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

April 4, 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-2)

May I please request you be prepared to answer the following questions in regards to the Housing Program and all other aspects of the Department of Human Concerns' budget that will be covered under the Department of Housing at the BFED Committee meeting on **April 11, 2024**.^{*} This will enable the Committee to comprehensively review the FY 2025 Budget. May I further request that, after approval by the Office of the Mayor, you transmit your answers to bfed.committee@mauicounty.us by the end of the day on **April 11, 2024**.

**Date subject to change without notice.*

Overall

1. In this severe housing crisis, please explain why there is a balance of nearly \$30,000,000 in the Affordable Housing Fund. (Page 46, Appendix A, Part II) (GJ)
2. Please explain why no funds were allocated into the Experimental and Demonstration Housing Projects Fund, where innovative solutions can be explored to help find housing solutions? (Page 49, Appendix A, Part II) (GJ)
3. Please explain why the Department has not increased funding for the Homeowner Programs Revolving Fund. Further, please explain why the grant amount allotted for first time homebuyers has not increased. (Page 49, Appendix A, Part II) (GJ)

- a. Has the Department collected feedback from recipients or applicants on the Home Acquisition and Ownership Programs Revolving Fund on ways to make the First-Time Homebuyers Program more effective?
 - b. Please provide the number of grants, and dollar amount per grant, issued in FY 2024. Is there currently a waitlist for first-time homebuyers, and if so, how many people are on that waitlist?
4. The Council's Housing and Land Use Committee recently discussed a Permanently Affordable Rental Unit Strategy, which identifies feasibility studies and capital investments to purchase and provide rentals that will remain permanently affordable. Is the Department considering any funds being allocated for the Permanently Affordable Rental Unit Strategy? (GJ)
5. The following relates to Ordinance 5315 (2022): (GJ) (TP)
 - a. Although it required the Department of Housing and Human Concerns to administer the policies, will the new Department administer them? (TP)
 - b. Please provide an update on the Department's guidelines for the implementation of Sections 2.96.090 and 2.96.100, Maui County Code, which was to be finalized no later than November 1, 2022. Does the Department intend to enforce these sections, which includes prioritization based on residency length? (GJ) (TP)
 - c. Please identify any funding needs relating to the Countywide workforce housing interest list for the implementation of Ordinance 5315 (2022). (GJ)
6. Please describe any new FY 2025 funding methods that have been designated to help create programs to increase housing affordability for local residents. (GJ)
7. When does the Department intend to implement the policies of Ordinance 5601 (2024), relating to the Ohana Assistance Program? (DHO-1, BFED-1, FY25) (TP)

8. Please provide the number of Section 8 Housing Choice Vouchers issued by the County in FY 2023 and FY 2024, to date. (Page 10-17, Budget Details) (TP)
9. Under Goal #1, item 5, please explain why there is no estimate for the number of project-based vouchers that will be procured in FY 2025 even though this is a Departmental goal. (Page 336, Program Budget) (TP)
10. Will the Department prioritize housing opportunities in Kaanapali, Napili, Honokowai, Kahana, or Kapalua to keep displaced survivors in West Maui after the interim housing projects come to a close? (TP)
11. There is a great need for rental housing in West Maui. As the proposed Pulelehua project below the Kapalua Airport has been vetted and included in the West Maui Community Plan, are there plans for the Housing and Community Development Division to work with the private landowner to bring the Pulelehua project to fruition? (Page 337, Program Budget) (TP)
12. Is there space available at Pu'uhonua o Nēnē? How long will the County be able to utilize that location? (TP)
13. Will FY 2025 parcel studies differ from prior FYs parcel studies? Please list the results of the previous parcel studies that resulted in projects moving forward. (Page 340, Program Budget) (TP)
14. During the FY 2024 Budget review, the Department reported that the community needs assessment was in the final stages of the Request For Proposals process. Has the assessment been completed and where can the public view the assessment? (TP)
15. Please provide a status update on the Lahaina Crossroads Apartments and Komohana Hale Apartments. (TP)
 - a. Under Phase 1 of the Consolidated Debris Removal Program, testing for asbestos, lead paint, and other hazardous materials were being conducted. Has Phase 1 been completed or were these properties deferred? If the former, what were the results of that testing?

