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

April 7, 2025

Mr. Richard "Remi" Mitchell, Director
Department of Housing
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Mitchell:

SUBJECT: **FISCAL YEAR 2026 BUDGET** (BFED-1) (HO-02)

May I please request you be prepared to answer the following questions at the BFED Committee meeting on **April 10, 2025**.^{*} This will enable to the Committee to comprehensively review the FY 2026 Budget. **Date subject to change without notice.*

May I further request you transmit your answers to bfed.committee@mauicounty.us by the end of the day on **April 10, 2025**.

Overall

1. How does the Department's proposed budget support the three key priorities outlined in the Mayor's Budget Message? (YLS)
2. What is the current status of recruitment and hiring for the Administrator positions overseeing the Department's division heads? (Page 329, Program Budget) (NUH)
3. Explain the rationale for transferring the Community Development Block Grant (CDBG) Program from the Office of the Mayor to the Department of Housing. Will this change restrict the use of CDBG funds for non-housing-related projects? More broadly, are CDBG funds used exclusively for housing projects? Please explain. (YLS) (TC)

4. Provide the Fiscal Year 2026 Affordable Housing Fund Annual Plan, as required by Section 3.35.080, Maui County Code. (YLS)
5. How many households are anticipated to be served through the Hale Mahaolu Homeowners and Housing Counseling Program? How frequently are the classes held, what is the typical class capacity, and are the classes offered in multiple districts? (Page 346, Program Budget) (TP)
6. Regarding Goal No. 5 under the Federal Housing Program Division, what qualifies as assistance, and what standard services does the Department provide to the public in response? (Page 339, Program Budget) (NUH)
7. Regarding Goal No. 1, Item 2, under the Housing and Community Development Division, what is an interagency or interdepartmental collaboration? (Page 341, Program Budget) (NUH)
8. Regarding Goal No. 3 under the County Housing Program Division, what is the reason for the projected reduction in First-Time Home Buyer awards in FY 2026, compared to the estimated awards in FY 2025? (Page 337, Program Budget) (NUH) (SS)
9. Regarding Goal No. 4 under the County Housing Program Division, you provided an estimate of how many individuals or families received funding to construct an accessory dwelling unit in FY 2025, what is the actual number? (Page 337, Program Budget) (NUH)

Salaries (Category “A”)

1. Provide the status of all current and pending positions within the Department. For proposed expansion positions please explain:
 - a. If a full 12-months funding is justified?
 - b. If the Department will be able to create, recruit, and fill these positions at the start of the fiscal year?

(Page 10-3, 10-4; Budget Details) (TC)
2. Has the Department filled the expansion positions authorized by Ordinance 5769, or does it anticipate filling them before the end of

the current fiscal year? If so, is this the basis for requesting full-year salary funding? (Page 10-3,4 of the Budget Details, 924001A) (TP)

3. Explain the 33 percent increase in Wages and Salaries and how this increase will serve the Department and the public? How many new positions will be funded with this increase? (Page 332, Program Budget) (NUH)

Operations and Equipment (Category “B”)

1. What is currently being studied under parcel studies? Is this work contracted out through a Request for Proposals (RFP), and if so, which entity has been selected to perform the work? Provide a copy of any parcel study output the County has received to date. (Page 10-7, 924001B-6132) (TP)
2. Explain the \$6.75 million increase in Other Governmental Funds. (Page 332, Program Budget – Transfers out) (NUH)
3. What is the purpose of the \$1.65 million Interfund Cost Reclassification? (Page 332, Program Budget) (NUH)
4. Explain the basis for the 286 percent increase in travel expenses. (Page 342, Program Budget) (NUH)
5. What accounts for the anticipated \$32 million decrease in Other Costs for Operations? (Page 351, Program Budget) (NUH)
6. Provide the following information regarding County grant subsidies:
 - a. Is the \$2 million County grant subsidy for Housing Policy Implementation intended to support a vendor in carrying out all or part of the Comprehensive Affordable Housing Plan? If not, please explain how the funds will be used and identify the applicable grant requirements and eligibility criteria.
 - b. Within the County grant subsidies, is there an established standard or agreement with grantees that restricts, or limits, the use of funds for overhead expenses? If so, please explain.
 - c. For the County grant subsidy appropriations listed in the Department’s operating budget for the Lāna‘i Affordable

Housing Project, the Lahaina Community Land Trust, Hale O Lā‘ie, and the Wela Street Extension and Subdivision, please explain why these items are included in the operating budget rather than funded through the Affordable Housing Fund.

- d. Regarding the funding for building maintenance and renovation at Hale O Lā‘ie, please provide the status of the facility’s transfer from HHFDC to the County. In addition, explain the intended use of the property, outline the anticipated timeline for renovations, and provide a detailed budget for the \$5,200,000 appropriation.
- e. For the funding allocated to support the Lahaina Community Land Trust, please provide a detailed budget for the \$3,000,000 appropriation.

(Page 345 and 346, Budget Proposal) (SS) (TP) (YLS)

7. Has the Department revisited the 4.2-acre parcel, 440011060000, that was transferred to the County under Executive Order No. 4033, dated January 20, 2004, for affordable housing and an emergency evacuation route? It has been reported that the parcel is currently being used for private parking, is the Department taking any steps to ensure it is used in accordance with its intended public purpose? (Page 10-7, 924001B-6132) (TP)
8. What is included in required housing studies and what entity is doing this work? (Page 10-7, 924002B-6132, Budget Details) (TP)
9. How many workstations will be created through the \$320,000 expansion request? Are these workstations intended for existing employees or for new hires? Please explain. (Index code 924002C, Page 10-11, Budget Details) (NUH) (TP)
10. Please provide the following information regarding Affordable Rental Assistance Programs:
 - a. Does the Department recommend any changes to the language in the Maui County Code to more effectively address the broad demand for rental assistance?
 - b. What are the eligibility criteria for receiving rental assistance?
 - c. How is the effectiveness of the rental assistance programs evaluated?

