

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

April 19, 2013

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 March 27, 2013, makes reference to the following:

1. County Communication 12-242, from the Director of Housing and Human Concerns, transmitting the Affordable Housing Fund Annual Plan for Fiscal Year (“FY”) 2013, including a recommendation to provide funding for projects and programs totaling \$3,720,000.
2. County Communication 13-84, from the Director of Housing and Human Concerns, transmitting the Affordable Housing Fund Annual Plan for FY 2013, recommending funding for projects and programs totaling \$3,420,000, including the following:
 - a. A proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2013 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2013, AFFORDABLE HOUSING FUND, FISCAL YEAR 2013 AFFORDABLE HOUSING PLAN, KIHEI KAHALE NANI COMMUNITY ASSOCIATION - WATER SYSTEM UPGRADES”.

The purpose of the proposed bill is to amend the FY 2013 Budget, relating to the Affordable Housing Fund, by adding a proviso of \$200,000 for the Kihei Kahale Nani Community Association - Water System Upgrades project.

- b. A proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2013 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO

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PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2013, AFFORDABLE HOUSING FUND, FISCAL YEAR 2013 AFFORDABLE HOUSING PLAN, NEIGHBORHOOD REVITALIZATION PROGRAM”.

The purpose of the proposed bill is to amend the FY 2013 Budget, relating to the Affordable Housing Fund, by adding a proviso of \$800,000 for the Na Hale O Maui – County of Maui Neighborhood Revitalization Program.

- c. A proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2013 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2013, AFFORDABLE HOUSING FUND, FISCAL YEAR 2013 AFFORDABLE HOUSING PLAN, BUILDING HOUSES, BUILDING HOPE PROJECT”.

The purpose of the proposed bill is to amend the FY 2013 Budget, relating to the Affordable Housing Fund, by adding a proviso of \$500,000 for the Habitat for Humanity Maui – Building Houses, Building Hope project.

- d. A proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2013 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2013, AFFORDABLE HOUSING FUND, FISCAL YEAR 2013 AFFORDABLE HOUSING PLAN, LOWER MAIN STREET PROJECT”.

The purpose of the proposed bill is to amend the FY 2013 Budget, relating to the Affordable Housing Fund, by adding a proviso of \$800,000 for the Family Life Center, Inc. – FLC Lower Main Street project.

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- e. A proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2013 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2013, AFFORDABLE HOUSING FUND, FISCAL YEAR 2013 AFFORDABLE HOUSING PLAN, HALE MAKANA O’ WAIALE RENTAL REHABILITATION PROJECT”.

The purpose of the proposed bill is to amend the FY 2013 Budget, relating to the Affordable Housing Fund, by adding a proviso of \$500,000 for the Ka Hale A Ke Ola Homeless Resource Centers, Inc. – Hale Makana O Waiale Rental Rehabilitation project.

- f. A proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2013 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2013, AFFORDABLE HOUSING FUND, FISCAL YEAR 2013 AFFORDABLE HOUSING PLAN, HALE LOKELANI OHANA PROJECT”.

The purpose of the proposed bill is to amend the FY 2013 Budget, relating to the Affordable Housing Fund, by adding a proviso of \$400,000 for the Lokelani Ohana - Hale Lokelani Ohana project.

- g. A proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2013 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2013, AFFORDABLE HOUSING FUND, FISCAL YEAR 2013 AFFORDABLE HOUSING PLAN, SECTION 8 HOMEOWNERSHIP PROGRAM”.

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The purpose of the proposed bill is to amend the FY 2013 Budget, relating to the Affordable Housing Fund, by adding a proviso of \$120,000 for the Section 8 Homeownership Program.

- h. A proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2013 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2013, AFFORDABLE HOUSING FUND, FISCAL YEAR 2013 AFFORDABLE HOUSING PLAN, ADMINISTRATIVE EXPENSES”.

The purpose of the proposed bill is to amend the FY 2013 Budget, relating to the Affordable Housing Fund, by increasing the proviso for administrative expenses by \$30,000, from \$70,000 to \$100,000.

Your Committee notes that it previously reported on this matter through Budget and Finance Committee Report 13-32. In that report, your Committee recommended that the proposed bills relating to the Na Hale O Maui – County of Maui Neighborhood Revitalization Program; the Habitat for Humanity Maui – Building Houses, Building Hope project; and the Family Life Center, Inc. – FLC Lower Main Street project be passed on first reading and be ordered to print.

Your Committee considered the proposed bills relating to the Lokelani Ohana - Hale Lokelani Ohana project; the Kihei Kauhale Nani Community Association - Water System Upgrades project; the Ka Hale A Ke Ola Homeless Resource Centers, Inc. – Hale Makana O Waiale Rental Rehabilitation project; and the Affordable Housing Fund’s administrative expenses.

