

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

February 17, 2012

Committee
Report No. _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on January 17, 2012, makes reference to the following:

1. County Communication 11-279, from the Director of Housing and Human Concerns, transmitting the Affordable Housing Fund Annual Plan for Fiscal Year (“FY”) 2012, including a recommendation to provide funding for projects and programs totaling \$4,190,000.

2. County Communication 11-291, from the Budget Director, transmitting a proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS, AFFORDABLE HOUSING FUND”.

The purpose of the proposed bill is to amend the FY 2012 Budget, relating to the Affordable Housing Fund, by adding the following projects and appropriations: (1) \$340,000 for the “Aloha House Clean & Sober Rental Project”; (2) \$350,000 for the “Hale O Ekolu project of the Arc of Maui County”; (3) \$300,000 for the “Harbor Lights Project of Habitat for Humanity”; (4) \$300,000 for the “Hale Makana O Waiale Rehabilitation Project of Ka Hale A Ke Ola Homeless Resource Center”; (5) \$1,100,000 for the “County of Maui Neighborhood Revitalization Program of Na Hale O Maui”; (6) \$500,000 for the “Kulamalu Affordable Housing Project of the County of Maui”; (7) \$300,000 for the “First-Time Home Buyers Program of the County of Maui”; and (8) \$1,000,000 for the “Tenant Based Rental Assistance Program of the County of Maui”.

Your Committee notes that it previously reported on this matter through Committee Report 12-17. In that report, your Committee recommended that the

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

February 17, 2012
Page 2

Committee
Report No. _____

proposed bills relating to the “County of Maui Neighborhood Revitalization Program of Na Hale O Maui” and the “Kulamalu Affordable Housing Project of the County of Maui” be passed on first reading and be ordered to print.

Your Committee considered the proposed bills relating to the “Hale O Ekolu project of the Arc of Maui County”, the “Harbor Lights Project of Habitat for Humanity, the Aloha House Clean and Sober Rental Project”, and the “Hale Makana O Waiale Rehabilitation Project of Ka Hale A Ke Ola Homeless Resource Center”.

Your Committee notes that it recommended the passage on first reading of the proposed bill relating to the “Harbor Lights Project of Habitat for Humanity” at its meeting of January 17, 2012. However, due to the uncertainty that arose after the meeting about the number of dwelling units to be sold, issuance of the committee report was postponed.

Your Committee expressed concern that the applications for some of the projects reflected total project costs that exceeded the proposed County appropriations and failed to describe how the funding shortfall would be addressed. Your Committee requested that the grantee prove that adequate funds, from the County and other sources, are available to cover the total costs required to finish each project.

To ensure the adequacy of funds to cover total project costs, your Committee revised the proposed bills relating to the “Hale O Ekolu project of the Arc of Maui County” and the “Aloha House Clean and Sober Rental Project” to require that the grantees place funds in escrow for each of their respective projects.

Your Committee revised the proposed bill relating to the “Harbor Lights Project of Habitat for Humanity” to increase the number of units to be purchased from “8” to “10”, in response to the testimony of its Executive Director.

Your Committee voted 7-1 to recommend passage on first reading of the revised proposed bills relating to the “Hale O Ekolu project of the Arc of Maui County” and the “Aloha House Clean and Sober Rental Project”. Committee Chair Pontanilla and members Baisa, Carroll, Couch, Cochran, Victorino, and White voted “aye”. Committee member Mateo voted “no”. Vice-Chair Hokama was excused.

Your Committee voted 7-0 to recommend passage on first reading of the revised proposed bill relating to the “Harbor Lights Project of Habitat for Humanity”.

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

February 17, 2012
Page 3

Committee
Report No. _____

Committee Chair Pontanilla and members Baisa, Couch, Cochran, Mateo, Victorino, and White voted “aye”. Vice-Chair Hokama and member Carroll were excused.