- d. What is the maximum amount of rental assistance a household may receive on a monthly and annual basis?
- e. How are rental assistance funds allocated among the four providers, Family Life Center, Ka Hale A Ke Ola, Maui Economic Opportunity, and Women Helping Women?
- f. Do the programs promote housing stability by encouraging lease terms longer than six months?
- g. Do the programs offer support for applicants transitioning off FEMA rental assistance?
- h. In light of rising inflation, the expiration of the eviction moratorium on February 4, 2025, and the growing number of survivors now responsible for rent payments, why are there no proposed increases for rental assistance in the upcoming fiscal year?

(Page 9, Item a (4), Bill 41 (2025), Page 346, Program Budget) (GJ) (TP) (SS)

11. Please provide the following information regarding the Section 8 Housing Choice Voucher program:
- a. Has all proposed state and federal grant funding for Fiscal Year 2026 been secured?
 - b. Were all HUD emergency housing vouchers and Housing Choice Vouchers fully utilized in FY 2025? Explain.
 - c. Does the Department anticipate full utilization in FY 2026?
 - d. Does the Department have a contingency plan in place should funding for the Housing Choice Voucher program be reduced or eliminated?

(Page 349, Program Budget) (TP) (SS) (YLS)

12. Provide the following information regarding Emergency Housing Vouchers:
- a. Has the County received official notification of an increase in Emergency Housing Vouchers? If so, please provide a copy of the notification. If not, how was the Fiscal Year 2026 amount determined?
 - b. If funding for a subsidy program associated with Emergency Housing Vouchers is discontinued or falls through, how will the program be sustained? Is there a contingency plan in place?

(Page 349, Program Budget) (TP) (SS) (YLS)

13. Provide the following information regarding the Lānaʻi Affordable Housing Project:
- a. Is the project located on County-owned land, and will the housing be affordable in perpetuity?
 - b. Is the \$10 million appropriation intended to cover the entirety of anticipated infrastructure costs, and does it include roads, or is it limited to water and wastewater infrastructure development? If roads are excluded, please explain.
 - c. Is the \$10 million intended as a grant, and if so, to whom?
 - d. Please provide the current status of the project and the total project budget, including all sources of funds.
 - e. What is the projected timeline for completion of the infrastructure?

(Page 345 and 347, Program Budget, 924011B-6317) (TP) (GJ) (YLS)

14. Provide the following information regarding the Kilohana Makai Project:
- a. What is the current status of the project?
 - b. What is the total amount of County funds allocated to the project to date, including any prior appropriations for the Wela Street Extension and subdivision improvements?
 - c. Are County funds provided in advance or disbursed as reimbursements based on submitted receipts or invoices?
 - d. One of the original conditions imposed by the Council was a prohibition on accessory dwelling units (ADUs). Would Act 39, Session Laws of Hawaii 2023, or if enacted, Bill 103 (2024) supersede that condition?

(Page 345 and 346, Program Budget, 924015B-6317) (TP) (YLS)

15. Provide the following information regarding the Home Investment Partnerships Program:
- a. What year is the County currently in within the three-year rotation for the Home Investment Partnerships Program and the National Housing Trust Fund Program?

- b. Does the three-year rotation mean the County receives funding once every three years, or annually over a three-year period?
- c. What are the Department’s plans for the HOME Program and National Housing Trust Fund grants? Please explain how the Department intends to award these funds.

(Program Budget, pp. 349–350) (TP) (YLS)

16. Provide the following information regarding the ‘Ohana Assistance Program:

- a. What is the current status of the program?
- b. Which entity is administering the program?
- c. What is the total amount awarded to date?
- d. What are the program’s eligibility criteria, including any applicable administrative rules or ordinance provisions?
- e. How many ‘ohana have been assisted to date?
- f. If the program has not yet launched, what is the reason for the delay?
- g. What communication has been provided to applicants who were approved for assistance?
- h. Are wildfire survivors eligible to apply for funding to rebuild accessory dwelling units (ADUs) destroyed in the 2023 wildfire?

(Page 10-9, 924007B-7541, Budget Details and Page 56, Item Z, Budget Bill, Appendix A Part II) (YLS) (TP)

17. Provide the following information regarding the Experimental and Demonstration Housing Fund and proposed projects under Chapter 16.28, Maui County Code:

- a. What projects are being proposed and how will the requested \$4.75 million be allocated? Given that there are no specific projects appropriated in Appendix A, Part II, what is the rationale for the proposed fund transfer?
- b. Will the funding be used for development on County-owned lands?
- c. Will all proposed projects comply with applicable fire code requirements?
- d. What are the program’s guidelines and qualification criteria?

Mr. Richard "Remi" Mitchell
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- e. What is the justification for this appropriation when alternative mechanisms—such as Section 201H, Hawaii Revised Statutes, and Chapter 2.97, Maui County Code, are available to support housing development?

(Page 10-9, 924014B, Budget Details and Page 56, Item X, Appendix A, Part II)
(GJ) (NUH) (TC) (TP) (YLS)

Appendix A, Part II

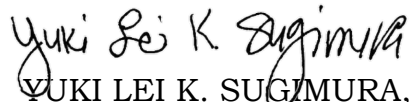
1. Provide the following information regarding the First-Time Homebuyers Program under the Homeowner Programs Revolving Fund:
 - a. Which entity is responsible for administering funds for the First-Time Homebuyers Program under the Homeowner Programs Revolving Fund?
 - b. How does the Department monitor and enforce compliance with Section 3.34.060, Maui County Code, when grants are awarded from the Homeowner Programs Revolving Fund?

(Page 56, Item Z, Budget Bill, Appendix A Part II) (TP) (YLS)

Thank you for your attention to this request. To ensure efficient processing, please include the relevant Committee item number in the subject line of your response.

Should you have any questions, please contact me or the Committee staff (Kirsten Szabo at ext. 7662, James Krueger at ext. 7761, Jarret Pascual at ext. 7141, Clarissa MacDonald at ext. 7135, or Pauline Martins at ext. 8039).