Your Committee expressed concerns that many of the projects being recommended in the Affordable Housing Fund Plan for FY 2013 seem to limit the distribution of funds to those projects that service only a specific group of individuals and families, instead of the much larger group whose earnings range from above 80 percent to 160 percent of the area median income. Your Committee noted the Affordable Housing Fund is intended to serve the larger group.

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Your Committee supported the desire by the Director of Housing and Human Concerns to audit the implementation of the Affordable Housing Fund, but expressed its preference that any audit relating to County operations be procured by the Council or by the soon-to-be-formed Office of the County Auditor.

Your Committee notes that a more in-depth discussion of the management of the Hale Makana O Waiale Rental Rehabilitation facility is warranted. Your Committee, therefore, recommended that the matter be referred to the Housing, Human Services, and Transportation Committee.

Your Committee voted to convene two executive meetings, closed to the public, pursuant to Section 92-5(a)(4), Hawaii Revised Statutes. The executive meetings related to the Ka Hale A Ke Ola Homeless Resource Centers, Inc. – Hale Makana O Waiale Rental Rehabilitation project; and the Kihei Kauhale Nani Community Association - Water System Upgrades project.

Following the executive meetings, your Committee reconvened in regular session.

Your Committee voted 8-0 to recommend passage of the revised proposed bill on first reading relating to the Lokelani Ohana – Hale Lokelani Ohana project. Committee Chair White, Vice-Chair Hokama, and members Baisa, Cochran, Couch, Crivello, Guzman, and Victorino voted “aye”. Committee member Carroll was excused.

Your Committee voted 6-1 to recommend passage of the revised proposed bill on first reading relating to the Ka Hale A Ke Ola Homeless Resource Centers, Inc. – Hale Makana O Waiale Rental Rehabilitation project, and referral of the matter relating to a review of management of the Hale Makana O Waiale Rental Rehabilitation facility to the Housing, Human Services, and Transportation Committee. Committee Chair White and members Baisa, Cochran, Couch, Crivello, and Guzman voted “aye”. Committee Vice-Chair Hokama voted “no”. Committee members Carroll and Victorino were excused.

Your Committee voted 8-0 to recommend filing of the proposed bill relating to the Kihei Kauhale Nani Community Association – Water System Upgrades project. Committee Chair White, Vice-Chair Hokama, and members Baisa, Carroll, Cochran, Couch, Crivello, and Guzman voted “aye”. Committee member Victorino was excused.

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Your Committee deferred consideration of the proposed bill relating to the Affordable Housing Fund's administrative expenses.

Your Committee is in receipt of revised proposed bills relating to the Lokelani Ohana – Hale Lokelani Ohana project, and the Ka Hale A Ke Ola Homeless Resource Centers, Inc. – Hale Makana O Waiale Rental Rehabilitation project, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions, including revisions that anticipate the approval of pending legislation.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill _____ (2013), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2013 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 2013 AFFORDABLE HOUSING PLAN, LOKELANI OHANA – HALE LOKELANI OHANA PROJECT", be PASSED ON FIRST READING and be ORDERED TO PRINT;
2. That Bill _____ (2013), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2013 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 2013 AFFORDABLE HOUSING PLAN, KA HALE A KE OLA HOMELESS RESOURCE CENTERS, INC. – HALE MAKANA O WAIALE RENTAL REHABILITATION PROJECT", be PASSED ON FIRST READING and be ORDERED TO PRINT;
3. That the matter relating to a review of management of the Hale Makana O Waiale Rental Rehabilitation facility be REFERRED to the Housing, Human Services, and Transportation Committee; and
4. That the proposed bill to amend the Fiscal Year 2013 Budget, relating to the Affordable Housing Fund, by adding a proviso of \$200,000 for the

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Kihei Kauhale Nani Community Association - Water System Upgrades
project, be FILED.

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



MIKE WHITE, Chair

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ORDINANCE NO. _____

BILL NO. _____ (2013)

A BILL FOR AN ORDINANCE AMENDING THE
FISCAL YEAR 2013 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 2013 AFFORDABLE HOUSING PLAN,
LOKELANI OHANA - HALE LOKELANI OHANA PROJECT

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

SECTION 1. Ordinance No. 3957, Bill No. 49 (2012), Draft 1, "Fiscal Year 2013 Budget", as amended, Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2013, is hereby amended as it pertains to the Affordable Housing Fund, by adding a proviso for the Hale Lokelani Ohana Project related to the Fiscal Year 2013 Affordable Housing Plan, to read as follows:

