

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 7, 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 21, 2017, makes reference to County Communication 17-72, from the Community Development Block Grant (CDBG) Program Manager, transmitting a proposed resolution entitled "AUTHORIZING THE FILING OF AN APPLICATION WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM."

The purpose of the proposed resolution is to authorize the Mayor to execute and file an application with the U.S. Department of Housing and Urban Development for a grant of \$1,731,191 for the CDBG Program Year 2017/Fiscal Year 2018, which is the period from July 1, 2017 to June 30, 2018.

The communication also transmitted the following: (1) listing of applications received for CDBG funding for Program Year 2017; (2) listing of recommended and alternate projects for Program Year 2017; and (3) conflict-of-interest questionnaires submitted by the applicants.

By correspondence dated February 7, 2017, the CDBG Program Manager transmitted the Recommended 2017 CDBG Project Executive Summary for Program Year 2017/Fiscal Year 2018.

The CDBG Program Manager said, in addressing prior concerns of the Council relating to community outreach of the availability of CDBG funds, the following occurred for Program Year 2017: 1) two publications were published in *The Maui News* informing of the open application period; 2) meetings with the non-profit executive directors were held; 3) mass email notification was sent to non-profit organizations; 4) workshops relating to CDBG funding were offered prior to the open application period;

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and 5) assistance was provided to organizations with the application process. Public hearings and technical workshops held throughout the County by CDBG staff improved the process and resulted in quality application packets submitted by the organizations.

He said the applications were reviewed and scored by a five-member evaluation and selection panel including: Pat Matsumoto, Vice-President, Central Pacific Bank; Angie Haramoto, accountant, T-shirt Factory; Rudy Balinbin, retired, First Hawaiian Bank; Stacy Crivello, Councilmember, County of Maui; Linda Munsell, Assistant Housing Administrator, County of Maui; and Jill Holly, Executive Director, Kidney Foundation, served as an alternate.

The CDBG Program Manager stated four projects are recommended for funding in the following amounts:

1. \$550,000 to Hale Mahaolu, for construction of the Hale Mahaolu Ewalu Senior Center within a senior community campus which includes affordable housing for the elderly;
2. \$495,000 to Hale Makua Health Services, for the upgrade of the electrical backup capacity from a 400 kw generator to a 500 kw generator to ensure adequate capacity is provided to the Hale Makua Kahului facility during an electrical grid power outage;
3. \$325,070 to Maui Family Support Services, Inc., for rehabilitation of the existing facility to include interior and exterior upgrades including, but not limited to, roof, walls, floors, and bathrooms improvements; and
4. \$14,883 (partial funding) to Ka Hale A Ke Ola Homeless Resource Centers, Inc., for the rehabilitation of two residential buildings, Building 5 and Building 6.

These projects were submitted by the applicants in response to a Request for Proposals issued by the County. The open application process

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for proposals was held from November 1, 2016 to November 30, 2016. The projects were selected for funding through a panel evaluation process, with approval by the Mayor. Ten applications were received for consideration for Program Year 2017.

In addition, 20 percent of the grant request, or \$346,238, is recommended for CDBG Program Administration. These funds are used for salaries and fringe benefits, operational costs, and leased equipment.

The CDBG Program Manager further stated five alternate projects have been identified. The alternate projects may be funded in the order described in the proposed resolution if any of the four recommend projects are deemed unsuitable for funding or should funds from prior years become available.

Your Committee notes the alternate projects recommended for funding are as follows:

1. \$741,904 (balance of funding request) to Ka Hale A Ke Ola Homeless Resource Centers, Inc., for the rehabilitation of two residential buildings, Building 5 and Building 6;
2. \$300,000 to Mental Health Kokua, for rehabilitation of existing space for low-income housing for homeless adults;
3. \$405,000 to the ARC of Maui County, for the installation of solar photovoltaic systems to six group homes;
4. \$1,000,000 to CFS Real Property, Inc., for the demolition and rebuilding of a two-story facility at the Neighborhood Place in Wailuku; and
5. \$204,300 to Maui Youth and Family Services, Inc., for planning and design of a behavioral health crisis shelter.

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He also informed your Committee of two project proposals not meeting the minimum composite score of 325 points from the Evaluation and Selection Panel:

1. Kaupo Community Association, Inc. requesting \$475,000 for the restoration of the Old Kaupo School; and
2. Boys and Girls Club of Maui, Inc. requesting \$250,000 for the design of the Paukukalo Clubhouse, Phase I.

Your Committee notes the Boys and Girls Club of Maui, Inc. was considered an alternate project for Program Year 2016.

Your Committee expressed concern whether the projects proposed for funding for Program Year 2017/Fiscal Year 2018 are able to be completed without additional funds. Your Committee noted the Presidential budget proposes to eliminate funding for CDBG of \$3 billion and HOME Investment Partnership of \$950 million. The CDBG Program Manager assured your Committee the proposed projects could be completed without additional funds, with the exception of the partially funded project for program year.

The CDBG Program Manager said timeliness issues in completing the projects is a concern with brick and mortar projects. The CDBG Office monitors each project to maintain the timeliness rating of the program to avoid penalties, including reduction of future funds.

Your Committee voted 9-0 to recommend adoption of the proposed resolution and filing of the communication. Committee Chair Hokama, Vice-Chair White, and members Atay, Carroll, Cochran, Crivello, Guzman, King, and Sugimura voted "aye."

Your Committee is in receipt of a revised proposed resolution, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions.

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Your Budget and Finance Committee RECOMMENDS the following:

1. That Resolution _____, as revised herein and attached hereto, entitled "AUTHORIZING THE FILING OF AN APPLICATION WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM," be ADOPTED; and
2. That County Communication 17-72 be FILED.

