

GET-10(4)

GET Committee

From: Mike J. Molina
Sent: Wednesday, June 17, 2020 10:08 AM
To: GET Committee
Cc: Pauline Martins; Shelly K. Espeleta; Gary Saldana; Laura L. McDowell
Subject: GET 10(04) Bifurcation of DHHC
Attachments: Dept_hsg_DHHC_04_rspns_scan.pdf; Dept_hsg_DHHC_03_rspns_scan.pdf

Attached please find correspondence from the DHHC in response to questions I submitted on behalf of the bifurcation of DHHC.

Please attach these document to the above referenced GET item.

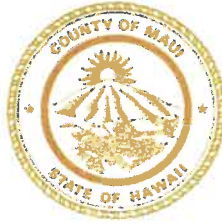
Thank,s

Mike

MICHAEL P. VICTORINO
Mayor

LORI TSUHAKE
Director

LINDA R. MUNSELL
Deputy Director



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

May 6, 2020

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Michael P. Victorino 5/6/20
Mayor Date

For Transmittal to:

Honorable Michael J. Molina
Councilmember
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Councilmember Molina:

SUBJECT: DEPARTMENT OF HOUSING

Thank you for your February 27, 2020 correspondence in which you solicited the Administration's opinion on the costs and responsibilities of a Department of Housing, should the Department of Housing and Human Concerns (DHHC) be bifurcated into two separate departments, the Department of Housing and the Department of Human Concerns. The following is the department's response to your inquiry:

1. Can you explain why the Administration changed from no plans to advocate for the bifurcation to opposing it?

In his opening remarks, Mr. Mataafa, indicated that the Department of Management supports the Administration's position that the Administration is not ready for the Department of Housing and Human Concerns to be bifurcated at this time. He indicated that there were many open-ended questions that still needed to be vetted through a process before the Administration could see a way forward.

2. a. Can you also provide a cost estimate for the hiring of a new director, deputy director, private secretary and administrative assistant for a new department?

We estimate that the cost to hire the four positions indicated would be approximately \$368,924.

b. Beyond those four positions can you identify, if a separate housing department is created, how many other staff members will *initially* be required?

In our evaluation for a proposed new Department of Housing, we anticipate that we would also need to hire a Planner II and fill the currently vacant Housing Choice Voucher Program Supervisor position (HCF-0088/P-26125). Total cost for the Planner II would be an additional \$59,616. The cost of the HCV Supervisor would be covered by the Section 8 Program (\$50,000). We also anticipate there will be a need for an Account Clerk II, however the timing of that need is yet unclear. The Planner II and HCV Supervisor are included in our budget projections; however, the Account Clerk is not (\$34,202).

Although we did not include it in our analysis, we also offer the suggestion that the Community Development Block Grant (CDBG) Program be included in the Department of Housing. There would be no increase in cost to the County to make this transfer, however, because of the significant similarities between CDBG and other programs in the department of Housing, there is a potential to save costs. This would also be consistent with the organizational structures of other counties, would create significant efficiencies in reporting and planning, and would allow the County to use these funds to develop and rehabilitate housing.

If included in the Department of Housing, CDBG would increase the Department of Housing staff by three additional personnel, and increase the grant budget by approximately \$1.9M, based on FY20 funding.

3. In addition to the hiring of staff can you identify additional costs associated with separating the departments?

Additional costs associated with separating the departments may include additional furniture for the new positions plus operational costs. Estimated cost for the additional equipment is approximately \$14,000, and based on the current operational budget for Housing and Human Concerns' Administration (Director's office), we project operational costs at \$30,000 plus the cost of additional office space.

4. Please provide the following budget information:

- a. Total equivalent personnel for the Housing Division and Human Concerns Division, please separate.**
- b. Projected equivalent personnel costs for FY2020 for the Housing Division and Human Concerns Division, separate between divisions.**
- c. Total grant revenue, separated between both divisions.**
- d. Total grant distributions separated between both divisions.**

Please see attached.