**"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS
FOR FISCAL YEAR 2013**

	<u>ESTIMATED BALANCE AS OF 6/30/12</u>	<u>ANTICIPATED REVENUES FOR FY 2013</u>	<u>TOTAL FOR FY 2013</u>
O. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	14,723,899	4,256,325	18,980,224
(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 \$300,000 be for a loan to Na Hale O Maui to establish a Deed-Restricted Buy-Back Revolving Interim Loan Fund.			
(5) Provided, that no more than \$70,000 be for Administrative Expenses.			
(6) Provided, that \$615,000 be for the Kulamalu Affordable Housing Project of the County of Maui for costs associated with the master planning, design, and entitlement of			

- County-owned property in the Kulamalu subdivision.
- (7) Provided, that \$800,000 be for the County of Maui Neighborhood Revitalization Program of Na Hale O Maui for the acquisition and rehabilitation of 4 to 5 bank-owned foreclosed homes (\$50,000 of the \$800,000 shall be 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 shall be for the Building Houses, Building Hope Project for Habitat for Humanity for the acquisition and rehabilitation of homes for families and individuals with incomes at or below 80% of the median income.
 - (9) Provided, that \$800,000 shall be for the FLC Lower Main Street Project of the Family Life Center, Inc., for the acquisition of a 10-unit apartment complex on Lower Main Street, Wailuku, Maui, Hawaii, designated for tenants with incomes between 50% to 60% median income (5 units will be designated for homeless or at-risk-of-becoming-homeless families); provided further, that the funds shall not be disbursed unless Family Life Center, Inc., has deposited \$100,000 in escrow for their contribution to the acquisition.
 - (10) Provided, that \$400,000 shall be for the Hale Lokelani Ohana Project for acquisition of a residential building for special needs housing to tenants earning 80% or below of area median income; provided further, that funds shall not be disbursed unless Lokelani Ohana has deposited \$100,000 into escrow for their contribution to the acquisition."

SECTION 2. New material is underscored.

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

APPROVED AS TO FORM AND
LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel

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ORDINANCE NO. _____

BILL NO. _____ (2013)

A BILL FOR AN ORDINANCE AMENDING THE
FISCAL YEAR 2013 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 2013 AFFORDABLE HOUSING PLAN,
KA HALE A KE OLA HOMELESS RESOURCE CENTERS, INC. -
HALE MAKANA O WAIALE RENTAL REHABILITATION PROJECT

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

SECTION 1. Ordinance No. 3957, Bill No. 49 (2012), Draft 1, "Fiscal Year 2013 Budget", as amended, Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2013, is hereby amended as it pertains to the Affordable Housing Fund, by adding a proviso for the Hale Makana O Waiale Rental Rehabilitation Project related to the Fiscal Year 2013 Affordable Housing Plan, to read as follows:

**"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS
FOR FISCAL YEAR 2013**

	<u>ESTIMATED BALANCE AS OF 6/30/12</u>	<u>ANTICIPATED REVENUES FOR FY 2013</u>	<u>TOTAL FOR FY 2013</u>
O. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	14,723,899	4,256,325	18,980,224
(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 \$300,000 be for a loan to Na Hale O Maui to establish a Deed-Restricted Buy-Back Revolving Interim Loan Fund.			
(5) Provided, that no more than \$70,000 be for Administrative Expenses.			
(6) Provided, that \$615,000 be for the Kulamalu Affordable Housing Project of the County of Maui for costs associated with the			

master planning, design, and entitlement of County-owned property in the Kulamalu subdivision.

- (7) Provided, that \$800,000 be for the County of Maui Neighborhood Revitalization Program of Na Hale O Maui for the acquisition and rehabilitation of 4 to 5 bank-owned foreclosed homes (\$50,000 of the \$800,000 shall be 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 shall be for the Building Houses, Building Hope Project for Habitat for Humanity for the acquisition and rehabilitation of homes for families and individuals with incomes at or below 80% of the median income.
- (9) Provided, that \$800,000 shall be for the FLC Lower Main Street Project of the Family Life Center, Inc., for the acquisition of a 10-unit apartment complex on Lower Main Street, Wailuku, Maui, Hawaii, designated for tenants with incomes between 50% to 60% median income (5 units will be designated for homeless or at-risk-of-becoming-homeless families); provided further, that the funds shall not be disbursed unless Family Life Center, Inc., has deposited \$100,000 in escrow for their contribution to the acquisition.
- (10) Provided, that \$400,000 shall be for the Hale Lokelani Ohana Project for acquisition of a residential building for special needs housing to tenants earning 80% or below of area median income; provided further, that funds shall not be disbursed unless Lokelani Ohana has deposited \$100,000 into escrow for their contribution to the acquisition.
- (11) Provided, that \$500,000 shall be for Ka Hale A Ke Ola Homeless Resource Centers, Inc. for the Hale Makana O Waiale Rental Rehabilitation Project to renovate

the 200 unit affordable multi-family apartment complex (primarily the stairwells and landings) in Wailuku, Maui, Hawaii."

SECTION 2. New material is underscored.

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

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel

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