- b. Has the right-of-entry been completed and when is debris removal expected to take place?
16. During the FY 2024 Budget review, DHHC noted working toward the execution of a contract with EcoNorthwest to produce a Comprehensive Homeless Plan, as recommended by the Cost of Government Commission in FY 2023. The plan was anticipated to be completed by the end of FY 2023. Did the Department complete the Comprehensive Homeless Plan? If so, where can the public access a copy? (TP)
17. Under the Housing and Community Development Division's Goals #2 and #3, will the Department be working on revisions to Chapter 2.97, Maui County Code, in collaboration with the Department of Water Supply to address discrepancies in water fee waivers? (Page 338, Program Budget) (TP)
18. Under the First-Time Homebuyers Program, how many grant agreements have been executed and how many grant agreements have been awarded, to date? (Appendix A, Part II) (TP)
19. How many households are estimated to be served by Hale Mahaolu for the Homeowners and Housing Counseling Program? (Page 342, Program Budget) (TP)
20. For Goal #1, item 2, does the Department anticipate 25 affordable housing projects that will receive technical assistance? Note that in FY 2023, the Department had nine project proposals and five were selected as indicated on page 346. Please clarify. (Page 334, Program Budget) (NUH)

Salaries and Wages (Category "A")

1. A number of positions in the new Housing Department may be a transfer of existing positions currently within the Department of Housing and Human Concerns. (TK)
 - a. How many of the existing employees are expected to transfer from the Department of Housing and Human Concerns to the Department of Housing?

- b. Should existing employees choose not to transfer to the new Housing Department, does the Department expect to fill the funded positions?
2. The Department of Hawaiian Home Lands Liaison position is classified as a Step SR-24D. (Page 10-4, Budget Details) (TK)
 - a. Where does the DHHL Liaison position fit on the Department's organization chart? (Page 329, Program Budget)
 - b. What is the basis for that classification?
3. The Department strategies describe the role of the Department in managing the HUD voucher program along with other federal housing programs. (Pages 329 and 344, Program Budget) (TK)
 - a. Of the 22 equivalent personnel under the Housing Program, how many are funded by the HUD voucher program?
 - b. How many vouchers, by type, does the County receive from HUD?
 - c. How many vouchers have been transferred in or out of the State?
4. Did the Salary Commission set the Director and Deputy Director's salaries? (Page 10-3, Budget Details) (TP)
5. How are salaries determined for the NC-00 positions in the Section 8 Housing Administration Program? (Pages 10-17 and 10-18, Budget Details) (TP)
6. Please explain the \$600 decrease in Subobject 6223 Per Diem Reportable Non-Taxable when transferred from DHHC to the Department compared to Subobject 6226 Per Diem S/D/T Taxable which did not change. (Pages 10-23 and 11-63, Budget Details) (TP)
7. Is there a need for the positions that are no longer grant funded, such as the Housing Choice Voucher Program Supervisor, Housing Specialist, and the two Housing Clerk positions? When grant funding ended for Victim/Witness Counselor positions in the

Department of the Prosecuting Attorney, the Department requested General Funds to cover the positions. In light of the housing crisis, would it be appropriate to fund these positions with General Funds? (DHO-1, BFED-1, FY25) (TP)

8. Despite the Housing and Community Development Chief and Planner IV positions receiving 10 months of funding in FY 2023, and subsequently a full year of funding in FY 2024, what is the reason for waiting to fill these positions until the bifurcation of DHHC? Has the Department of Personnel Services described the positions and created a list? If not, where are these positions in the process? (DHO-1, BFED-1, FY25) (Page 9-9, FY24 Budget Details) (TP)

Operations and Equipment (Categories “B” and “C”)

1. Please explain the Contractual Services necessary under index code 924003B-6112. What housing studies and Request For Proposals are in queue or desired by the Department? What is the timing and phase-in plan to get these completed? What can be funded in FY 2025 with the budgeted amount? (Page 340, Program Budget) (GJ)
2. Is the \$2,000,000 Ohana Zone grant award for the operation of the location at the former University of Hawaii Maui College dormitory complex or is this a new project? (Page 344, Program Budget) (GJ)
3. With the bifurcation of DHHC, are housing costs expected to decrease? The FY 2024 Housing Program was \$7,336,273. However, the FY 2025 total program budget is \$6,500,383. Likewise, the Grant Revenue Fund for FY 2024 was \$37,503,468, while FY 2025 is \$32,614,093. This leads to a savings of \$835,890 and \$4,899,375, respectively. Are there any expected negative consequences to these savings? (Pages 10-1, 10-13, 11-1, and 11-51, Budget Details) (TP)
4. Please explain the \$800 decrease in Cellular Telephone charges from FY 2024. (Pages 10-22 and 11-63, Budget Details) (TP)
5. Please provide a list of leased equipment that are being transferred from DHHC to the new Department. (Page 10-25, Budget Details) (TP)
6. Please explain the expected increase in electricity costs for the Housing Program’s Grant Revenue Fund. If we are estimating a 5%

