

**GET Committee**

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**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 TSUHAKO  
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  
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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,



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

Attachment

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

<b>CURRENT</b>	<b>FY20 E/P</b>	<b>TOTAL E/P</b>	<b>GENERAL FUND</b>	<b>REVOLVING FUND</b>	<b>GRANT REVENUE FUND</b>	<b>TOTAL WAGES &amp; SALARIES</b>
<b>Department of Housing and Human Concerns</b>		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
<b>TOTALS - CURRENT</b>		<b>150.3</b>	<b>\$ 4,572,623</b>	<b>\$ 150,000</b>	<b>\$ 2,362,300</b>	<b>\$ 7,084,923</b>

<b>AFTER BIFURCATION</b>	<b>TOTAL E/P</b>	<b>GENERAL FUND</b>	<b>REVOLVING FUND</b>	<b>GRANT FUND</b>	<b>TOTAL WAGES &amp; SALARIES</b>	<b>CHANGE AMT</b>	<b>CHANGE PERCENT</b>
<b>Department of Human Concerns</b>	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
<b>Department of Housing</b>	36						
Housing Administration	6	\$ 459,440	\$ -	\$ -	\$ 459,440	\$ 459,440	* 4 expansion positions, 2 transfer from Housing Program ** 1 expansion position, 2 transfer out to Housing Admin, 1 currently vacant position filled
Housing Program	30	\$ 459,980	\$ -	\$ 951,227	\$ 1,411,207	\$ 19,100	1.4%
<b>TOTALS - AFTER BIFURCATION</b>	<b>156.3</b>	<b>\$ 5,001,163</b>	<b>\$ 150,000</b>	<b>\$ 2,412,300</b>	<b>\$ 7,563,463</b>	<b>\$ 478,540</b>	<b>6.8%</b>

**EXPANSION REQUESTS - EQUIVALENT PERSONNEL**

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

**REVENUE SOURCES (RESPONSE 4.c)**

CURRENT		TOTAL E/P	GENERAL FUND	REVOLVING FUND	GRANT REVENUE FUND	TOTAL REVENUE		
<b>Department of Housing and Human Concerns</b>		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		
<b>TOTALS - CURRENT</b>		<b>150.3</b>	<b>\$ 27,468,426</b>	<b>\$ 17,502,506</b>	<b>\$ 31,968,649</b>	<b>\$ 76,939,581</b>		
AFTER BIFURCATION		TOTAL E/P	GENERAL FUND	REVOLVING FUND	GRANT REVENUE FUND	TOTAL REVENUE	CHANGE AMT	PERCENT
<b>Department of Human Concerns</b>		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%
<b>Department of Housing</b>		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)
<b>TOTALS - AFTER BIFURCATION</b>		<b>155.3</b>	<b>\$ 27,938,966</b>	<b>\$ 17,502,506</b>	<b>\$ 32,020,649</b>	<b>\$ 77,462,121</b>	<b>\$ 522,540</b>	<b>0.7%</b>

**GENERAL FUND EXPANSION REQUESTS - OPERATIONS**

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

**TOTAL GENERAL FUND EXPANSION REQUEST**

\$ 428,540	Wages and Salaries
\$ 42,000	Operations
<b>\$ 470,540</b>	<b>ESTIMATED GENERAL FUND BIFURCATION COST</b>

**TOTAL GRANT REVENUE FUND EXPANSION REQUEST**

\$ 50,000	Wages and Salaries
\$ 2,000	Equipment
<b>\$ 52,000</b>	<b>ESTIMATED GRANT REVENUE FUND COST</b>

**TOTAL ESTIMATED COST- ALL REVENUE SOURCES**

<b>\$ 522,540</b>	Not Captured:
	Countywide Costs
	Additional rent for 6 E/P

**GRANT REVENUE - EXPENDITURES (RESPONSE 4.d)**

<b>CURRENT</b>	<b>FY20 E/P</b>	<b>TOTAL E/P</b>	<b>WAGES &amp; SALARIES</b>	<b>OPERATIONS</b>	<b>TRANSFERS OUT</b>	<b>EQUIPMENT</b>	<b>TOTAL GRANT FUND</b>
<b>Department of Housing and Human Concerns</b>		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
<b>TOTALS - CURRENT</b>		<b>55.3</b>	<b>\$ 2,362,300</b>	<b>\$ 27,951,229</b>	<b>\$ 1,648,076</b>	<b>\$ 7,044</b>	<b>\$ 31,968,649</b>

<b>AFTER BIFURCATION</b>	<b>TOTAL E/P</b>	<b>WAGES &amp; SALARIES</b>	<b>OPERATIONS</b>	<b>EQUIPMENT</b>	<b>TOTAL GRANT FUND</b>	<b>CHANGE AMT</b>
<b>Department of Human Concerns</b>	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	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Department of Housing</b>	22					
Housing Administration	0	\$ -	\$ -	0 \$	\$ -	\$ -
Housing Program	22	\$ 951,227	\$ 24,787,452	\$ 1,170,800	\$ 7,044	\$ 26,916,523
<b>TOTALS - AFTER BIFURCATION</b>	<b>55.3</b>				<b>\$ 32,020,649</b>	<b>\$ 52,000</b>

**GRANT REVEUNE FUND EXPANSION REQUESTS - OPERATIONS**

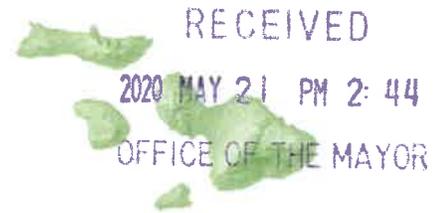
HCV Program

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

MICHAEL P. VICTORINO  
Mayor

LORI TSUHAKO  
Director

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Deputy Director



DEPARTMENT OF HOUSING  
& HUMAN CONCERNS  
COUNTY OF MAUI  
2200 MAIN STREET, SUITE 546  
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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.

Honorable Michael J. Molina  
Councilmember  
Maui County Council  
May 20, 2020  
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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