Your Committee voted 6-1 to recommend passage on first reading of the proposed bill relating to the “Hale Makana O Waiale Rehabilitation Project of Ka Hale A Ke Ola Homeless Resource Center”. Committee Chair Pontanilla and members Baisa, Carroll, Couch, Cochran, and White voted “aye”. Committee member Mateo voted “no”. Committee member Victorino abstained. Vice-Chair Hokama was excused.

Your Committee is in receipt of revised proposed bills, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions, including adjustments to reflect the expected passage of other pending legislation.

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

1. That Bill _____ (2012), as revised herein and attached hereto, entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS, AFFORDABLE HOUSING FUND, FISCAL YEAR 2012 AFFORDABLE HOUSING PLAN, HALE O EKOLU PROJECT”, be PASSED ON FIRST READING and be ORDERED TO PRINT;
2. That Bill _____ (2012), as revised herein and attached hereto, entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS, AFFORDABLE HOUSING FUND, FISCAL YEAR 2012 AFFORDABLE HOUSING PLAN, HARBOR LIGHTS PROJECT”, be PASSED ON FIRST READING and be ORDERED TO PRINT;
3. That Bill _____ (2012), as revised herein and attached hereto, entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART II, SPECIAL PURPOSE

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

February 17, 2012
Page 4

Committee
Report No. _____

REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS, AFFORDABLE HOUSING FUND, FISCAL YEAR 2012 AFFORDABLE HOUSING PLAN, ALOHA HOUSE CLEAN AND SOBER RENTAL PROJECT”, be PASSED ON FIRST READING and be ORDERED TO PRINT; and

4. That Bill _____ (2012), as revised herein and attached hereto, entitled “A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS, AFFORDABLE HOUSING FUND, FISCAL YEAR 2012 AFFORDABLE HOUSING PLAN, HALE MAKANA O WAIALE REHABILITATION PROJECT”, be PASSED ON FIRST READING and be ORDERED TO PRINT.

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



JOSEPH PONTANILLA, Chair

ORDINANCE NO. _____

BILL NO. _____ (2012)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX A, PART II, SPECIAL PURPOSE REVENUES -
SCHEDULE OF REVOLVING/SPECIAL FUNDS,
AFFORDABLE HOUSING FUND,
FISCAL YEAR 2012 AFFORDABLE HOUSING PLAN,
HALE O EKOLU PROJECT

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 3840, Bill No. 34 (2011), Draft 1, "Fiscal Year 2012 Budget", Appendix A, Part II, "Special Purpose Revenues - Schedule of Revolving/Special Funds for Fiscal Year 2012", as amended, is hereby amended by inserting a proviso for the Hale O Ekolu Project related to the Fiscal Year 2012 Affordable Housing Plan, to read as follows:

"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS
FOR FISCAL YEAR 2012

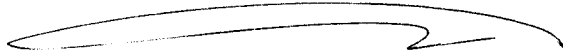
	<u>ESTIMATED BALANCE AS OF 6/30/11</u>	<u>ANTICIPATED REVENUES FOR FY 2012</u>	<u>TOTAL FOR FY 2012</u>
O. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	16,990,268	4,150,784	21,141,052
(1) Provided, that \$2,240,419 be for affordable housing projects in West Maui, subject to Chapter 3.35, Maui County Code.			
(2) Provided, that \$2,000,000 be for the purchase of land to be used for affordable housing, subject to Chapter 3.35, Maui County Code.			
(3) Provided, that \$2,000,000 be utilized to assist families that are within 81% to 140% of county median income, subject to Chapter 3.35, Maui County Code.			
(4) Provided, that \$2,750,000 be for the Imi Ikena Affordable Housing Project loan to DBR Development, LLC; provided further, that the \$2,750,000 not be disbursed unless DBR Development, LLC has obtained a fee simple interest in the property and the loan agreement requires that upon permanent financing, the County's loan be secured by a second mortgage subject to a \$520,000 first mortgage.			