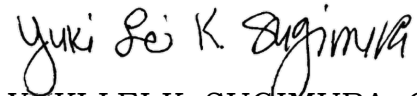
increase in the Grant Revenue Fund, should we increase the General Fund by \$780.15? (Pages 10-7 and 10-22, Budget Details) (TP)

7. Should the Council pass Bill 57 (2024), does the Department expect to realize approximately \$16,425,000 in the “American Rescue Plan Act of 2021 - Homeowner Assistance Fund” in its Grant Revenue Fund for FY 2025? (Page 343, Budget Details) (TP)
8. Is the \$640,000 appropriation under index code 914127B-6132 Professional Services required to secure a vendor for the Homeowner Assistance Fund? When can we expect disbursements from the Homeowner Assistance Fund to start? (Page 11-11, Budget Details) (TP)
9. Please explain the \$350,000 decrease between index codes 924003B-612 and 914457B-6132 Professional Services to operate reserves for County housing projects from FY 2024 to FY 2025. (Pages 10-8 and 11-12, Budget Details) (TP)
10. In your response dated March 28, 2024, to the Committee’s correspondence dated March 19, 2024, the Department noted the FY 2025 Budget proposes adding \$31.57 million to the Affordable Housing Fund, but Bill 60 (2024) anticipates the revenue will be \$46,882,067. Please explain this discrepancy. (DHO-1, BFED-1, FY25) (Appendix A, Part II) (TP)
11. In your response dated March 28, 2024, to the Committee’s correspondence dated March 19, 2024, the Department noted the FY 2025 Budget proposes adding \$3.75 million to the Homeowner Programs Revolving Fund, but Bill 60 (2024) anticipates the revenue will be \$1,000,000. Please explain this discrepancy. (DHO-1, BFED-1, FY25) (Appendix A, Part II) (TP)
12. Does the Department expect to receive HOME Investment Partnerships Program and National Housing Trust funds again in FY 2027? What were the funds received in FY 2024 allocated for? (Page 11-64, Budget Details) (TP)

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).

Ms. Lori Tsuhako
April 4, 2024
Page 8

Sincerely,

A handwritten signature in black ink that reads "Yuki Lei K. Sugimura". The signature is written in a cursive style with a large, looped initial "Y".

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

bfed:2025bgt:240402aho01:jpp

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

BFED Committee

From: BFED Committee
Sent: Thursday, April 4, 2024 8:46 AM
To: loriann.tzuhako@co.maui.hi.us
Cc: BFED Committee; Saumalu Mataafa; kimberly.ferguson@co.maui.hi.us; Michelle Santos; Zeke Kalua; Lesley Milner; Kristina Cabbat; Josiah Nishita; Keanu LauHee; Cynthia Sasada
Subject: PLEASE READ attached letter re: FISCAL YEAR ("FY") 2025 BUDGET (BFED-1); (HO-2); reply by 4/11/24
Attachments: 240402aho01.pdf

Ms. Tzuhako: Please refer to the attached letter from the Budget, Finance, and Economic Development (BFED) Committee Chair, dated April 4, 2024. Please respond by **April 11, 2024**.

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

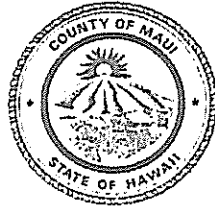
Ms. Milner: FYI

Thank you,
BFED Committee

RICHARD T. BISSEN, JR.
Mayor


LORI TSUHAKO
Director

SAUMALU MATA' AFA
Deputy Director



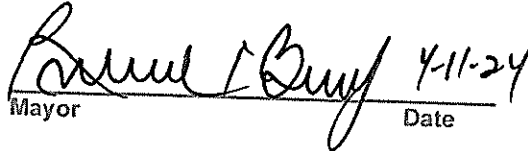
DEPARTMENT OF HOUSING
& HUMAN CONCERNS
COUNTY OF MAUI
2200 MAIN STREET, SUITE 546
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7805

April 10, 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



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-2)

Thank you for your correspondence of April 4, 2024. The information requested in your letter is listed below in bold and is followed by the Department's responses.

Overall

- 1. In this severe housing crisis, please explain why there is a balance of nearly \$30,000,000 in the Affordable Housing Fund. (Page 46, Appendix A, Part II) (GJ)**

As of April 3, 2024, there is an available balance of \$767,090 in the Affordable Housing fund.