Honorable Michael J. Molina
Councilmember
Maui County Council
May 6, 2020
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5. Identify the number of equivalent personnel, if any, that work both in the Housing Division and Human Concerns Division.

There are no equivalent personnel currently working in both the Housing Division and the Human Concerns Division.

6. a. It appears that the focus of the neighboring county housing divisions do not include human concerns matters. Do you believe that the separation of housing and human concerns would allow the county to focus more effectively on their respective areas of jurisdiction?

The other counties typically separate housing from human concerns, however Kauai County has recently moved to integrate the two programs for cost-cutting reasons. Also, as we noted in our response to 2.b above, CDBG programs in other counties are generally integrated with their housing programs.

Ultimately, separating housing from human concerns may allow the departments to focus more effectively on their respective areas of jurisdiction; however, without appropriate planning the separation of housing and human concerns would create a measure of chaos for the housing division in the short term. Bifurcation is not something that we feel can be accomplished within a few months of an election.

Thank you for allowing us to offer responses to your inquiry about the possibility of bifurcating the Department of Housing and Human Concerns into two separate entities.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lori Tsuhako".

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

Attachment

EQUIVALENT PERSONNEL - WAGES & SALARIES (RESPONSE - 4.a and 4.b)

CURRENT		TOTAL	GENERAL	REVOLVING	GRANT	TOTAL WAGES		
		FY20 E/P	FUND	FUND	REVENUE FUND	& SALARIES		
Department of Housing and Human Concerns		150.3						
HHC Administration		5	\$ 438,888	\$ -	\$ -	\$ 438,888		
Human Concerns Program		115.3	\$ 3,642,855	\$ 150,000	\$ 1,461,073	\$ 5,253,928		
Animal Management		0	\$ -	\$ -	\$ -	\$ -		
Housing Program		30	\$ 490,880	\$ -	\$ 901,227	\$ 1,392,107		
TOTALS - CURRENT		150.3	\$ 4,572,623	\$ 150,000	\$ 2,362,300	\$ 7,084,923		

AFTER BIFURCATION		TOTAL	GENERAL	REVOLVING	GRANT FUND	TOTAL WAGES	CHANGE AMT	CHANGE
		E/P	FUND	FUND		& SALARIES		PERCENT
Department of Human Concerns		120.3						
HHC Administration		5	\$ 438,888			\$ 438,888	\$ -	0.0%
Human Concerns Program		115.3	\$ 3,642,855	\$ 150,000	\$ 1,461,073	\$ 5,253,928	\$ -	0.0%
Animal Management		0	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Department of Housing		36						
Housing Administration		6	\$ 459,440	\$ -	\$ -	\$ 459,440	\$ 459,440	* 4 expansion positions, 2 transfer from Housing Program
Housing Program		30	\$ 459,980	\$ -	\$ 951,227	\$ 1,411,207	\$ 19,100	** 1 expansion position, 2 transfer out to Housing Admin, 1 currently vacant position filled
TOTALS - AFTER BIFURCATION		156.3	\$ 5,001,163	\$ 150,000	\$ 2,412,300	\$ 7,563,463	\$ 478,540	6.8%

EXPANSION REQUESTS - EQUIVALENT PERSONNEL

Housing Administration

Housing Director	\$ 137,347	1	* equivalent Planning Director
Housing Deputy Director	\$ 123,613	1	* equivalent Planning Deputy Director
Private Secretary	\$ 48,348	1	
Administrative Officer	\$ 59,616	1	DPO, Fair Housing Officer,Housing Studies, Grant Writer

Housing Program

Planner II	\$ 59,616	1	
HCV Supervisor	**	\$ 50,000	fill existing grant funded position, no increase to E/P
Total E/P Expansion	\$ 428,540	5	

REVENUE SOURCES (RESPONSE 4.c)