- (5) Provided, that \$300,000 be for a loan to Na Hale O Maui to establish a Deed-Restricted Buy-Back Revolving Interim Loan Fund.
- (6) Provided, that no more than \$70,000 be for Administrative Expenses.
- (7) Provided, that \$1,100,000 be for the County of Maui Neighborhood Revitalization Program of Na Hale O Maui for the acquisition and rehabilitation of 8 to 10 bank-owned foreclosed homes (\$500,000 for West Maui & \$500,000 for Central, South and Upcountry and \$100,000 for Na Hale O Maui's developer fees) for applicants earning 120% or less of the local area median income.
- (8) Provided, that \$500,000 be for the Kulamalu Affordable Housing Project of the County of Maui for costs associated with the master planning and entitlement of County-owned property in the Kulamalu subdivision.
- (9) Provided, that \$350,000 be for the Hale O Ekolu project of the ARC of Maui County for acquisition and rehabilitation of a dwelling unit for special needs housing, upon ARC of Maui County placing \$350,000 in escrow for this project."

SECTION 2. New material is underscored.

SECTION 3. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



ADRIANNE N. HEELY
Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. _____ (2012)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX A, PART II, SPECIAL PURPOSE REVENUES -
SCHEDULE OF REVOLVING/SPECIAL FUNDS,
AFFORDABLE HOUSING FUND,
FISCAL YEAR 2012 AFFORDABLE HOUSING PLAN,
HARBOR LIGHTS PROJECT

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 3840, Bill No. 34 (2011), Draft 1, "Fiscal Year 2012 Budget", Appendix A, Part II, "Special Purpose Revenues - Schedule of Revolving/Special Funds for Fiscal Year 2012", as amended, is hereby amended by inserting a proviso for the Harbor Lights Project related to the Fiscal Year 2012 Affordable Housing Plan, to read as follows:

"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS
FOR FISCAL YEAR 2012

	ESTIMATED BALANCE AS OF 6/30/11	ANTICIPATED REVENUES FOR FY 2012	TOTAL FOR FY 2012
O. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	16,990,268	4,150,784	21,141,052
(1) Provided, that \$2,240,419 be for affordable housing projects in West Maui, subject to Chapter 3.35, Maui County Code.			
(2) Provided, that \$2,000,000 be for the purchase of land to be used for affordable housing, subject to Chapter 3.35, Maui County Code.			
(3) Provided, that \$2,000,000 be utilized to assist families that are within 81% to 140% of county median income, subject to Chapter 3.35, Maui County Code.			
(4) Provided, that \$2,750,000 be for the Imi Ikena Affordable Housing Project loan to DBR Development, LLC; provided further, that the \$2,750,000 not be disbursed unless DBR Development, LLC has obtained a fee simple interest in the property and the loan agreement requires that upon permanent financing, the County's loan be secured by a second mortgage subject to a \$520,000 first mortgage.			
(5) Provided, that \$300,000 be for a loan to Na Hale O Maui to establish a Deed-Restricted Buy-Back Revolving Interim Loan Fund.			
(6) Provided, that no more than \$70,000 be for Administrative Expenses.			

- (7) Provided, that \$1,100,000 be for the County of Maui Neighborhood Revitalization Program of Na Hale O Maui for the acquisition and rehabilitation of 8 to 10 bank-owned foreclosed homes (\$500,000 for West Maui & \$500,000 for Central, South and Upcountry and \$100,000 for Na Hale O Maui's developer fees) for applicants earning 120% or less of the local area median income.
- (8) Provided, that \$500,000 be for the Kulamalu Affordable Housing Project of the County of Maui for costs associated with the master planning and entitlement of County-owned property in the Kulamalu subdivision.
- (9) Provided, that \$350,000 be for the Hale O Ekolu project of the ARC of Maui County for acquisition and rehabilitation of a dwelling unit for special needs housing, upon ARC of Maui County placing \$350,000 in escrow for this project.
- (10) Provided, that \$400,000 be for the Harbor Lights Project of Habitat for Humanity for the acquisition and rehabilitation of 10 dwelling units to be sold to applicants at 80% or below of the median income."