2. **Please explain why no funds were allocated into the Experimental and Demonstration Housing Projects Fund, where innovative solutions can be explored to help find housing solutions? (Page 49, Appendix A, Part II) (GJ)**

The Department of Housing and Human Concerns (DHHC) is currently working with a project team to develop housing under the Experimental and Demonstration provision in the Maui County Code. Funding for the project was appropriated in FY 2023 and progress has been slow. DHHC is expecting that lessons learned from this project will help the new Department of Housing be able to administer this program with more efficiencies, possibly with policy changes being proposed.

The new Director of Housing will be responsible for determining the strategy and priority going forward for the Experimental Demonstration Housing Fund.

3. **Please explain why the Department has not increased funding for the Homeowner Programs Revolving Fund. Further, please explain why the grant amount allotted for first time homebuyers has not increased. (Page 49, Appendix A, Part II) (GJ)**

The new Director of Housing will be responsible for determining the strategy and priority for the Homeowner Programs Revolving Fund.

There is \$1 million requested in FY 2025 for the First-Time Homebuyers Program.

- a. **Has the Department collected feedback from recipients or applicants on the Home Acquisition and Ownership Programs Revolving Fund on ways to make the First-Time Homebuyers Program more effective?**

DHHC collects aggregate data on grant recipients and applications received. The Housing Division has been working to align the release of program grants with the owner selection process for new workforce housing projects, as they come online.

- b. **Please provide the number of grants, and dollar amount per grant, issued in FY 2024. Is there currently a waitlist for first-time homebuyers, and if so, how many people are on that waitlist?**

The Housing Division has executed 3 grants for FTHB down payment assistance in FY 2024. The three recipients received \$29,950, \$28,000, and \$30,000 respectively.

DHHC provides up to \$30,000 grant awards to first-time homebuyers that meet county requirements. There are currently 303 applicants on the waitlist.

4. **The Council's Housing and Land Use Committee recently discussed a Permanently Affordable Rental Unit Strategy, which identifies feasibility studies and capital investments to purchase and provide rentals that will remain permanently affordable. Is the Department considering any funds being allocated for the Permanently Affordable Rental Unit Strategy? (GJ)**

DHHC met with the Homestead Community Development Corporation on Monday, March 18, 2024 and provided Robin Danner with information on DHHC's application process for the Affordable Housing Fund.

5. **The following relates to Ordinance 5315 (2022): (GJ) (TP)**
 - a. **Although it required the Department of Housing and Human Concerns to administer the policies, will the new Department administer them? (TP)**

The Department of Housing will administer the Residential Workforce Housing Policy.
 - b. **Please provide an update on the Department's guidelines for the implementation of Sections 2.96.090 and 2.96.100, Maui County Code, which was to be finalized no later than November 1, 2022. Does the Department intend to enforce these sections, which includes prioritization based on residency length? (GJ) (TP)**

Please see attached letter.
 - c. **Please identify any funding needs relating to the Countywide workforce housing interest list for the implementation of Ordinance 5315 (2022). (GJ)**

The Council did not grant funding to DHHC in FY 2024 for the implementation. The Council significantly reduced the amount and moved the Administration's request for funding to the Department of Management.
6. **Please describe any new FY 2025 funding methods that have been designated to help create programs to increase housing affordability for local residents. (GJ)**

The Department of Housing will be empowered by the creation of three new divisions, a new administration team, and new and existing positions to focus on maintaining and growing programs within the department.
7. **When does the Department intend to implement the policies of Ordinance 5601 (2024), relating to the Ohana Assistance Program? (DHO-1, BFED-1, FY25) (TP)**

DHHC recently issued a RFP to solicit proposals. An evaluation committee has been set up to review the proposals and is in the process of selecting a vendor to administer the Ohana Assistance Program. Once vendor selection is complete, DHHC will immediately start the process to execute a grant agreement to implement the program and concurrently finalize proposed administrative rules.
8. **Please provide the number of Section 8 Housing Choice Vouchers issued by the County in FY 2023 and FY 2024, to date. (Page 10-17, Budget Details) (TP)**

The Section 8 Housing Choice Voucher Program issued 1,513 vouchers in FY 2023, and currently is administering the same number of vouchers.

9. **Under Goal #1, item 5, please explain why there is no estimate for the number of project-based vouchers that will be procured in FY 2025 even though this is a Departmental goal. (Page 336, Program Budget) (TP)**

The Housing Choice Voucher Program currently has 38 Project Based Vouchers (PBV) – all in the Hale Mahaolu Ewalu Project. Presently there is no planned RFP for additional Project Based Vouchers; however, the new Department of Housing may elect to offer PBV in coordination with the expected procurement of FY 2025 Affordable Housing Funds

10. **Will the Department prioritize housing opportunities in Kaanapali, Napili, Honokowai, Kahana, or Kapalua to keep displaced survivors in West Maui after the interim housing projects come to a close? (TP)**

The Department of Housing will collaborate with the Office of Recovery to develop housing solutions for West Maui.

