

**COUNCIL OF THE COUNTY OF MAUI**

# **BUDGET AND FINANCE COMMITTEE**

January 8, 2016

**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 December 15, 2015, makes reference to County Communication 15-274, from the Budget Director, transmitting the following:

1. The 2015 Affordable Housing Fund Annual Plan ("Plan"); and
2. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES – SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2016, AFFORDABLE HOUSING FUND, 2015 HAWAII HOUSING PLANNING STUDY."

The purpose of the proposed bill is to amend the Fiscal Year ("FY") 2016 Budget by adding a \$120,000 proviso to the Affordable Housing Fund for the 2015 Hawaii Housing Planning Study ("Study") for the County of Maui.

Your Committee notes County Communication 15-274 transmitted five other proposed amendments to the FY 2016 Budget pertaining to the recommendations of the Plan.

The Director of Housing and Human Concerns informed your Committee the Department is requesting to include the recommendation to fund the Study in the Plan. The Hawaii Housing Finance and Development Corporation will contract for the Study in conjunction with the following participants:

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- Homeless Programs & Information Office, Benefits, Employment and Support Services Division, State Department of Human Services;
- Office of Hawaiian Affairs;
- Department of Community Services, City and County of Honolulu;
- Office of Housing and Community Development, County of Hawaii;
- Kauai County Housing Agency, County of Kauai; and
- Department of Housing and Human Concerns, County of Maui including the following County of Maui.

The Study, revised in 2011, is funded by a contribution from each participant that is based on the level of analysis requested by the participant. The four major tasks of the study are to:

1. Gather and analyze data on the housing market, including housing conditions, demographic and economic characteristics of Hawaii's households, the short-term and long-term supply of housing, and demand for short-term housing by specific geographic areas, income group, and Native Hawaiian status;
2. Project housing need by county and statewide by HUD income groups, elderly households, persons with special housing needs, and Native Hawaiian status;
3. Provide an inventory of housing stock by county and statewide, including government-assisted housing and housing units for military personnel on or off military bases; and
4. Gather and analyze historic and current information on fee simple and rental housing by county and statewide.

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Your Committee notes, pursuant to Section 3.35.080(D), Maui County Code, the Plan is required to provide an explanation on how an appropriation from the Affordable Housing Fund will result in housing if housing is not the immediate result from a proposed appropriation.

The Director stated the Study is used to justify the use of federal funds on County housing projects and the Department's Section 8 Housing Program. Additionally, the Study will determine the fair market rent used by the Section 8 Program for the Housing Choice Voucher program. The United States Department of Housing and Urban Development relies on the Study when setting the award amount for Maui County's housing vouchers.

Your Committee voted 7-0 to recommend passage of the proposed bill on first reading. Committee Chair Hokama, Vice-Chair White, and members Cochran, Couch, Crivello, Guzman, and Victorino voted "aye." Committee members Baisa and Carroll were excused.

Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions.

Your Budget and Finance Committee **RECOMMENDS** that Bill \_\_\_\_\_ (2016), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES – SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2016, AFFORDABLE HOUSING FUND, 2015 HAWAII HOUSING PLANNING STUDY," be **PASSED ON FIRST READING** and be **ORDERED TO PRINT**.

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

  
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RIKI HOKAMA, Chair

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ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2016)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A  
OF THE FISCAL YEAR 2016 BUDGET FOR THE COUNTY OF MAUI  
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -  
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2016,  
AFFORDABLE HOUSING FUND, 2015 HAWAII HOUSING  
PLANNING STUDY

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

SECTION 1. Ordinance No. 4231, Bill No. 38 (2015), Draft 1, as amended, "Fiscal Year 2016 Budget", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2016, is hereby amended as it pertains to the Affordable Housing Fund, by adding a proviso for the 2015 Hawaii Housing Planning Study, to read as follows:

**"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS  
FOR FISCAL YEAR 2016**

	<b><u>ESTIMATED BALANCE AS OF 6/30/15</u></b>	<b><u>ANTICIPATED REVENUES FOR FY 2016</u></b>	<b><u>TOTAL FOR FY 2016</u></b>
O. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	16,970,747	5,111,683	22,082,430
(1) Provided, that no more than \$70,000 shall be for Administrative Expenses.			
(2) Provided, that \$2,000,000 shall be for planning, design, and engineering of the Lanai Affordable Housing Project, Phase I.			
(3) Provided, that \$11,010,000 shall be for the Kulamalu Affordable Housing project of the County of Maui for the master planning, design, and construction of 56 County-owned rental units in the Kulamalu subdivision for families earning between 50% and 120% of the area median income.			
(4) <u>Provided, that \$120,000 shall be disbursed to SMS Research &amp; Marketing Services, Inc. to pay for the 2015 Hawaii Housing Planning Study for the County of Maui.</u>			

SECTION 2. New material is underscored.

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

APPROVED AS TO FORM AND LEGALITY:



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JEFFREY UEOKA  
Deputy Corporation Counsel