Sincerely,



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

bfed:2026bgt:250401aho01:kes
cc: Mayor Richard T. Bissen, Jr.
Deputy Director of Housing
Budget Director

BFED Committee

From: BFED Committee
Sent: Monday, April 7, 2025 3:48 PM
To: Richard E. Mitchell
Cc: BFED Committee; 'Michelle Santos'; 'Zeke Kalua'; Saumalu Mataafa; Amanda.M.Martin@co.maui.hi.us; Lesley Milner; kristina.cabbat@co.maui.hi.us; tiare.p.horner@co.maui.hi.us; Janina Agapay
Subject: FISCAL YEAR 2026 BUDGET (BFED-1) (HO-02); reply by 4/10/25
Attachments: (HO-02) Correspondence to Director of Housing 04-07-2025.pdf

Mr. Mitchell: Please see attached *revised* letter, from Committee Chair, dated 04/07/2025

RICHARD T. BISSEN, JR.
Mayor

RICHARD E. MITCHELL, ESQ.
Director

SAUMALU MATA'AFA
Deputy Director




DEPARTMENT OF HOUSING
COUNTY OF MAUI
2065 MAIN STREET, SUITE 108
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7351
FAX: (808) 270-6284

April 11, 2025

Ms. Lesley Milner 
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

 **4-11-25**
Mayor **Date**

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
Budget, Finance, and Economic Development Committee
Maui County Council
Wailuku, Hawaii 96793

Dear Chair Sugimura:

SUBJECT: FISCAL YEAR 2026 BUDGET (BFED-1) (HO-02)

Thank you for your letter dated April 7, 2025, relating to the Department's Fiscal Year (FY) 2026 proposed budget. Both the Budget, Finance, and Economic Development (BFED) Committee's questions and the Department of Housing's (Department) responses are below:

Overall

1. **How does the Department's proposed budget support the three key priorities outlined in the Mayor's Budget Message? (YLS)**

The Department's FY 2026 proposed budget maintains and expands essential services, programs, and projects to help support the Mayor's Kama'aina Housing initiative.

The Department continues to administer federal housing grants which help maintain an inventory of rental housing, provide stability for households, and fund new housing opportunities.

The Department's County programs provide rental assistance, homeowner assistance, funding for new developments, and residential workforce housing requirements.

The Department also proposes funding tools for the new Housing and Community Development Division to assist with the creation of new housing units across the county.

2. **What is the current status of recruitment and hiring for the Administrator positions overseeing the Department's division heads? (Page 329, Program Budget) (NUH)**

The three Housing Administrator positions overseeing each of the Department's divisions are currently vacant.

The Housing and Community Development Division (HCDD) Administrator position was approved by The Department of Personnel Services (DPS) in November 2024 and continuous recruitment began in December 2024. In January 2025, the DPS forwarded two applications to the Department, a third application was forwarded in February 2025, and a fourth application was forwarded in March 2025. The Department scheduled interviews in March. The Department made an offer to the highest-ranking applicant. The applicant declined the offer made, and stayed with their current employer. The Department will continue to accept applications provided by the DPS.

The County Housing Programs Division (CHPD) Administrator position was vacant as of March 1, 2025. The Department reached out to the DPS on April 1, 2025, to propose revisions to the position's current classification and minimum qualification requirements before recruitment takes place. The DPS is currently reviewing the Department's proposed revisions to the Housing Administrator classification. The DPS review requires them to also adjust the Housing Program Specialists classification series and the Assistant Housing Administrator classification because the minimum qualifications for those positions are connected to the Housing Administrator role.

The Federal Housing Programs Division (FHPD) Administrator position is vacant. The position is pending reallocation from the former Department of Housing and Human Concern's (DHHC) Assistant Housing Administrator. The Department's FY 2025 Proposed Reorganization (Reorganization) incorporates this position's proposed reallocation. Once HGEA consultation on the Reorganization concludes, the Department of Personnel Services (DPS) must approve the proposed reallocation of DHHC's Assistant Housing Administrator to the FHPD Housing Administrator position before the Department can post for recruitment.

3. **Explain the rationale for transferring the Community Development Block Grant (CDBG) Program from the Office of the Mayor to the Department of Housing. Will this change restrict the use of CDBG funds for non-housing-related projects? More broadly, are CDBG funds used exclusively for housing projects? Please explain. (YLS) (TC)**

CDBG falls under the Department of Housing and Urban Development's (HUD) Community Planning and Development Office.

The Department's new FHPD is responsible for overseeing federal appropriations related to the HOME Investment Partnerships program (HOME) and the National Housing Trust Fund program (HTF). HOME and HTF also fall under HUD's Community Planning and Development Office.

In other jurisdictions across the country, including Kaua'i County, the CDBG, HOME, and HTF programs under the same organizational branch, and able to share resources and partner on projects to maximize federal grant funding.

The CDBG program will continue to follow HUD's rules and guidelines for administration. The CDBG Program can continue to use its annual allocation on non-housing projects after it joins the Department.

The Department plans to explore and utilize all tools available through the CDBG Program and strategize on how to maximize the use of the annual appropriation to benefit Maui County residents.

4. **Provide the Fiscal Year 2026 Affordable Housing Fund Annual Plan, as required by Section 3.35.080, Maui County Code. (YLS)**

The Fiscal Year 2026 Affordable Housing Fund Annual Plan was transmitted to the Council on April 10, 2025.

5. **How many households are anticipated to be served through the Hale Mahaolu Homeowners and Housing Counseling Program? How frequently are the classes held, what is the typical class capacity, and are the classes offered in multiple districts? (Page 346, Program Budget) (TP)**

The Department anticipates the Homeowners and Housing Counseling program will serve 190 unduplicated households.

Classes are offered in two formats, including a self-paced online framework course and virtual interactive classes. The self-paced online framework course is available at any time and approved by HUD. The virtual interactive classes are offered once a month over a three-day period.

The maximum capacity for classes is 200. All Maui County residents can register for the classes as long as they have cell and internet service.

6. **Regarding Goal No. 5 under the Federal Housing Program Division, what qualifies as assistance, and what standard services does the Department provide to the public in response? (Page 339, Program Budget) (NUH)**

The Department is committed to providing fair and equal access to our community members with their housing-related inquiries. At minimum it means answering their phone calls and providing information and referrals to service agencies. The Department also receives reports from community-members and monitoring property owners that receive County funding.