The Office of Recovery is working on long-term plans to build permanent housing on County-owned land in West Maui.

11. **There is a great need for rental housing in West Maui. As the proposed Pulelehua project below the Kapalua Airport has been vetted and included in the West Maui Community Plan, are there plans for the Housing and Community Development Division to work with the private landowner to bring the Pulelehua project to fruition? (Page 337, Program Budget) (TP)**

The Director of Housing will be responsible for establishing the Housing and Community Development division's roles, responsibilities, and priorities.

The Office of Recovery has been working with State regulatory agencies to understand the requirements for the Pulelehua project to be moved forward.

12. **Is there space available at Pu'uhonua o Nēnē? How long will the County be able to utilize that location? (TP)**

The State of Hawaii is responsible for contracting and administering Pu'uhonua o Nēnē and maintains site control of the parcel. The County is not aware of current census or other operational data.

13. **Will FY 2025 parcel studies differ from prior FYs parcel studies? Please list the results of the previous parcel studies that resulted in projects moving forward. (Page 340, Program Budget) (TP)**

The Director of Housing will have the opportunity to set the priorities and strategies for the upcoming parcel studies. DHHC conducted studies on Lahaina Crossroads Apartments to determine needed improvements for habitability soon after it was purchased, and Huliau to determine the feasibility of expanding housing solutions on the existing parcel footprint. Unfortunately, Lahaina Crossroads Apartments was destroyed in the fire. The Huliau expansion is still being considered.

14. **During the FY 2024 Budget review, the Department reported that the community needs assessment was in the final stages of the Request For Proposals process. Has the assessment been completed and where can the public view the assessment? (TP)**

DHHC selected an agency through a competitive process to provide a community needs assessment to address social service needs. A contract was executed and funds encumbered. However, shortly after the August, 2023 fire, the DHHC requested a hiatus in the study to allow for the assessment to consider the short and long term impact of the fires on our social service safety net. Thus, the assessment has not yet been completed. We are hopeful that the results will be available by late summer of 2024.

15. **Please provide a status update on the Lahaina Crossroads Apartments and Komohana Hale Apartments. (TP)**

- a. **Under Phase 1 of the Consolidated Debris Removal Program, testing for asbestos, lead paint, and other hazardous materials were being conducted. Has Phase 1 been completed or were these properties deferred? If the former, what were the results of that testing?**

DHHC is not yet aware of testing results for Komohana Hale. However, results of testing showed the presence of asbestos and lead-based paint in the construction materials of the Lahaina Crossroads Apartments. Both Lahaina Crossroads and Komohana Hale were lost in the wild fires.

- b. **Has the right-of-entry been completed and when is debris removal expected to take place?**

DHHC has been in conversation with our County consultants, Tetra Tech, and with FEMA to address both of the housing projects noted above. At this juncture, we will defer to the Office of Recovery to provide details about the right-of-entry and the status of debris removal.

16. **During the FY 2024 Budget review, DHHC noted working toward the execution of a contract with EcoNorthwest to produce a Comprehensive Homeless Plan, as recommended by the Cost of Government Commission in FY 2023. The plan was anticipated to be completed by the end of FY 2023. Did the Department complete the Comprehensive Homeless Plan? If so, where can the public access a copy? (TP)**

The DHHC contract with EcoNorthwest for the Comprehensive Homeless Plan required an amendment to extend the time of performance. Just as EcoNorthwest was scheduled to conduct community outreach and stakeholder interviews, the fires occurred. DHHC decided it was reasonable to delay the scheduled in person assessment process to more effectively capture homeless data post-fire. The contract revision has been executed and EcoNorthwest has been issued a Notice to Proceed. We anticipate that EcoNorthwest personnel will be on-island before or at summertime.

- 17. Under the Housing and Community Development Division's Goals #2 and #3, will the Department be working on revisions to Chapter 2.97, Maui County Code, in collaboration with the Department of Water Supply to address discrepancies in water fee waivers? (Page 338, Program Budget) (TP)**

DHHC is in the process of drafting revisions to Chapter 2.97, Maui County Code (MCC), and Chapter 2.96, MCC, for Council's consideration. The Director of Housing will be responsible for reviewing the draft revisions and seeking Council approval.

