

**COUNCIL OF THE COUNTY OF MAUI**  
**BUDGET AND FINANCE COMMITTEE**

April 6, 2018

**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 14, 2018, makes reference to County Communication 18-71, 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 \$1,803,099 for the CDBG Program Year ("PY") 2018/Fiscal Year ("FY") 2019, which is the period from July 1, 2018 to June 30, 2019.

The communication also transmitted the following: (1) summary of applications received for CDBG funding for PY 2018; (2) listing of recommended and alternate projects for PY 2018; and (3) conflict-of-interest questionnaires submitted by the applicants.

By correspondence dated March 13, 2018, the CDBG Program Manager transmitted the Recommended 2018 CDBG Project Executive Summary for PY 2018/FY 2019, and a submission schedule for the Annual Action Plan for PY 2018.

Your Committee notes, in addressing prior concerns of the Council relating to community outreach efforts to inform interested applicants of the availability of CDBG funds, the following occurred for PY 2018: 1) two notices were published in *The Maui News* informing of the open application period; 2) meetings were held with the non-profit executive directors; 3) a mass email notification was sent to non-profit organizations; 4) workshops

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relating to CDBG funding were offered prior to the open application period; and 5) assistance with the application process was provided to organizations. Public hearings and technical workshops held throughout the County by CDBG staff improved the application process and resulted in quality application packets submitted by the organizations.

The Program Manager said a series of public hearings were held in Haiku, Wailuku, Lahaina, Kihei, Upcountry, and Hana, and on Lanai, and Molokai to encourage comments and views from residents of these communities.

He said the applications were reviewed and scored by a five-member evaluation and selection panel. The panel consisted of Patricia Matsumoto, Vice-President, Central Pacific Bank; Angie Haramoto, accountant, T-shirt Factory; Rudy Balinbin, retired, First Hawaiian Bank; Stacy Crivello, Council member, County of Maui; Janice Shishido, Deputy Director of Housing and Human Concerns, County of Maui; and alternate, Edeluisa Baguio-Larena, Chief Executive Officer, Maui Family Support Services.

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

1. \$25,000 to the County of Maui, Department of Environmental Management, for a trailer mounted diesel tank to increase the efficiency and ensure uninterrupted service at the Molokai Landfill;
2. \$530,000 to the County of Maui, Department of Environmental Management, to replace a 14-year-old track loader to ensure uninterrupted service at the Hana Landfill;
3. \$400,000 to the County of Maui, Department of Environmental Management, for a wheel loader to improve the efficiency of handling cover material, waste, and recyclables at the Molokai Landfill;

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4. \$270,000 to the ARC of Maui County, for the rehabilitation of the existing facilities to include retrofitting and updating of the fire alarm systems in three intermediate care facility homes and installation of backup battery systems to provide emergency power to six homes;
5. \$212,000 to Hale Makua Health Services, for rehabilitation of the Kahului facility to include an upgrade of the fire alarm system; and
6. \$5,479 (partial funding) to Hale Makua Health Services, for rehabilitation of the Wailuku facility to include replacement of the existing fire alarm system.

These projects were submitted by the applicants in response to a Request for Proposals issued by the County. The open application process for proposals was held from November 1, 2017 to November 30, 2017. The projects were selected for funding through a panel evaluation process, with approval by the Mayor. Fourteen applications were received for consideration for PY 2018.

In addition, 20 percent of the grant request, or \$360,620, 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 nine alternate projects have been identified. The alternate projects may be funded in the order described in the proposed resolution if any of the six recommended 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. \$41,521 (balance of funding request) to Hale Makua Health Services, for rehabilitation of the Wailuku facility to include replacement of the existing fire alarm system;

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2. \$107,000 to Hale Makua Health Services, for rehabilitation of the Wailuku facility to include installation of new flooring, cabinets, and a grease trap in the facility's kitchen;
3. \$800,000 to Hana Health, for the construction of the Hana Health and Rehabilitation & Support Center to accommodate behavioral and mental health services, physical therapy and cardiac rehabilitation, outreach and enabling services, and tele-machine and short-term medical respite services;
4. \$180,000 to Hale Makua Health Services, for the rehabilitation of the Kahului facility to include replacement of two doors for the rehab center, over-the-bed light fixtures, and replacement of the air conditioning units for the activity and dining rooms;
5. \$300,000 to Hale Mahaolu, for the rehabilitation of Lahaina Surf to include asbestos removal;
6. \$885,468 to Ka Hale A Ke Ola Homeless Resource Centers, Inc., for the rehabilitation of Buildings 3, 5, and 6;
7. \$1,000,000 to Boys and Girls Clubs of Maui, Inc., for the construction of a stand-alone facility for the Boys & Girls Clubs of Maui, Paukukalo Club;
8. \$475,000 to Kaupo Community Association, Inc., for the rehabilitation of the Old Kaupo School to include an off-grid photovoltaic-based energy generation, storage and distribution system; a water storage, filtration pressurization, and distribution system; and a conforming septic system with distribution piping; and
9. \$59,184 to Hawaiian Community Assets, Inc., for administration to increase financial capacity of homeless families.

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The Program Manager said the County's 2015 to 2019 Consolidated Plan describes the following four priority concerns that are addressed through the CDBG Program: 1) Housing and Special Needs housing; 2) Homelessness; 3) Community Development; and 4) Fair Housing.

He said CDBG regulations require activities and projects to be done on a timely basis to ensure low- and moderate-income persons are assisted. Each grantee's performance is measured on an annual basis to determine the timeliness ratio for the County. The ratio compares the funds available to be drawn down to the amount of its current allocation and program income received. If the timeliness ratio exceeds 1.5 times the annual entitlement, the County may be in jeopardy of losing its CDBG funding. For PY 2016, the County achieved a timeliness ratio of 1.4. The next evaluation will be on May 2, 2018, for PY 2017.

