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**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

April 17, 2020

Mayor Michael P. Victorino  
County of Maui  
Wailuku, Hawaii 96793

**SUBJECT: FISCAL YEAR ("FY") 2021 BUDGET** (OM-4) (EDB-1)

Dear Mayor Victorino:

The Economic Development and Budget Committee would like to invite you and other leaders in the Administration to make a presentation on opportunities for the Federal government to support the County of Maui in response to the COVID-19 pandemic.

The Committee will conduct decision-making meetings on the FY 2021 Budget at 9:00 a.m. every day next week. We are interested in learning more about the Coronavirus Relief Fund, the Municipal Liquidity Facility, and Federal funding mechanisms to support the County that may be available. Some background information follows:

**Coronavirus Relief Fund**

On April 15, 2020, the Caldwell Administration informed the Honolulu City Council that \$387 million would be immediately transferred from the United States Treasury to the City and County of Honolulu's general fund in accordance with the Coronavirus Relief Fund of the CARES Act. The Economic Development and Budget Committee has not yet been informed of the amount of money that will be provided to the County of Maui under the CARES Act or when the transfer will occur.

It would be helpful if the Administration's presentation included a clear statement of the County's share from the Coronavirus Relief and the date it will be received.

### **Municipal Liquidity Facility**

On April 9, 2020, the Federal Reserve announced that, in furtherance of the CARES Act, it had established “a Municipal Liquidity Facility that will offer up to \$500 billion in lending to states and municipalities.”

**Source:** “Federal Reserve takes additional actions to provide up to \$2.3 trillion in loans to support the economy,”  
<https://www.federalreserve.gov/newsevents/pressreleases/monetary20200409a.htm>

Shortly thereafter, Professor Robert Hockett of Cornell Law School published a paper extolling the Facility and providing guidance to states and municipalities. He described the Facility as providing “a literal lifeline,” creating “Quantitative Easing for Communities.”

**Source:** “The Fed’s Municipal Liquidity Facility: Community QE at Last,”  
<http://www.global-isp.org/wp-content/uploads/PN-120.pdf>

On April 13, 2020, Ballard Spahr L.L.P. published a summary of the Facility, concluding that “every state, the District of Columbia, and every qualifying city and county will want to review the terms of this Facility to ascertain whether they can take advantage of the generous terms.”

All counties in Hawai‘i appear to be beneath the threshold of unilateral qualification for the Facility and, thus, will need the State government’s assistance. As explained by Ballard Spahr, “each state will need to determine how much of its proceeds will be shared with local governments—and establish priorities, procedures, and credit standards for local governments to apply for such available funds on an equitable basis.”

**Source:** “The Fed Throws a Cash Flow Lifeline to State and Local Governments,”  
<https://www.ballardspahr.com/alertspublications/legalalerts/2020-04-13-the-fed-throws-a-cash-flow-lifeline-to-state-local-gov>

Thank you for your consideration. Should you have any questions, please contact me or the Committee staff (Shelly Espeleta at ext. 7134, Lesley Milner at ext. 7886, Richard Mitchell at ext. 7662, or Yvette Bouthillier at ext. 7758).

Mayor Michael P. Victorino

April 17, 2020

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Sincerely,

A handwritten signature in black ink, appearing to read "Keani Rawlins-Fernandez". The signature is fluid and cursive, with the first name "Keani" being more prominent.

KEANI N.W. RAWLINS-FERNANDEZ, Chair  
Economic Development and Budget  
Committee

edb:2021bgt:200417aom1:dmr

cc: Managing Director  
Director of Finance  
Budget Director