- 18. Under the First-Time Homebuyers Program, how many grant agreements have been executed and how many grant agreements have been awarded, to date? (Appendix A, Part II) (TP)**

A total of 170 grant awards over 9+ fiscal years have been executed to date. FTHB grants awarded by Fiscal Year:

- FY 2010: 13
- FY 2011: 12
- FY 2012: 13
- FY 2013: 11
- FY 2014-2018: 0 (Program defunded)
- FY 2019: 48
- FY 2020: 44
- FY 2021: 19
- FY 2022: 6
- FY 2023: 1
- FY 2024: 3 to date

- 19. How many households are estimated to be served by Hale Mahaolu for the Homeowners and Housing Counseling Program? (Page 342, Program Budget) (TP)**

Hale Mahaolu is estimated to serve 300 – 325 households in FY 2024. A total of 229 have been served during the current fiscal year to date.

- 20. For Goal #1, item 2, does the Department anticipate 25 affordable housing projects that will receive technical assistance? Note that in FY 2023, the Department had nine project proposals and five were selected as indicated on page 346. Please clarify. (Page 334, Program Budget) (NUH)**

The Housing Division not only provides technical assistance and support for Affordable Housing Projects, but also to all applicable housing projects in Maui County – including those who apply under other applicable housing laws, for example 201H, MCC 2.97, 2.96, 3.35, and general inquiries. The Department is hopeful that the fire recovery will result in the development of additional housing inventory. The new Department of Housing will be prepared to help developers with technical assistance.

Salaries and Wages (Category “A”)

1. **A number of positions in the new Housing Department may be a transfer of existing positions currently within the Department of Housing and Human Concerns. (TK)**

- a. **How many of the existing employees are expected to transfer from the Department of Housing and Human Concerns to the Department of Housing?**

The current Housing Division has a total of 32 positions which are expected to transfer from DHHC to the Department of Housing. A breakdown is provided below:

10 General Fund positions

22 Grant Funded Section 8 positions (5 of which are currently unfunded)

In addition, two (2) unfilled general funded positions from the existing Housing & Community Development Division are also expected to be transferred to the new Department of Housing.

- b. **Should existing employees choose not to transfer to the new Housing Department, does the Department expect to fill the funded positions?**

The Department of Housing will recruit to fill the vacated funded positions.

2. **The Department of Hawaiian Home Lands Liaison position is classified as a Step SR-24D. (Page 10-4, Budget Details) (TK)**

- a. **Where does the DHHL Liaison position fit on the Department’s organization chart? (Page 329, Program Budget)**

The DHHL Liaison will be transferred from the Department of Management into the Department of Housing’s Housing and Community Development Division. There is a discrepancy in the budget proposal that lists the salary for this DHHL Liaison position in the County Housing Program.

- b. **What is the basis for that classification?**

The scope of work, duties, and responsibilities determined the position’s classification.

3. The Department strategies describe the role of the Department in managing the HUD voucher program along with other federal housing programs. (Pages 329 and 344, Program Budget) (TK)

a. Of the 22 equivalent personnel under the Housing Program, how many are funded by the HUD voucher program?

The Housing Division has 22 positions assigned to the Housing Choice Voucher Program – 17 are presently funded to operate the Program. Five (5) are currently unfunded.

b. How many vouchers, by type, does the County receive from HUD?

The Housing Choice Voucher Program administers 1,513 Vouchers and 38 Project Based Vouchers (Hale Mahaolu Ewalu Project). Additionally, the Section 8 office administers 79 Emergency Housing Vouchers from HUD (67 are currently leased up).

c. How many vouchers have been transferred in or out of the State?

Year to date, the HCV Program has had 16 port-outs and 7 port-ins.

4. Did the Salary Commission set the Director and Deputy Director's salaries? (Page 10-3, Budget Details) (TP)

The Salary Commission established the salaries for both the Director and Deputy Director at their meeting of March 22, 2024.

5. How are salaries determined for the NC-00 positions in the Section 8 Housing Administration Program? (Pages 10-17 and 10-18, Budget Details) (TP)

Salaries are determined pursuant to relevant bargaining units 3 & 13.

6. Please explain the \$600 decrease in Subobject 6223 Per Diem Reportable Non-Taxable when transferred from DHHC to the Department compared to Subobject 6226 Per Diem S/D/T Taxable which did not change. (Pages 10-23 and 11-63, Budget Details) (TP)

The decrease is a result of many additional HUD/Housing trainings being accessible to Section 8 staff via video conferencing, thus reducing the need for travel and per diem payments.