Your Committee voted 6-0 to recommend adoption of the proposed resolution and filing of the communication. Committee Chair Hokama and members Carroll, Cochran, Crivello, Guzman, and Sugimura voted "aye." Committee Vice-Chair White and members Atay and King were excused.

Your Budget and Finance Committee **RECOMMENDS** the following:

1. That Resolution \_\_\_\_\_, 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 18-71 be FILED.

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

  
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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 EIGHT HUNDRED THREE THOUSAND NINETY-NINE DOLLARS (\$1,803,099) to aid in the development of the following projects:

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1. County of Maui, Department of Environmental Management \$ 25,000  
Project: Molokai Landfill Trailer Mounted Diesel Tank  
Acquisition of a trailer mounted diesel tank will increase the efficiency and ensure uninterrupted service at the landfill. The diesel powered equipment at the landfill are critical to operations and necessary for environmental compliance.
  
2. County of Maui, Department of Environmental Management \$ 530,000  
Project: Hana Landfill Bulldozer  
Acquisition of a bulldozer will replace a 14 year old track loader, 4 years past its normal life expectancy. The bulldozer will ensure uninterrupted services at the landfill. Failure to comply with State and Federal regulations is a violation and may subject the county to fines and landfill closure.
  
3. County of Maui, Department of Environmental Management \$ 400,000  
Project: Molokai Landfill Wheel Loader  
Acquisition of a wheel loader will improve the efficiency of handling cover material, waste, and recyclables. Existing equipment is no longer reliable or cost effective for continuous operation at the facility. Failure to properly manage waste would lead to failure to comply with State and Federal regulations.
  
4. ARC of Maui County \$ 270,000  
Project: ARC Residential Group Home Safety Improvements Project  
Rehabilitation of the ARC of Maui County facilities to include retrofitting and updating of the fire alarm systems in three intermediate care facility homes and installation of backup battery systems to provide emergency power to six homes.
  
5. Hale Makua Health Services \$ 212,000  
Project: Hale Makua Kahului Fire Alarm System Upgrade  
Rehabilitation of the Hale Makua Health Services Kahului facility to include upgrade of the fire alarm system which will ensure the safety of the elderly and severely disabled individuals. The existing system is



outdated and has frequent breakdowns.

6.	Hale Makua Health Services Project: Hale Makua Wailuku Fire Alarm System Upgrade Rehabilitation of the Hale Makua Health Services Wailuku facility to include replacement of the existing fire alarm system that is over 20 years old and can no longer be repaired to safely meet the needs and regulations at the facility. \$5,479 is partial funding; total requested amount was \$47,000.	\$ 5,479
7.	CDBG Program Administration	<u>\$ 360,620</u>
	Total	\$1,803,099

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 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 2018, 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 2018 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

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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 2018 Program Year, the alternate projects will be required to submit an updated application to be considered for reprogrammable funds in future program years.

These Alternate Projects shall be:

1. Hale Makua Health Services \$ 41,521  
Project: Hale Makua Wailuku Fire Alarm System Upgrade  
Rehabilitation of the Hale Makua Health Services Wailuku facility to include replacement of the existing fire alarm system that is over 20 years old and can no longer be repaired to safely meet the needs and regulations at the facility.
  
2. Hale Makua Health Services \$ 107,000  
Project: Hale Makua Wailuku Rehabilitation  
Rehabilitation of the Hale Makua Health Services Wailuku facility to include installation of new flooring, cabinets and a grease trap in the facility's kitchen.
  
3. Hana Health \$ 800,000  
Project: Hana Health Rehabilitation & Support Center  
Construction of the Hana Health Rehabilitation & Support Center will accommodate a multitude of needs including behavioral and mental health services, physical therapy and cardiac rehabilitation, outreach and enabling services, tele-medicine and short term medical respite services for patients transitioning from tertiary care back to their homes in Hana.

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4.	Hale Makua Health Services Project: Hale Makua Kahului Rehabilitation Rehabilitation of the Hale Makua Health Services Kahului facility to include replacement of two doors for the rehab center, over bed light fixtures and replacement of the air conditioning unit for the facility's activity and dining rooms.	\$ 180,000
5.	Hale Mahaolu Project: Hale Mahaolu Lahaina Surf Preservation Rehabilitation of the Lahaina Surf to include asbestos removal.	\$ 300,000
6.	Ka Hale A Ke Ola Homeless Resource Centers, Inc. Project: KHAKO Renewal Project Phase 3 Rehabilitation of the Ka Hale A Ke Ola Homeless Resource Center facility to include rehabilitation of Buildings 3 (8 two bedroom units), 5 (8 two bedroom units) and 6 (12 studio units).	\$ 885,468
7.	Boys & Girls Clubs of Maui, Inc. Project: Paukukalo Clubhouse Construction Project Construction of a stand-alone facility for the Boys & Girls Clubs of Maui, Paukukalo club.	\$ 1,000,000
8.	Kaupo Community Association, Inc. Project: Infrastructure Related to Old Kaupo School Restoration Rehabilitation of the Old Kaupo School to include an off-grid photovoltaic based energy generation, storage and distribution system; a water storage, filtration, pressurization and distribution system; and a conforming septic system with distribution piping.	\$ 475,000
9.	Hawaiian Community Assets, Inc. Project: Increasing the Financial Capacity Of Homeless Families to Secure Permanent Housing Administration for increasing the financial capacity of homeless families.	\$ 59,184
	Total	\$3,848,173

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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.

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APPROVED AS TO FORM  
AND LEGALITY:



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Jennifer Oana  
Deputy Corporation Counsel  
COUNTY OF MAUI

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