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



RIKI HOKAMA, Chair

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Resolution

No. _____

AUTHORIZING THE FILING OF AN APPLICATION
WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
UNITED STATES OF AMERICA,
FOR A GRANT UNDER THE
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

WHEREAS, pursuant to Title I, Housing and Community Acts of 1974 and 1977, and Section 7(d), Department of Housing and Urban Development Act, the United States of America has authorized the making of grants to public bodies to aid in financing housing and community development projects; and

WHEREAS, the assistance of the U.S. Department of Housing and Urban Development is desired to aid in the development of several community development projects within the County of Maui; now, therefore,

BE IT RESOLVED BY THE Council of the County of Maui:

1. That it does hereby authorize the Mayor of the County of Maui, or his duly authorized representative, to execute and file an application on behalf of the County of Maui with the U.S. Department of Housing and Urban Development for a grant of ONE MILLION SEVEN HUNDRED - THIRTY ONE THOUSAND ONE HUNDRED

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NINETY-ONE DOLLARS (\$1,731,191) to aid in the development of the following projects:

- | | | |
|----|---|-------------------|
| 1. | Hale Mahaolu
Project: Hale Mahaolu Ewalu Senior Center
Construction of a senior center within a community campus which will include affordable housing for the elderly. | \$ 550,000 |
| 2. | Hale Makua Health Services
Project: Hale Makua Kahului Generator Upgrade
Replacement of a 400kw generator with a 500kw generator. The new generator will ensure adequate electricity is provided during commercial power outages. | \$ 495,000 |
| 3. | Maui Family Support Services, Inc.
Project: Rehabilitation of MFSS building
Rehabilitation because of deterioration of the building roof and walls. | \$ 325,070 |
| 4. | Ka Hale A Ke Ola Homeless Resource Centers, Inc.
Project: KHAKO Renewal Project Phase II
Rehabilitate two residential buildings, Building 5 and Building 6. The KHAKO Renewal Project is a multi-phase plan developed by Cooper and Cooper Real Estate Solutions to accomplish necessary updates, replacements and improvements to ensure long term operational viability and protect the health and safety of residents and staff. | \$ 14,883 |
| 5. | CDBG Program Administration | <u>\$ 346,238</u> |
| | Total | \$1,731,191 |

Furthermore, as recommended by the U.S. Department of Housing and Urban Development to avoid compromising the performance of the County of Maui CDBG Program in the

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accomplishment of its objectives, should any of the projects listed above prove not feasible for funding, is not in the position for funding as represented in the CDBG application, or should any funds from prior years become available for reprogramming actions by the CDBG Program Manager during Program Year 2017, the funds may be reallocated among the current open projects if funds have been progressively spent down and upon substantiated need of additional funding for completion of the project, or the current alternate projects may be funded in the order presented herein. If in the absence of viable current alternate projects proposed in the CDBG 2017 Program Year for the consideration of reprogrammable funds, alternate projects from prior years may be considered, but shall be required to first submit an updated application and be evaluated for its project readiness and viability in meeting the desired community needs pursuant to the Consolidated Plan. In the assignment of reprogrammable funds, primary considerations shall be the substantiated and justifiable need for additional funding, the readiness of use of funds and the timely expenditure of funds.

If the current alternate projects are not funded during the CDBG 2017 Program Year, the alternate projects will be required to submit an updated application to be considered for reprogrammable funds in future program years.

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These Alternate Projects shall be:

1.	Ka Hale A Ke Ola Homeless Centers, Inc. Project: KHAKO Renewal Project Phase II Rehabilitate two buildings, Building 5 and Building 6.	\$ 741,904
2.	Mental Health Kokua Project: Mental Health Kokua Market Street House Rehabilitation of existing space.	\$ 300,000
3.	ARC of Maui County Project: ARC Group Home Solar PV Project Installation of Solar PV.	\$ 405,000
4.	CFS Real Property, Inc. Project: Neighborhood Place of Wailuku Rehabilitation Demolish and rebuild 2 story structure.	\$1,000,000
5.	Maui Youth & Family Services, Inc. Project: MYFS Behavioral Health Crisis Shelter. Planning and Design of a crisis shelter.	\$ 204,300
	Total	\$2,651,204

2. That the Mayor, or his duly authorized representative, is also hereby authorized to receive and accept any grant award, to execute and file all understandings and assurances contained therein, and to furnish such information as the U.S. Department of Housing and Urban Development may request in connection with the application which is herein authorized to be filed; and further, the Mayor is hereby authorized to accept the grant upon its approval by the U.S. Department of Housing and Urban Development, and to execute all documents necessary for the

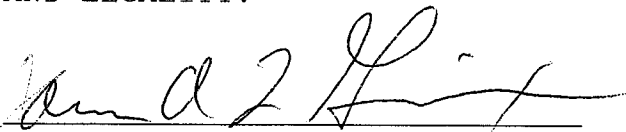
acceptance and implementation of any grant award received pursuant to the application filed; and

3. That the Mayor, or his duly authorized representative, is hereby authorized to execute any and all documents necessary to process and accept such funds, including any amendments thereto; and

4. That in as much as the amount of the grant specified herein above may vary when finally approved, the authorizations herein granted shall be applicable to the amount or amounts specified in the notification of grant award or similar comparable document, including any contingency funds that the U.S. Department of Housing and Urban Development may allocate, and that such amounts may be expended if appropriated under the terms of the budget ordinance or any amendment thereof; and

5. That certified copies of this resolution be transmitted to the Mayor, the Director of Finance, the Budget Director and the CDBG Program Manager.

APPROVED AS TO FORM
AND LEGALITY:



JAMES A. Q. GIROUX
Deputy Corporation Counsel
COUNTY OF MAUI