The Department maintains a Fair Housing page on the County of Maui's website, which outlines applicable federal and state laws. The Fair Housing page provides information on how to file a complaint with HUD and the Hawai'i Civil Rights Commission. Additionally, the Department maintains a Fair Housing Resource Directory which lists the other agencies in the state of Hawai'i that offer services and supports for individuals who feel they have experienced housing discrimination.

The Department attends quarterly Fair Housing Coordinator meetings with the City and County of Honolulu, the neighbor islands, State of Hawai'i, HUD, and other community agency representatives. Meetings are used to discuss any updates to Fair Housing policy, organizing for the annual April Fair Housing

Conference, and planning for the Analysis to Impediments to Fair Housing Report.

7. **Regarding Goal No. 1, Item 2, under the Housing and Community Development Division, what is an interagency or interdepartmental collaboration? (Page 341, Program Budget) (NUH)**

Interagency and interdepartmental collaborations refer to meetings or partnerships with other County Departments, State Departments, or Federal agencies.

8. **Regarding Goal No. 3 under the County Housing Program Division, what is the reason for the projected reduction in First-Time Home Buyer awards in FY 2026, compared to the estimated awards in FY 2025? (Page 337, Program Budget) (NUH) (SS)**

High interest rates, low inventory of homes on the market, along with the continuing rise in home prices has made it increasingly difficult for buyers in the program to purchase a home with a monthly mortgage amount they can afford.

9. **Regarding Goal No. 4 under the County Housing Program Division, you provided an estimate of how many individuals or families received funding to construct an accessory dwelling unit in FY 2025, what is the actual number? (Page 337, Program Budget) (NUH)**

The Department has not provided funding to individuals or families to construct accessory dwelling units in FY 2025.

The Council recognized \$2.75 million for the Ohana Assistance Program in FY 2025. The Ohana Assistance Program provides individual grants up to \$100,000 for homeowners to build a workforce accessory dwelling unit.

The Department has a pending request for legal services with the Department of Corporation Counsel to review the draft grant agreement and general terms and conditions as to form and legality. The Department will be able to move forward with executing individual grant agreements with qualified homeowners once the grant agreement is approved by Corporation Counsel.

Salaries (Category "A")

1. **Provide the status of all current and pending positions within the Department.**

Please see Attachment 1.

For proposed expansion positions please explain:

- a. **If a full 12-months funding is justified?**

Yes, we anticipate the expansion positions to be established, recruited, and filled by the end of FY 2025.

- b. **If the Department will be able to create, recruit, and fill these positions at the start of the fiscal year? (Page 10-3, 10-4; Budget Details) (TC)**

Yes, the Department is currently consulting with HGEA (Union) regarding the Department's proposed reorganization before the positions are reviewed, priced, and classified by the Department of Personnel Services (DPS). Union consultation is anticipated to conclude within the next week and DPS will be able to proceed with their review process. Once position descriptions are approved by DPS, the Department will be able to post the positions and recruit for each one. Depending on how quick the remaining process takes, we will be able to fill the positions before the end of the current fiscal year.

2. **Has the Department filled the expansion positions authorized by Ordinance 5769, or does it anticipate filling them before the end of the current fiscal year? If so, is this the basis for requesting full-year salary funding? (Page 10-3,4 of the Budget Details, 924001A) (TP)**

The expansion positions authorized by Ordinance 5769 have not been filled. We anticipate the reorganization process to include the expansion positions in the Department's organizational chart to conclude in May 2025. The Department plans to fill the positions before the end of FY 2025.

3. **Explain the 33 percent increase in Wages and Salaries and how this increase will serve the Department and the public? How many new positions will be funded with this increase? (Page 332, Program Budget) (NUH)**

The 33 percent increase in FY 2026 Proposed Wages and Salaries includes the six expansion positions authorized by Ordinance 5769, four CDBG positions transferring from the Office of the Mayor on July 1, 2025, proposed reallocations, step increases, salary corrections and salary alignment (for non-civil employees).

- The six expansion positions account for approximately 15% of the increase.
- The four CDBG positions account for approximately 11% of the increase.
- Salary alignment for non-civil employees account for approximately 2% of the increase.
- Scheduled step increases, salary correction and proposed reallocations account for the remaining 5% of the increase.

Increase of all positions will allow the Department to function effectively and fulfill its responsibilities pursuant to the Charter.

Operations and Equipment (Category "B")

1. **What is currently being studied under parcel studies? Is this work contracted out through a Request for Proposals (RFP), and if so, which entity has been selected to perform the work? Provide a copy of any parcel study output the County has received to date. (Page 10- 7, 924001B-6132) (TP)**

The Department's HCDD will utilize this funding to conduct feasibility studies, initiate entitlements, and create project designs on County-owned parcels that are suitable for development of workforce housing.

No entity has been awarded funds to date. The Department plans on utilizing the Qualifications Based Selection (QBS) method of procurement to select a vendor.

2. **Explain the \$6.75 million increase in Other Governmental Funds. (Page 332, Program Budget – Transfers out) (NUH)**

The Department proposes adding \$2 million for the Ohana Assistance Program under the Homeowner Programs Revolving Fund and \$4.75 million for the Experimental and Demonstration Housing Fund. Funding has not historically revolved back into these funds. The proposed request for funding is to continue to support the development of accessory dwelling units and creative housing projects.

3. What is the purpose of the \$1.65 million Interfund Cost Reclassification? (Page 332, Program Budget) (NUH)

The purpose of the \$1.65 million under Interfund Cost Reclassification is for 6349 Overhead and Administration for grants and 6275 Fringes, Payroll for CDBG Program - Grant Revenue Fund.

4. Explain the basis for the 286 percent increase in travel expenses. (Page 342, Program Budget) (NUH)

The Department's FY 2025 adopted travel budget is insufficient to support all four divisions. There are several key housing conferences that occur annually, including the National Association of Housing and Redevelopment Officials, National Multifamily Housing Council, National Council of State Housing Agencies, and Novogradac Conferences. Department representatives who attended these conferences in the past were provided valuable tools, shared knowledge, and key takeaways that enhance the Department's operations, services, programs, and projects.

