

**COUNCIL OF THE COUNTY OF MAUI**

# **BUDGET AND FINANCE COMMITTEE**

March 24, 2017

**Committee  
Report No.** \_\_\_\_\_

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

Chair and Members:

Your Budget and Finance Committee, having met on March 7, 2017, makes reference to the following:

1. County Communication 16-136, from the Director of Housing and Human Concerns, transmitting a grant award letter from the U.S. Department of Housing and Urban Development for the Section 8 Housing Assistance Program, and a notice regarding the increase of the Administrative Fee Proration for Calendar Year 2016.
  
2. County Communication 16-224, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2017 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART I, GRANT REVENUE – SCHEDULE OF GRANTS BY DEPARTMENTS AND PROGRAMS, DEPARTMENT OF HOUSING AND HUMAN CONCERNS (SECTION 8 HOUSING PROGRAM)."

The purpose of the proposed bill is to amend Appendix A of the Fiscal Year 2017 Budget by increasing the grant for the Department of Housing and Human Concerns, Section 8 Housing Program, by \$1,537,504, to recognize additional administrative funds the County will be receiving for the fiscal year.

By correspondence dated February 15, 2017, the Budget Director transmitted a revised proposed bill to amend Appendix A of the Fiscal Year 2017 Budget by increasing the grant for the Department of Housing and Human Concerns, Section 8 Housing Program, by \$2,719,786, to

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recognize additional administrative funds the County will receive for the fiscal year.

Your Committee notes the Council's Budget and Finance Committee (2015-2017 Council term) met on October 18, 2016, and November 29, 2016.

The Director of Housing and Human Concerns informed your Committee the Department will receive an additional \$2,719,786 from Department of Housing and Urban Development for Fiscal Year 2017. The funds will be used for additional vouchers, increases to allowable rents, and administrative costs.

Three factors contributed to the request for the budget amendment: 1) the Fiscal Year 2017 Budget did not include HUD held reserves (in prior years housing assistance spending had decreased and the reserves were not used); 2) aggressively getting more families into homes resulting in higher amount of assistance payments; and 3) completion of the fair market rent study.

The Director acknowledged the Council for approving \$28,800 to conduct a fair market rent study. The study was commissioned because the Department felt the allowable rents established by HUD was too low, placing Section 8 voucher holders at a disadvantage in the competitive rental market. Upon completion of the study, HUD reviewed the report and increased the allowable rent payments. This resulted in a 15 percent increase in housing assistance for Maui County. The counties that did not conduct a study received a 5 percent decrease in housing assistance.

She noted 1,219 families received assistance in Calendar Year 2015. As of December 2016, the maximum of 1,468 housing assistance vouchers allocated to Maui County has been issued to eligible recipients. The Department is in discussion with HUD to acquire more vouchers for Maui County residents.

A representative from the Department noted once a voucher is issued to an eligible recipient, they have 60 days to find an appropriate

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rental unit. If the recipient is unable to secure a unit within the 60-day period, a 30-day extension may be granted. In an extreme circumstance, a recipient may be granted an additional 30-day extension, for a maximum allotted period of 120 days to secure a unit.

She informed your Committee a person or family may continue to receive Section 8 assistance as long as they are needing financial assistance. Thirty percent of the recipient's income is applied to the monthly rent and the balance is subsidized by the Section 8 voucher program. If the rent is increased, the recipient is responsible for any overage not covered by the Section 8 subsidy. Recipients of Section 8 vouchers are reviewed and reevaluated for eligibility of the program, annually.

She stated a new waitlist was established in July 2016 and contains approximately 900 applicants. As vouchers become available, they are offered to eligible recipients on the waitlist. In order for someone on the waitlist to receive housing assistance, a current voucher holder must drop-off from the program. A voucher holder who does not require assistance for a period of 180 days is dropped from the list. Approximately ten voucher holders drop-off the assistance program per month, making vouchers available to those on the waitlist.

Your Committee noted the need for greater emphasis from the State to acquire Federal funds to address the needs of Compacts of Free Association citizens in Maui County, especially in housing assistance.

Your Committee expressed concern relating to the cost of fringe benefits paid by the County General Fund for the employees of the Section 8 Program. The Director assured your Committee a plan and proposal for the Section 8 program to be self-sufficient will be forthcoming in the Fiscal Year 2018 Budget.