7. Is there a need for the positions that are no longer grant funded, such as the Housing Choice Voucher Program Supervisor, Housing Specialist, and the two Housing Clerk positions? When grant funding ended for Victim/Witness Counselor positions in the Department of the Prosecuting Attorney, the Department requested General Funds to cover the positions. In light of the housing crisis, would it be appropriate to fund these positions with General Funds? (DHO-1, BFED-1, FY25) (TP)

The five (5) noted positions in the Housing Choice Voucher Program were defunded to reduce the amount of Fringe costs the County was required to fund via the General fund. Additional positions could be utilized; however, our staff have maintained the present workload to keep fringe costs at acceptable levels.

Increasing staff may not equate to additional Section 8 vouchers being awarded to Maui.

- 8. Despite the Housing and Community Development Chief and Planner IV positions receiving 10 months of funding in FY 2023, and subsequently a full year of funding in FY 2024, what is the reason for waiting to fill these positions until the bifurcation of DHHC? Has the Department of Personnel Services described the positions and created a list? If not, where are these positions in the process? (DHO- 1, BFED-1, FY25) (Page 9-9, FY24 Budget Details) (TP)**

The Development Chief and Planner IV positions have been established by the Department of Personnel Services (DPS). DHHC is currently working with DPS to make additional changes in position descriptions following DPS' most recent review. The funding for the positions were initially frozen at the beginning of FY 2024 due to the uncertainty surrounding the fiscal impact of the wildfires in August 2023. The incoming Housing Director will recruit and fill the positions when the new department is established.

Operations and Equipment (Categories "B" and "C")

- 1. Please explain the Contractual Services necessary under index code 924003B-6112. What housing studies and Request For Proposals are in queue or desired by the Department? What is the timing and phase-in plan to get these completed? What can be funded in FY 2025 with the budgeted amount? (Page 340, Program Budget) (GJ)**

The Director of Housing will set the priorities and strategies for housing studies in FY 2025. DHHC conducted studies on Lahaina Crossroads Apartments soon after acquisition to determine needed improvements for habitability, and Huliau to determine the feasibility of expanding housing solutions on the current footprint.

DHHC is working with other county agencies to entitle County-owned parcels in West Maui, South Maui, and Central Maui for development of Housing.

- 2. Is the \$2,000,000 Ohana Zone grant award for the operation of the location at the former University of Hawaii Maui College dormitory complex or is this a new project? (Page 344, Program Budget) (GJ)**

The funding is for three years of operations (Fiscal years 2024, 2025, and 2026) for the County's Huliau Apartments Project. Specifically, the grant will address the cost of property management, case management services for the tenants of Huliau, and for the design and installation of an irrigation system on the property.

- 3. With the bifurcation of DHHC, are housing costs expected to decrease? The FY 2024 Housing Program was \$7,336,273. However, the FY 2025 total program budget is \$6,500,383. Likewise, the Grant Revenue Fund for FY 2024 was \$37,503,468, while FY 2025 is \$32,614,093. This leads to a savings of \$835,890 and \$4,899,375, respectively. Are there any expected negative**

consequences to these savings? (Pages 10-1, 10-13, 11-1, and 11-51, Budget Details) (TP)

The proposed budget for the new Department of Housing was crafted to abide by the general instructions given to Departments to maintain level funding with FY 2024 budgets, and to allow the incoming Director and Deputy the ability to maintain operations while crafting their strategies and priorities for the new department. We anticipate that the leadership of the Department will pursue FY2025 budget amendments with this Council that reflect their assessment of need.

4. Please explain the \$800 decrease in Cellular Telephone charges from FY 2024. (Pages 10-22 and 11-63, Budget Details) (TP)

The decrease is a result of Section 8 staff realigning grant funded expenses based on actual expenditures.

5. Please provide a list of leased equipment that are being transferred from DHHC to the new Department. (Page 10-25, Budget Details) (TP)

The leases for copy machines currently assigned to DHHC's Housing Program will be transferred to the new Department.

6. Please explain the expected increase in electricity costs for the Housing Program's Grant Revenue Fund. If we are estimating a 5% increase in the Grant Revenue Fund, should we increase the General Fund by \$780.15? (Pages 10-7 and 10-22, Budget Details) (TP)

There was an oversight in this area, and the Department appreciates a General Fund increase of 5% (\$780.00) to address anticipated increases in utilities costs.

7. Should the Council pass Bill 57 (2024), does the Department expect to realize approximately \$16,425,000 in the "American Rescue Plan Act of 2021 - Homeowner Assistance Fund" in its Grant Revenue Fund for FY 2025? (Page 343, Budget Details) (TP)

If the Department's request for a FY 2024 budget amendment is passed this fiscal year, the funding from the "American Rescue Plan Act of 2021- Homeowner Assistance Fund" will be recognized in the Department's FY 2024 budget.