The Department's FY 2025 travel budget is also currently shared among all four divisions through the Administration Division's operating budget. The Department's FY 2026 proposed budget separates the operational expenses of each division, including travel expenses for efficiency, effectiveness, and transparency.

5. What accounts for the anticipated \$32 million decrease in Other Costs for Operations? (Page 351, Program Budget) (NUH)

The decrease in Other Costs for Operations is attributed by a reduction in the annual allocation for the Affordable Housing Fund. The Maui County Charter requires at least 3 percent of real property tax revenues for the upcoming fiscal year be set aside for Affordable Housing Fund (AHF) appropriations.

In FY 2025, while the Administration proposed 8 percent, the Council increased it to approximately 9.6 percent.

8 percent of real property tax revenues was set aside for AHF appropriations.

In FY 2026, the Mayor's Proposed Budget sets aside 5 percent of real property tax revenues for AHF appropriations. The proposed allocation is less than FY 2025 because the County anticipates receiving \$1.6 billion in CDBG Disaster Recovery (CDBG-DR)

Program. The CDBG-DR Program Draft Action Plan proposes over \$900 million be set aside for housing projects and programs.

6. Provide the following information regarding County grant subsidies:

- a. **Is the \$2 million County grant subsidy for Housing Policy Implementation intended to support a vendor in carrying out all or part of the Comprehensive Affordable Housing Plan? If not, please explain how the funds will be used and identify the applicable grant requirements and eligibility criteria.**

The Council appropriated \$2 million in the Department's FY 2025 budget to implement Ordinance 5315 (2021) (Bill 111) (Housing Portal) and Ordinance 5441 (2022) (Bill 107) (Sales Price Guidelines). The Department is working with the County's Information Technology Services (IT) Division to advance work on Ordinance 5315 to create a webpage on the County's website to provide the public with a comprehensive list of relevant housing project information. At this juncture, while Department has not conclusively determined what amount of the appropriated funds will be expended, given previous cost estimates received to produce a housing portal webpage, and subject to how the webpage might be expanded to include databases, it is possible that the appropriation will be spent on both the IT Division and an unidentified vendor.

- b. **Within the County grant subsidies, is there an established standard or agreement with grantees that restricts, or limits, the use of funds for overhead expenses? If so, please explain.**

All grantees are required to have a grant agreement with the Department. The grant agreement contains a section relating to the project's budget which is incorporated as an exhibit. The project budget must be followed for the grant funds to be released.

The prospective grantee must submit a grant application which includes a section relating to the project budget before the execution of the grant agreement. The Department reviews the grant application and works with prospective grantees to assure the objective of the appropriation is being met and overhead expenses are reasonable in its project budget proposal. The Department initiates the grant agreement execution process when the critical components of the project application are satisfactory, including the project budget.

- c. **For the County grant subsidy appropriations listed in the Department's operating budget for the Lāna'i Affordable Housing Project, the Lahaina Community Land Trust, Hale O Lā'ie, and the Wela Street Extension and Subdivision, please explain why these items are included in the operating budget rather than funded through the Affordable Housing Fund.**

The grant subsidy appropriations listed in the Department's operating budget are the Administration's priority projects. The priority projects were included in the budget after the Department closed its AHF application process for FY 2026 funding in November 2024.

- d. **Regarding the funding for building maintenance and renovation at Hale O Lā'ie, please provide the status of the facility's transfer from HHFDC to the County. In addition, explain the intended use of the property, outline the anticipated timeline for renovations, and provide a detailed budget for the \$5,200,000 appropriation.**

The Department submitted proposed amendments on the memorandum of agreement, ground lease, and restrictive covenants to Hawai'i Housing and Finance Development Corporation (HHFDC) for its review and approval. The Department is pending HHFDC's response to its proposed amendments.

The use of the property is conditioned to provide workforce housing, teacher housing, and a public early childhood facility. The Department will initiate renovation of the property when the State transitions all Hawai'i Interim Housing Program (HIHP) out of the property and into other temporary or permanent housing.

The Department plans to use the \$5.2 million for planning, design, and construction.

- e. **For the funding allocated to support the Lahaina Community Land Trust, please provide a detailed budget for the \$3,000,000 appropriation.**

The Department intends to fund the Lahaina Community Land Trust's (LCLT) property acquisition and insurance gap programs.

7. **Has the Department revisited the 4.2-acre parcel, 440011060000, that was transferred to the County under**

Executive Order No. 4033, dated January 20, 2004, for affordable housing and an emergency evacuation route? It has been reported that the parcel is currently being used for private parking, is the Department taking any steps to ensure it is used in accordance with its intended public purpose? (Page 10-7, 924001B-6132) (TP)

The Department has not yet revisited the subject parcel for the purposes identified in Executive Order No. 4033. The HCDD, when it is fully staffed, will be responsible for evaluating the parcel.

- 8. What is included in required housing studies and what entity is doing this work? (Page 10-7, 924002B-6132, Budget Details) (TP)**

The Department plans to use the Administration Division's professional services budget to fund continued work on studies including the Hawai'i Housing Planning Study, Analysis of Impediments Study, Addendums to the Fair Market Rent study for FY 2026, and the Department's office space plan. The professional services budget will also fund other services including a prevailing wages service platform and office renovation services.

- 9. How many workstations will be created through the \$320,000 expansion request? Are these workstations intended for existing employees or for new hires? Please explain. (Index code 924002C, Page 10-11, Budget Details) (NUH) (TP)**

The Department intends to modernize the office space at 2065 Main Street, Wailuku. The Department is working to provide up to forty-three professional workstations for both existing and new staff.