SECTION 2. New material is underscored.

SECTION 3. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



feh ADRIANNE N. HEELY
Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. _____ (2012)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX A, PART II, SPECIAL PURPOSE REVENUES -
SCHEDULE OF REVOLVING/SPECIAL FUNDS,
AFFORDABLE HOUSING FUND,
FISCAL YEAR 2012 AFFORDABLE HOUSING PLAN,
ALOHA HOUSE CLEAN AND SOBER RENTAL PROJECT

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 3840, Bill No. 34 (2011), Draft 1, "Fiscal Year 2012 Budget", Appendix A, Part II, "Special Purpose Revenues - Schedule of Revolving/Special Funds for Fiscal Year 2012", as amended, is hereby amended by inserting a proviso for the Aloha House Clean and Sober Rental Project related to the Fiscal Year 2012 Affordable Housing Plan, to read as follows:

"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS
FOR FISCAL YEAR 2012

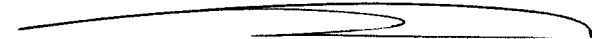
	<u>ESTIMATED BALANCE AS OF 6/30/11</u>	<u>ANTICIPATED REVENUES FOR FY 2012</u>	<u>TOTAL FOR FY 2012</u>
O. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	16,990,268	4,150,784	21,141,052
(1) Provided, that \$2,240,419 be for affordable housing projects in West Maui, subject to Chapter 3.35, Maui County Code.			
(2) Provided, that \$2,000,000 be for the purchase of land to be used for affordable housing, subject to Chapter 3.35, Maui County Code.			
(3) Provided, that \$2,000,000 be utilized to assist families that are within 81% to 140% of county median income, subject to Chapter 3.35, Maui County Code.			
(4) Provided, that \$2,750,000 be for the Imi Ikena Affordable Housing Project loan to DBR Development, LLC; provided further, that the \$2,750,000 not be disbursed unless DBR Development, LLC has obtained a fee simple interest in the property and the loan agreement requires that upon permanent financing, the County's loan be secured by a second mortgage subject to a \$520,000 first mortgage.			

- (5) Provided, that \$300,000 be for a loan to Na Hale O Maui to establish a Deed-Restricted Buy-Back Revolving Interim Loan Fund.
- (6) Provided, that no more than \$70,000 be for Administrative Expenses.
- (7) Provided, that \$1,100,000 be for the County of Maui Neighborhood Revitalization Program of Na Hale O Maui for the acquisition and rehabilitation of 8 to 10 bank-owned foreclosed homes (\$500,000 for West Maui & \$500,000 for Central, South and Upcountry and \$100,000 for Na Hale O Maui's developer fees) for applicants earning 120% or less of the local area median income.
- (8) Provided, that \$500,000 be for the Kulamalu Affordable Housing Project of the County of Maui for costs associated with the master planning and entitlement of County-owned property in the Kulamalu subdivision.
- (9) Provided, that \$350,000 be for the Hale O Ekolu project of the ARC of Maui County for acquisition and rehabilitation of a dwelling unit for special needs housing, upon ARC of Maui County placing \$350,000 in escrow for this project.
- (10) Provided, that \$400,000 be for the Harbor Lights Project of Habitat for Humanity for the acquisition and rehabilitation of 10 dwelling units to be sold to applicants at 80% or below of the median income.
- (11) Provided, that \$340,000 be for the Aloha House Clean and Sober Rental Project for the acquisition of a dwelling unit for special needs housing, upon Aloha House, Inc., placing \$100,000 in escrow for this project."

SECTION 2. New material is underscored.