Your Committee voted 9-0 to recommend passage of the revised proposed bill on first reading and filing of the communication. Committee Chair Hokama, Vice-Chair White, and members Atay, Carroll, Cochran, Crivello, Guzman, King, and Sugimura voted "aye."

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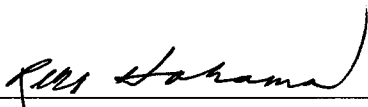
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Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill \_\_\_\_\_ (2017), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2017 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART I, GRANT REVENUE - SCHEDULE OF GRANTS BY DEPARTMENTS AND PROGRAMS, DEPARTMENT OF HOUSING AND HUMAN CONCERNS (SECTION 8 HOUSING PROGRAM)," be PASSED ON FIRST READING and be ORDERED TO PRINT;
2. That County Communication 16-136 be FILED; and
3. That County Communication 16-224 be FILED.

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

  
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RIKI HOKAMA, Chair

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2016)

A BILL FOR AN ORDINANCE AMENDING  
THE FISCAL YEAR 2017 BUDGET FOR THE COUNTY OF MAUI  
AS IT PERTAINS TO APPENDIX A, PART I, GRANT REVENUE -  
SCHEDULE OF GRANTS BY DEPARTMENTS AND PROGRAMS,  
DEPARTMENT OF HOUSING AND HUMAN CONCERNS  
(SECTION 8 HOUSING PROGRAM)

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

SECTION 1. Ordinance No. 4334, Bill No. 62 (2016), Draft 1, as amended, "Fiscal Year 2017 Budget", Appendix A, Part I, Grant Revenue - Schedule of Grants by Departments and Programs for Fiscal Year 2017, is hereby amended as it pertains to the Department of Housing and Human Concerns, by increasing the appropriation for the Section 8 Housing Program by \$2,719,786, to read as follows:

"5. Department of Housing and Human Concerns

a. Aging and Disability Resource Center (ADRC) Expansion	563,299
(1) Provided, that disbursement for salaries and premium pay is limited to 5.0 LTA equivalent personnel.	
b. A&B Kokua Giving Contribution	20,000
c. Assisted Transportation Program	20,232
(1) Provided, that disbursement for salaries and premium pay is limited to 5.5 LTA equivalent personnel.	
d. Care Transition Program	94,394
e. Congregate Meals Program	128,394
(1) Provided, that disbursement for salaries and premium pay is limited to 6.7 LTA equivalent personnel.	
f. Elder Abuse Prevention	26,492
g. Healthy Aging Partnership - Empowering Elders	160,332
(1) Provided, that disbursement for salaries and premium pay is limited to 1.0 LTA equivalent personnel.	
h. Home Delivered Meals Program	86,480
(1) Provided, that disbursement for salaries and premium pay is limited to 6.4 LTA equivalent personnel.	

i. Komohana Hale Apartments Program	172,217
j. Kupuna Care Program (1) Provided, that disbursement for salaries and premium pay is limited to 1.0 LTA equivalent personnel.	1,053,081
k. Leisure Program (1) Provided, that disbursement for salaries and premium pay is limited to 0.5 LTA equivalent personnel.	122,202
l. Medicaid Administrative Federal Financial Participation	1,000
m. Medicare Improvements for Patients and Providers Act	1,000
n. Nutrition Services Incentive Program (NSIP)	117,784
o. Private Donations	1,000
p. Retired Senior Volunteer Program (1) Provided, that disbursement for salaries and premium pay is limited to 1.0 LTA equivalent personnel.	67,050
q. Section 8 Housing Program [16,957,496] (1) Provided, that disbursement for salaries and premium pay is limited to 22.0 LTA equivalent personnel.	<u>19,677,282</u>
r. State Health Insurance Assistance Program (SHIP)	5,000
s. Strategic Prevention Framework Partnerships for Success	110,000
t. Title III Programs (1) Provided, that disbursement for salaries and premium pay is limited to 5.0 LTA equivalent personnel.	750,000
u. Veteran Directed Home Community Based System	50,000
v. Volunteer Center Program	10,000
w. Voluntary Contributions	20,000
x. Kaiser Foundation Health Plan	7,500"

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

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



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JEFFREY UEOKA  
Deputy Corporation Counsel