- 10. Please provide the following information regarding Affordable Rental Assistance Programs:**

- a. Does the Department recommend any changes to the language in the Maui County Code to more effectively address the broad demand for rental assistance?**

The goal of the Rental Assistance Program (RAP) is to provide supplemental assistance to qualifying individuals and families. The supplemental assistance includes rental and utility assistance, case management, and ancillary services to support program participants temporarily while they work on economic self-sufficiency.

b. **What are the eligibility criteria for receiving rental assistance?**

Please see the Rental Assistance Program's eligibility criteria below:

- Program participants have a history of prolonged or chronic homelessness.
- Household income must be eighty percent of the area median income or below.
- Participants must provide an eviction notice or have other documentation demonstrating need for assistance.
- Participants must be living in substandard housing, which includes living outside, or in crowded living conditions.
- Participants must participate in case management and work towards self-sufficiency.

c. **How is the effectiveness of the rental assistance programs evaluated?**

The Department evaluates program effectiveness through monthly meetings, quarterly reports and annual monitoring. The Department's CHPD staff also verifies that the use of funds and the program implementation follow the grant agreement.

d. **What is the maximum amount of rental assistance a household may receive on a monthly and annual basis?**

The maximum amount varies depending on participant need. The cumulative amount that each participant receives must be equal to or less than \$24,000, per household, over the twelve-month assistance window.

e. **How are rental assistance funds allocated among the four providers, Family Life Center, Ka Hale A Ke Ola, Maui Economic Opportunity, and Women Helping Women?**

The Department plans to execute grant amendments with the following agencies for the County's Rental Assistance Program in FY 2026:

- Family Life Center - \$810,000
- Ka Hale A Ke Ola Resource Centers - \$446,400
- Women Helping Women - \$220,000
- Maui Economic Opportunity, Inc. - \$850,000

The remaining balance will be used within the Rental Assistance Program to address the agencies' arising needs.

- f. **Do the programs promote housing stability by encouraging lease terms longer than six months?**

Yes, most programs require a one-year lease.

- g. **Do the programs offer support for applicants transitioning off FEMA rental assistance?**

Yes, if applicants meet the criteria identified in the Department's response to Question 10(b) and there is no duplication of funds, they qualify for the County's Rental Assistance Program funds.

- h. **In light of rising inflation, the expiration of the eviction moratorium on February 4, 2025, and the growing number of survivors now responsible for rent payments, why are there no proposed increases for rental assistance in the upcoming fiscal year?**

The Department's current allocation of \$3 million is sufficient to meet program participant needs through the end of FY 2025. The Rental Assistance Program grantees have also indicated \$3 million in FY 2026 is also sufficient based on current and historical program data.

(Page 9, Item a (4), Bill 41 (2025), Page 346, Program Budget) (GJ) (TP) (SS)

11. **Please provide the following information regarding the Section 8 Housing Choice Voucher program:**

- a. **Has all proposed state and federal grant funding for Fiscal Year 2026 been secured?**

The Section 8 Housing Choice Voucher (HCV) Program is funded through the annual budget of the U.S. Department of Housing and Urban Development (HUD), with appropriations authorized by Congress as part of the federal budget process. Each fiscal year, Congress allocates renewal funding to Public Housing Agencies (PHAs) based on the number of vouchers in use and the associated costs during the preceding year, adjusted to account for inflation and other economic factors. HUD uses a formula

established by statute and refined through administrative guidance to determine each PHA's annual funding level.

The federal budget cycle begins in February, when the President submits a budget request to Congress for the upcoming fiscal year. Congress then begins the appropriations process, which includes the development and passage of budget resolutions and appropriations bills. Congress aims to adopt budget resolutions by April 15 each year. Following this, HUD typically issues annual funding obligation letters to PHAs between early and mid-May, which specify the amount of renewal funding each agency will receive.

b. **Were all HUD emergency housing vouchers and Housing Choice Vouchers fully utilized in FY 2025? Explain.**

The Department has reached its authorized Emergency Housing Voucher (EHV) lease-up count and, in accordance with HUD guidance, is not permitted to issue additional EHV's. As for the HCV program, in FY 2025, overall voucher utilization is anticipated to surpass 98 percent.

The Emergency Housing Voucher program has a total allocation of fifty-one vouchers, all of which are currently leased—leaving the Department with no remaining issuance capacity. For the HCV program, 1,533 vouchers are available to fund for FY 2025. With 1,531 families currently leased, there is very limited capacity for new leasing.

c. **Does the Department anticipate full utilization in FY 2026?**

Yes, the Department anticipates full utilization of its EHV's and HCV's in FY 2026.

d. **Does the Department have a contingency plan in place should funding for the Housing Choice Voucher program be reduced or eliminated?**

The Department could seek approval from its Financial Analyst at the Financial Management Center (FMC) to "borrow" from its undisbursed 2026 Housing Assistance Payments (HAP) obligations to help address the projected deficit for the upcoming fiscal year if funding was reduced or eliminated. The Department could also utilize available HAP reserves or apply for shortfall funding, if authorized by HUD. The Department would suspend the issuance of new vouchers during the shortfall period to

preserve assistance for current program participants and ensure continued payments to landlords.

(Page 349, Program Budget) (TP) (SS) (YLS)

12. Provide the following information regarding Emergency Housing Vouchers:

- a. **Has the County received official notification of an increase in Emergency Housing Vouchers? If so, please provide a copy of the notification. If not, how was the Fiscal Year 2026 amount determined?**

No, there was no increase in EHV HAP funding for FY26. Renewal funding for CY26 is calculated based on the total number of months leased as reported by the Department in the Voucher Management System (VMS) for CY24. This figure is adjusted for 5 percent attrition, then multiplied by the CY25 per unit cost adjusted with an estimated CY26 inflation factor of 2.69 percent. The resulting amount is then multiplied by a proration factor, which reflects the percentage of total eligible funding available. This proration factor is determined by dividing the total funding appropriated for all renewal vouchers by the total renewal eligibility for all PHAs in 2026. It is then applied to each PHA's total renewal eligibility.

- b. **If funding for a subsidy program associated with Emergency Housing Vouchers is discontinued or falls through, how will the program be sustained? Is there a contingency plan in place?**

If the Department is facing a funding shortfall, it may submit a request to its Financial Management Center (FMC) Financial Analyst to "borrow" from its undisbursed 2026 HAP obligations to cover the deficit for the upcoming fiscal year. The Department may also use available HAP reserves or apply for shortfall funding, if authorized by HUD. Additional guidance on managing EHV's has not yet been provided by HUD.