SECTION 3. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



 ADRIANNE N. HEELY
Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. _____ (2012)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2012 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX A, PART II, SPECIAL PURPOSE REVENUES -
SCHEDULE OF REVOLVING/SPECIAL FUNDS,
AFFORDABLE HOUSING FUND,
FISCAL YEAR 2012 AFFORDABLE HOUSING PLAN,
HALE MAKANA O WAIALE REHABILITATION PROJECT

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 3840, Bill No. 34 (2011), Draft 1, "Fiscal Year 2012 Budget", Appendix A, Part II, "Special Purpose Revenues - Schedule of Revolving/Special Funds for Fiscal Year 2012", as amended, is hereby amended by inserting a proviso for the Hale Makana O Waiale Rehabilitation Project related to the Fiscal Year 2012 Affordable Housing Plan, to read as follows:

"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS
FOR FISCAL YEAR 2012

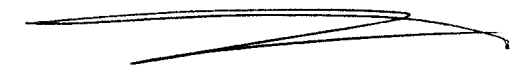
	<u>ESTIMATED BALANCE AS OF 6/30/11</u>	<u>ANTICIPATED REVENUES FOR FY 2012</u>	<u>TOTAL FOR FY 2012</u>
O. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	16,990,268	4,150,784	21,141,052
(1) Provided, that \$2,240,419 be for affordable housing projects in West Maui, subject to Chapter 3.35, Maui County Code.			
(2) Provided, that \$2,000,000 be for the purchase of land to be used for affordable housing, subject to Chapter 3.35, Maui County Code.			
(3) Provided, that \$2,000,000 be utilized to assist families that are within 81% to 140% of county median income, subject to Chapter 3.35, Maui County Code.			
(4) Provided, that \$2,750,000 be for the Imi Ikena Affordable Housing Project loan to DBR Development, LLC; provided further, that the \$2,750,000 not be disbursed unless DBR Development, LLC has obtained a fee simple interest in the property and the loan agreement requires that upon permanent financing, the County's loan be secured by a second mortgage subject to a \$520,000 first mortgage.			

- (5) Provided, that \$300,000 be for a loan to Na Hale O Maui to establish a Deed-Restricted Buy-Back Revolving Interim Loan Fund.
- (6) Provided, that no more than \$70,000 be for Administrative Expenses.
- (7) Provided, that \$1,100,000 be for the County of Maui Neighborhood Revitalization Program of Na Hale O Maui for the acquisition and rehabilitation of 8 to 10 bank-owned foreclosed homes (\$500,000 for West Maui & \$500,000 for Central, South and Upcountry and \$100,000 for Na Hale O Maui's developer fees) for applicants earning 120% or less of the local area median income.
- (8) Provided, that \$500,000 be for the Kulamalu Affordable Housing Project of the County of Maui for costs associated with the master planning and entitlement of County-owned property in the Kulamalu subdivison.
- (9) Provied, that \$350,000 be for the Hale O Ekolu project of the ARC of Maui County for acquisition and rehabilitation of a dwelling unit for special needs housing, upon ARC of Maui County placing \$350,000 in escrow for this project.
- (10) Provided, that \$400,000 be for the Harbor Lights Project of Habitat for Humanity for the acquisition and rehabilitation of 10 dewelling units to be sold to applicants at 80% or below of the median income.
- (11) Provided, that \$340,000 be for the Aloha House Clean and Sober Rental Project for the acquisition of a dwelling unit for special needs housing, upon Aloha House, Inc., placing \$100,000 in escrow for this project.
- (12) Provided, that \$300,000 be for the Hale Makana O Waiale Rehabilitation Project for Ka Hale A Ke Ola Homeless Resource Center for the renovation of the roofing systems, flooring, and bathroom fixtures of the 200 unit affordable housing multi-family apartment complex.

SECTION 2. New material is underscored.

SECTION 3. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



for ADRIANNE N. HEELY
Deputy Corporation Counsel