless Divisions do not provide direct services to the community, The Affordable Rental Program is budgeted within the Housing Division, but is contracted with non-profits via the Grants Management Division because the Department finds that non-profit providers are working more closely with the general community that needs these resources. Our non profit partners are better equipped to coordinate assistance

with the wider understanding of other funding resources (such as federal Emergency Solutions Grants, State generated Housing Placement Program funds, etc.) that are accessible to clients. The knowledge of funding sources and eligibility criteria is a significant factor that makes our non profit partners very valuable to ensuring the highest use of County funds for rental assistance. Moreover, the mandatory monthly coordinating meetings between the Grants Management and Housing Division staff with the grantee agencies further strengthens the partnerships, coordination, and accountability for our funds.

**4. What is the capacity for the Department to acquire additional Section 8 vouchers? (RH)**

The County's Section 8 Housing Choice Voucher Program is currently allotted 1,464 vouchers. In 2017 the County attempted to negotiate the transfer of 100 unused vouchers from other state agencies to Maui County. In March 2019 we inquired again, but both of those discussions were unsuccessful. In 2017 we successfully obtained 15 Veterans Affairs Supportive Housing (VASH) vouchers and in 2018 we were awarded an additional 10.

Since 2017 the Department has laid off several of our staff due to administrative budget constraints. Currently the FY2020 Mayor's proposed budget has further constrained the budget by withdrawing all General Fund support for the administration of the Section 8 program and shifting an additional \$302,272 in fringe costs to the Section 8 program. Unfortunately the program is not completely self-supporting, and we rely on receiving some small amount of general fund support to sustain the program.

Should the budget go forward as proposed, we are currently evaluating how to offset the additional \$302,272 in costs. Given that the major expenses to the program are in personnel and rent, we anticipate having to lay off additional staff. If that occurs, it is unlikely that we will continue to be able to support our current vouchers, much less support any additional ones we might acquire going forward. Even at current capacity, every vacation, every job change or retirement, every large call up from the waitlist results in staff overtime and significant stress. It would be extremely difficult to support additional vouchers without corresponding staff to support them.

Thank you for the opportunity to provide this information. Should you require any additional information, please feel free to contact me at Ext. 7805.

Sincerely,



LORI TSUHAKO  
Acting Director of Housing and Human Concerns