CURRENT	FY20 E/P	TOTAL E/P	GENERAL FUND	REVOLVING FUND	GRANT REVENUE FUND	TOTAL REVENUE
Department of Housing and Human Concerns		150.3				
HHC Administration	5		\$ 470,383		\$ 120,725	\$ 591,108
Human Concerns Program	115.3		\$ 19,385,558	\$ 8,751,253	\$ 4,983,401	\$ 33,120,212
Animal Management	0		\$ 2,699,752	\$ 120,000	\$ -	\$ 2,819,752
Housing Program	30		\$ 4,912,733	\$ 8,631,253	\$ 26,864,523	\$ 40,408,509
TOTALS - CURRENT		150.3	\$ 27,468,426	\$ 17,502,506	\$ 31,968,649	\$ 76,939,581

AFTER BIFURCATION		TOTAL E/P	GENERAL FUND	REVOLVING FUND	GRANT REVENUE FUND	TOTAL REVENUE	CHANGE AMT	CHANGE PERCENT
Department of Human Concerns		120.3						
HHC Administration	5		\$ 470,383	\$ -	\$ 120,725	\$ 591,108	\$ -	0.0%
Human Concerns Program	115.3		\$ 19,385,558	\$ 8,751,253	\$ 4,983,401	\$ 33,120,212	\$ -	0.0%
Animal Management			\$ 2,699,752	\$ 120,000	\$ -	\$ 2,819,752	\$ -	0.0%
Department of Housing		35						
Housing Administration	6		\$ 499,440	\$ -	\$ -	\$ 499,440	\$ 499,440	* 4 expansion positions, 2 transfer from Housing Program
Housing Program	29		\$ 4,883,833	\$ 8,631,253	\$ 26,916,523	\$ 40,431,609	\$ 23,100	** 1 expansion position, 2 transfer to Housing Admin, 1 vacant position filled (HCV Supervisor)
TOTALS - AFTER BIFURCATION		155.3	\$ 27,938,966	\$ 17,502,506	\$ 32,020,649	\$ 77,462,121	\$ 522,540	0.7%

GENERAL FUND EXPANSION REQUESTS - OPERATIONS

Housing Administration		
Operations Budget	\$ 30,000	* director's office operations budget
Equipment (furniture)	\$ 10,000	* for new E/P
Housing Program		
Equipment (furniture)	\$ 2,000	* for new E/P
Total Ops Expansion	\$ 42,000	
Total E/P Expansion - General Fund	\$ 428,540	
Total Increased Cost	\$ 470,540	

TOTAL GENERAL FUND EXPANSION REQUEST	
\$ 428,540	Wages and Salaries
\$ 42,000	Operations
\$ 470,540	ESTIMATED GENERAL FUND BIFURCATION COST
TOTAL GRANT REVENUE FUND EXPANSION REQUEST	
\$ 50,000	Wages and Salaries
\$ 2,000	Equipment
\$ 52,000	ESTIMATED GRANT REVENUE FUND COST
TOTAL ESTIMATED COST- ALL REVENUE SOUCES	
\$ 522,540	Not Captured:
	Countywide Costs
	Additional rent for 6 E/P

GRANT REVENUE - EXPENDITURES (RESPONSE 4.d)							
CURRENT	FY20 E/P	TOTAL E/P	WAGES & SALARIES	OPERATIONS	TRANSFERS OUT	EQUIPMENT	TOTAL GRANT FUND
Department of Housing and Human Concerns		55.3					
HHC Administration	0		\$ -	\$ 120,725		\$ -	\$ 120,725
Human Concerns Program	33.3		\$ 1,461,073	\$ 3,045,052	\$ 477,276	\$ -	\$ 4,983,401
Animal Management	0		\$ -	\$ -	\$ -	\$ -	\$ -
Housing Program	22		\$ 901,227	\$ 24,785,452	\$ 1,170,800	\$ 7,044	\$ 26,864,523
TOTALS - CURRENT		55.3	\$ 2,362,300	\$ 27,951,229	\$ 1,648,076	\$ 7,044	\$ 31,968,649