(Page 349, Program Budget) (TP) (SS) (YLS)

13. Provide the following information regarding the Lāna'i Affordable Housing Project:

- a. **Is the project located on County-owned land, and will the**

housing be affordable in perpetuity?

The Lāna'i Affordable Housing Project is located on County-owned land. The County will execute a long-term lease with the project developer to keep the project affordable.

- b. **Is the \$10 million appropriation intended to cover the entirety of anticipated infrastructure costs, and does it include roads, or is it limited to water and wastewater infrastructure development? If roads are excluded, please explain.**

The \$10 million appropriation is only intended to cover the water and wastewater infrastructure. The Department was not aware of the road infrastructure request at the time it submitted its proposed budget for review.

- c. **Is the \$10 million intended as a grant, and if so, to whom?**

The Department intends to partner with the project developer to build the water and wastewater infrastructure.

- d. **Please provide the current status of the project and the total project budget, including all sources of funds.**

There are currently no funds appropriated for the project. The Department's proposed FY 2026 budget includes \$10 million for water and wastewater infrastructure and \$7.2 million from the AHF for on-site construction.

- e. **What is the projected timeline for completion of the infrastructure?**

The Department plans on partnering with the project developer to fund the infrastructure in FY 2026. The Department anticipates the infrastructure work to start in FY 2026.

(Page 345 and 347, Program Budget, 924011B-6317) (TP) (GJ) (YLS)

14. Provide the following information regarding the Kilohana Makai Project:

- a. **What is the current status of the project?**

The Developer completed various onsite improvements and started to install utilities. Vertical construction is estimated to begin in the summer of 2025 and initial occupancy is expected to commence at the end of calendar year 2025.

- b. **What is the total amount of County funds allocated to the project to date, including any prior appropriations for the Wela Street Extension and subdivision improvements?**

A total of \$5,754,088 has been allocated to the project.

- c. **Are County funds provided in advance or disbursed as reimbursements based on submitted receipts or invoices?**

Funds are disbursed on a reimbursement basis.

- d. **One of the original conditions imposed by the Council was a prohibition on accessory dwelling units (ADUs). Would Act 39, Session Laws of Hawai'i 2023, or if enacted, Bill 103 (2024) supersede that condition?**

The Department defers to the Department of Corporation Counsel to determine whether the construction of accessory dwelling units on the property would be allowed under Act 39, Session Laws of Hawaii 2023.

(Page 345 and 346, Program Budget, 924015B-6317) (TP) (YLS)

15. Provide the following information regarding the Home Investment Partnerships Program:

- a. **What year is the County currently in within the three-year rotation for the Home Investment Partnerships Program and the National Housing Trust Fund Program?**

The County is scheduled to receive the next HOME and HTF allocation in FY 2026. The Department last received HOME and HTF funds in FY 2023.

- b. **Does the three-year rotation mean the County receives funding once every three years, or annually over a three-year period?**

The County receives the funding once every three years.

- c. **What are the Department's plans for the HOME Program and National Housing Trust Fund grants? Please explain how the Department intends to award these funds.**

The Department will provide gap funding for affordable rental construction projects in the County.

The Department intends to issue a Request for Proposals in the fall of 2025 for affordable housing developers and community housing development to apply for funding. The Department will then hold an information workshop for interested parties to review any questions regarding the funding and the application packet. Subsequently, a 30-day window for applications will open through the Public Purchase County system. After the application period closes, the Department will review all applications that meet the parameters of the program (as outlined in the application packet). A selection panel of three staff members will review the applications and their supporting documents and complete their recommendations utilizing the scoring rubric provided by the Department. The Department will then work directly with the selected applicant to plan during the pre-construction phase.

(Program Budget, pp. 349–350) (TP) (YLS)

16. Provide the following information regarding the 'Ohana Assistance Program:

- a. **What is the current status of the program?**

The Department has a pending request for legal services to review the 'Ohana Assistance Program grant agreement for form and legality. The Department can move forward with issuing grant agreements with program participants once it is approved.

- b. **Which entity is administering the program?**

The Council appropriated \$2.75 million in the DHHC's FY 2024 budget for the 'Ohana Assistance Program.

The DHHC initially contracted with a vendor to administer the program in FY 2024. The selected vendor opened and closed its application for the 'Ohana Assistance Program in the summer of 2024.

The vendor screened and ranked the applications received but did not issue any grant agreements. In November 2024, the vendor notified the Department that it wished to end the contract with the County.

In December 2024, the Department worked with the Council to pass Ordinance 5753, which amended Chapter 3.36, Maui County Code (MCC), and provided the Department with the authority to administer the 'Ohana Assistance Program internally.

In January 2025, the Department also worked with the Council to pass Ordinance 5762, which recognized the disencumbered funds from the canceled 'Ohana Assistance Program contract in the Department's FY 2025 Budget. Ordinance 5762 allowed the Department to fund the 'Ohana Assistance Program internally.

The Department has been working with the Department of Corporation Counsel to draft the legal documents required to award funding to program participants. The Department is the entity currently responsible for administering the 'Ohana Assistance Program.

c. What is the total amount awarded to date?

The Department has not disbursed any grant funding appropriated for the 'Ohana Assistance Program.

d. What are the program's eligibility criteria, including any applicable administrative rules or ordinance provisions?

The 'Ohana Assistance Program eligibility criteria can be found in Section 3.34.060, MCC.

e. How many 'ohana have been assisted to date?

The Department has not issued any grant agreements to date. There are currently sixteen ranked applications with approved permits to build an accessory rental dwelling unit on their property. There are twenty-six ranked applications that have permits pending approval. The funding made available through Ordinance 5762 allows the Department to assist at least twenty families.

f. If the program has not yet launched, what is the reason for the delay?

Please see the Department's responses to Questions 16(a) and 16(b).

- g. **What communication has been provided to applicants who were approved for assistance?**

The Department has communicated to priority applicants that funding is pending approval of 'Ohana Assistance Program's legal documents.