8. Is the \$640,000 appropriation under index code 914127B-6132 Professional Services required to secure a vendor for the Homeowner Assistance Fund? When can we expect disbursements from the Homeowner Assistance Fund to start? (Page 11-11, Budget Details) (TP)

The \$640,000 appropriation in FY 2024's budget has been allocated to Catholic Charities to support administration of the Homeowner Assistance Fund (HAF) program. The Department expects that the HAF contract will be executed by April 15, 2024. Disbursements from the HAF are anticipated before the end of the current fiscal year.

9. **Please explain the \$350,000 decrease between index codes 924003B-612 and 914457B-6132 Professional Services to operate reserves for County housing projects from FY 2024 to FY 2025. (Pages 10-8 and 11-12, Budget Details) (TP)**

The funding is used to support operational expenses for county-owned projects. The decrease is attributed to the reduction in property management costs for two County housing projects which were lost in the fire.

10. **In your response dated March 28, 2024, to the Committee's correspondence dated March 19, 2024, the Department noted the FY 2025 Budget proposes adding \$31.57 million to the Affordable Housing Fund, but Bill 60 (2024) anticipates the revenue will be \$46,882,067. Please explain this discrepancy. (DHO-1, BFED-1, FY25) (Appendix A, Part II) (TP)**

The correct anticipated revenue for FY 2025 is denoted in Appendix A, Part II, as \$46,882,067.

11. **In your response dated March 28, 2024, to the Committee's correspondence dated March 19, 2024, the Department noted the FY 2025 Budget proposes adding \$3.75 million to the Homeowner Programs Revolving Fund, but Bill 60 (2024) anticipates the revenue will be \$1,000,000. Please explain this discrepancy. (DHO-1, BFED-1, FY25) (Appendix A, Part II) (TP)**

The correct anticipated revenue for FY 2025 is denoted in Appendix A, Part II, as \$1 million. The funding is to be used for the First-time Homeowners Program. DHHC expects to execute a grant agreement to administer the Ohana Assistance pilot program before the end of FY 2024. Once DHHC bifurcates, the Department of Housing will be responsible for evaluating the grant agreement and monitoring the overall effectiveness of the pilot program, and subsequently assessing whether the program should be on-going.

12. **Does the Department expect to receive HOME Investment Partnerships Program and National Housing Trust funds again in FY 2027? What were the funds received in FY 2024 allocated for? (Page 11-64, Budget Details) (TP)**

Yes, the next Maui County HOME/HTF rotation funding is HUD's Program Year (PY) 2027. PY 2024 funding was awarded to the Hale O Pi'ikea Rental Project.

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

Sincerely,

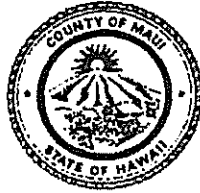


LORI TSUHAKO, LSW, ACSW
Director of Housing and Human Concerns

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 3, 2024

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

APPROVED FOR TRANSMITTAL

Richard Bissen 4-5-24
Mayor Date

For Transmittal to:

Honorable Gabe Johnson
Councilmember
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Councilmember Johnson:

SUBJECT: GUIDELINES TO IMPLEMENT ORDINANCE 5315 (PAF 24-060)

Thank you for your March 25, 2024 letter requesting information on the guidelines to implement Ordinance 5315.

The Mayor's FY2024 budget submission to the Maui County Council ("Council") included \$2 million to the Department of Housing and Human Concerns ("DHHC") to implement Ordinance 5315 and Ordinance 5441. During budget deliberations, the Council voted to significantly reduce the Mayor's FY2024 funding request from \$2 million to \$300,000. The Council further voted to move the funding from DHHC to the Department of Management. The Council did not support the Mayor's FY2024 request to fund the implementation of Ordinance 5315 and provided no resources to DHHC to implement its waitlist or qualification provisions.

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

Sincerely,

Lori Tsuhako

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

TO SUPPORT AND EMPOWER OUR COMMUNITY TO REACH ITS FULLEST
POTENTIAL FOR PERSONAL WELL-BEING AND SELF-RELIANCE

BFED Committee

From: Kristina Cabbat <Kristina.Cabbat@co.maui.hi.us>
Sent: Thursday, April 11, 2024 4:11 PM
To: BFED Committee
Cc: Lesley Milner
Subject: (BFED-1)(HO-2)
Attachments: (BFED-1)(HO-2).pdf

Hello,

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

Thank you,

Kristina Cabbat

Budget Specialist
200 South High Street,
Wailuku, HI 96793
Phone No: (808) 270-7217
Email: kristina.cabbat@co.maui.hi.us