AFTER BIFURCATION		TOTAL E/P	WAGES & SALARIES	OPERATIONS		EQUIPMENT	TOTAL GRANT FUND	CHANGE AMT
Department of Human Concerns		33.3						
HHC Administration	0		\$ -	\$ 120,725		\$ -	\$ 120,725	\$ -
Human Concerns Program	33.3		\$ 1,461,073	\$ 3,045,052	\$ 477,276	\$ -	\$ 4,983,401	\$ -
Animal Management	0		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Department of Housing		22						
Housing Administration	0		\$ -	\$ -	0	\$ -	\$ -	\$ -
Housing Program	22		\$ 951,227	\$ 24,787,452	\$ 1,170,800	\$ 7,044	\$ 26,916,523	\$ 52,000
TOTALS - AFTER BIFURCATION		55.3					\$ 32,020,649	\$ 52,000

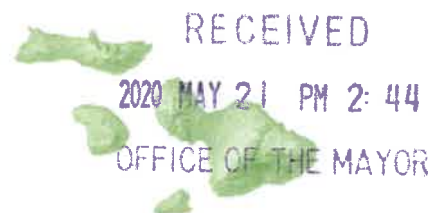
GRANT REVEUNE FUND EXPANSION REQUESTS - OPERATIONS

HCV Program		
Wages & Salaries	\$ 50,000	
Equipment (furniture)	\$ 2,000	* for filled position

MICHAEL P. VICTORINO
Mayor

LORI TSUHAKE
Director

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Deputy Director



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

May 20, 2020

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Michael P. Victorino 5/22/20
Mayor Date

For Transmittal to:

Honorable Michael J. Molina
Councilmember
Maui County Council
200 S. High Street
Wailuku, Hawaii 96793

Dear Councilmember Molina:

SUBJECT: DEPARTMENT OF HOUSING

Thank you for your May 18, 2020 email correspondence requesting clarification of the Department's May 6, 2020 response to the proposed Department of Housing Charter amendment. The following is the Department's response to your inquiry to clarify comments in our letter.

- 1. Consistent with your recommendation, the proposed Charter amendment includes the CDBG program in the Dept. of Housing. With this in mind, you note the need for hiring a Planner II, HCV Supervisor and Account Clerk II for the Housing Dept. Since CDBG is included on the Housing side would you still require the additional 3 EP's for the new Dept. of Housing?**

The addition of the CDBG staff to the Department of Housing would not affect the need for a Planner II or the HCV Supervisor. It may however, affect whether the new department would eventually need an additional EP for the Account Clerk II. In the other non-metropolitan counties, we know that personnel are shared across similar programs. With CDBG included in the department, we may find that the programs could share in the cost of one individual, without an increase in the EP. At this stage we are not familiar enough with the current position descriptions and workload of the CDBG staff to know how responsibilities may shift as part of an integrated department.

Should bifurcation of the Department move forward, we would need to do further assessment of all of the positions included in the Department of Housing, and make a final determination on position descriptions and personnel needed for the department. As noted in our response dated May 6, 2020, the Account Clerk II was identified as a future need, and was not included in the initial budget.

As noted in our previous correspondence, including CDBG in the Department of Housing would increase the personnel by 3 EP and the grant budget by approximately \$1.9M, which is not reflected in the budget sheets submitted.

2. **You also note "without appropriate planning the separation of housing and human concerns would create a measure of chaos for the housing division." The Charter amendment notes the effective date of the proposed amendment as July 1, 2021. If I revise the effective date to December 31, 2021, would that assist with making transition more tolerable?**

If a Department of Housing was created, there are a number of administrative and physical steps which would need to be taken to ensure a smooth transition for the operation of a new department. A number of those steps would require the assistance of the Department of Personnel, as well as consultation with the union. Examples include creating and approving an organizational chart for a new department; re-writing position descriptions for a number of existing positions; creating new position descriptions; and recruiting personnel for the new EP's. Lastly, physical space for the new department would need to be identified and leased, and the necessary furniture and workstations purchased and installed. If a move is required to support the new department, additional effort and costs will be incurred. If the effective date of the proposed charter amendment was delayed to December 31, 2021, we believe the transition would be less onerous.

Should you have any questions or require additional information, please feel free to contact me at Ext. 7805.

Sincerely,



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