- h. **Are wildfire survivors eligible to apply for funding to rebuild accessory dwelling units (ADUs) destroyed in the 2023 wildfire?**

Wildfire survivors who meet the criteria in Section 3.34.060, MCC, are eligible for the program. The Department is not currently accepting additional applications in FY 2025.

(Page 10-9, 924007B-7541, Budget Details and Page 56, Item Z, Budget Bill, Appendix A Part II) (YLS) (TP)

17. Provide the following information regarding the Experimental and Demonstration Housing Fund and proposed projects under Chapter 16.28, Maui County Code:

- a. **What projects are being proposed and how will the requested \$4.75 million be allocated? Given that there are no specific projects appropriated in Appendix A, Part II, what is the rationale for the proposed fund transfer?**

The Experimental and Demonstration Housing (EDH) Fund is a tool that provides creative methods to develop and research ideas that would reduce the cost of housing in the County. The Department proposes \$4.75 million to re-establish the EDH fund and allow unconventional project proposals to be considered by the Department.

The Department plans to solicit EDH project proposals in FY 2026, rank the proposals, and award funding to top-ranked EDH projects.

The Department will submit the Administration's priority projects for Council's approval through a budget amendment.

- b. **Will the funding be used for development on County-owned lands?**

The Department's intent is to solicit project proposals from private and non-profit developers in FY 2026. The Department plans to evaluate use of the funds on County-owned lands as the HCDD builds capacity.

- c. **Will all proposed projects comply with applicable fire code requirements?**

Project proposals that comply with the County's safety standards will be given greater consideration in application points during the Department's review process.

- d. **What are the program's guidelines and qualification criteria?**

The Department does not currently have program guidelines for the EDH Fund. The Department plans to administer funding awards similarly to the AHF open application process. The projects must comply with Chapter 16.28, MCC, and Section 46-15, Hawaii Revised Statutes (HRS).

- e. **What is the justification for this appropriation when alternative mechanisms—such as Section 201H, Hawai'i Revised Statutes, and Chapter 2.97, Maui County Code, are available to support housing development?**

The Department is seeking new novel ways of testing creative housing ideas that are separate from Chapter 2.97, MCC, and 201H, HRS.

(Page 10-9, 924014B, Budget Details and Page 56, Item X, Appendix A, Part II) (GJ) (NUH) (TC) (TP) (YLS)

Appendix A, Part II

1. **Provide the following information regarding the First-Time Homebuyers Program under the Homeowner Programs Revolving Fund:**
 - a. **Which entity is responsible for administering funds for the First-Time Homebuyers Program under the Homeowner Programs Revolving Fund?**

The Department's CHPD administers the First-Time Homebuyers Program funds.

- b. **How does the Department monitor and enforce compliance with Section 3.34.060, Maui County Code, when grants are awarded from the Homeowner Programs Revolving Fund?**

The criteria in Section 3.34.060, Maui County Code applies specifically to the 'Ohana Assistance Program.

(Page 56, Item Z, Budget Bill, Appendix A Part II) (TP) (YLS)

Should you have further questions, please contact me or the Department at (808) 270-7110 or email me at director.housing@co.maui.hi.us.

Sincerely,


RICHARD E. MITCHELL, ESQ.
Director of Housing

Attachment (1)

Department of Housing
Status as of April 10, 2025

CURRENT POSITIONS - Filled

Deputy Director Of Housing
Director Of Housing
Private Secretary
Administrative Assistant II
Housing Program Specialist V
Housing Program Specialist II
Housing Program Specialist III
Development Project Coordinator
Program Specialist III
Housing Program Specialist IV
Housing Program Technician
Housing Choice Voucher Program Manager
Housing Choice Voucher Program Supervisor
Office Operations Assistant
Senior Clerk
Housing Clerk
Housing Inspector
Housing Program Specialist IV
Housing Specialist
Housing Specialist
Housing Specialist
Housing Specialist
Housing Specialist
Housing Specialist
Housing Specialist
Housing Specialist
Housing Choice Voucher Program Supervisor

Current positions – Vacant

Secretary III

Pending Reorg Proposal approval from the Union and DPS before posting.

Housing Program Specialist V

Pending Reorg Proposal approval from the Union and DPS before posting.

FHP Housing Administrator

Pending Reorg Proposal approval from the Union and DPS before posting.

Planner IV

Pending Reorg Proposal approval from the Union and DPS before posting.

CHP Housing Administrator

Pending Amendment to Class Specifications before posting.

HCD Housing Administrator

Attachment 1

Continuous recruitment: Selected candidate declined. Waiting for additional eligible applicants

Housing Inspector

Pending posting for recruitment

Housing Specialist

Position defunded

Housing Choice Voucher Program Accountant

Position defunded

Housing Program Technician

Position defunded

Housing Clerk

Position defunded

Housing Clerk

Position defunded

Proposed Expansion Positions - Vacant

Accountant III

Pending Reorg Proposal approval from the Union and DPS before posting.

Research Analyst

Pending Reorg Proposal approval from the Union and DPS before posting.

CHP Secretary I

Pending Reorg Proposal approval from the Union and DPS before posting.

HCD Secretary I

Pending Reorg Proposal approval from the Union and DPS before posting.

FHP Secretary II

Pending Reorg Proposal approval from the Union and DPS before posting.

Program Specialist III (Congressional Spending)

Pending Reorg Proposal approval from the Union and DPS before posting.

BFED Committee

From: Janina E. Agapay <Janina.E.Agapay@co.maui.hi.us>
Sent: Friday, April 11, 2025 11:12 AM
To: BFED Committee
Cc: Lesley J. Milner; Richard E. Mitchell; Saumalu Mataafa; Amanda M. Martin
Subject: (BFED-1)(HO-02)
Attachments: (BFED-1)(HO-02).pdf

Hello,

Please see attached correspondence (BFED-1)(HO-02).

Thank you,

Janina Agapay

County of Maui | Budget Office

Phone: (808) 270-7836

Email: Janina.E.Agapay@co.maui.hi.us