

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 1, 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 February 2, 2016, and March 15, 2016, makes reference to County Communication 16-12, from the Community Development Block Grant ("CDBG") Program Manager, transmitting a proposed resolution entitled "AUTHORIZING THE FILING OF AN APPLICATION WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM."

The purpose of the proposed resolution is to authorize the Mayor to execute and file an application with the U.S. Department of Housing and Urban Development for a grant of \$1,711,591 for the CDBG Program Year 2016/Fiscal Year 2017, which is the period from July 1, 2016 to June 30, 2017.

The communication also transmitted the following: (1) listing of applications received for CDBG funding for Program Year 2016; (2) listing of recommended and alternate projects; (3) executive summaries of the recommended projects; and (4) conflict-of-interest questionnaires submitted by the applicants.

The CDBG Program Manager stated the six projects recommended for funding are as follows:

- (1) \$141,100 to Maui Economic Opportunity, Inc., for a 25-passenger bus with wheelchair capacity for the Molokai Expanded Rural Shuttle Service Route B;

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- (2) \$115,639 to Maui Economic Opportunity, Inc., for a 25-passenger bus with wheelchair capacity for the Molokai Expanded Rural Shuttle Service Route A;
- (3) \$200,000 to Hale Mahaolu, for rehabilitation of the building and removal of asbestos within the 112 apartment units for the Lahaina Surf Preservation project;
- (4) \$284,100 to The Maui Farm, Inc., for interior and exterior facility rehabilitation, and energy conservation improvements;
- (5) \$384,298 to Ka Hale A Ke Ola Homeless Resource Centers, Inc., for repair and replacement of deteriorating staircases and decks for Buildings 3, 4, 5, 6, and 7; and
- (6) \$244,136 (partial funding) to the J. Walter Cameron Center, for interior and exterior building rehabilitation, installation of an energy-efficient parking light system, and parking lot improvements.

These projects were submitted by the applicants in response to a Request for Proposals issued by the County. The open application process for proposals was held from October 9, 2015, to November 9, 2015. The projects were selected for funding through a panel evaluation process, with approval by the Mayor. Eleven applications were received for consideration for Program Year 2016.

In addition, 20 percent of the grant request, or \$342,318, is recommended for CDBG Program Administration. These funds are used for salaries and fringe benefits, operational costs, and leased equipment.

The CDBG Program Manager further stated five alternate projects have been identified. The alternate projects may be funded in the order described in the proposed resolution if any of the six recommended projects are deemed unsuitable for funding or should funds from prior years become available.

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Your Committee notes the alternate projects recommended for funding are as follows:

- (1) \$215,864 (balance of funding request) to the J. Walter Cameron Center, for interior and exterior building rehabilitation, installation of an energy-efficient parking light system, and parking lot improvements;
- (2) \$400,000 to Hale Mahaolu, for the Ewalu affordable senior housing project in the Kulamalu Subdivision;
- (3) \$599,567 to Ka Hale A Ke Ola Homeless Resource Centers, Inc., for the rehabilitation of Buildings 3 and 5;
- (4) \$221,065 to the Boys and Girls Clubs of Maui, Inc., for interior and exterior rehabilitation of Building B, and replacement and upgrade of the security system; and
- (5) \$250,000 to the Boys and Girls Clubs of Maui, Inc., for the design of the Paukukalo Clubhouse, Phase I.

He also informed your Committee one project application was rejected, as it did not meet "minimum threshold factors." The application for \$220,000 from Wailuku Union Church for the Keenan Group Home Project did not meet the minimum composite score of 325 points.

Your Committee questioned the impact of the establishment of a Metropolitan Planning Organization on CDBG funds for Maui, Molokai, and Lanai.

In response to your Committee's concern, the CDBG Program Manager transmitted correspondence dated January 28, 2016, from Mark Chandler, Community Planning & Development Director, Region 9, U.S. Department of Housing and Urban Development, stating that based on a response from Housing and Urban Development Headquarters,

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CDBG funds will not be impacted if Maui County seeks a Metropolitan Planning Organization status.

Your Committee acknowledged adoption of the proposed resolution is critical to meet the April 15, 2016, deadline for submittal of the Annual Action Plan to the U.S. Department of Housing and Urban Development. If the resolution is not timely adopted, the County will not be eligible for Program Year 2016 funds and may be subject to penalties on past funding and projects. Your Committee noted it effectively had no option other than to recommend adoption of the proposed resolution.

Your Committee voted 8-0 to recommend adoption of the proposed resolution and filing of the communication. Committee Chair Hokama, and members Baisa, Carroll, Cochran, Couch, Crivello, Guzman, and Victorino voted "aye." Committee Vice-Chair White was excused.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Resolution _____, attached hereto, entitled "AUTHORIZING THE FILING OF AN APPLICATION WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM," be ADOPTED; and
2. That County Communication 16-12 be FILED.

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



RIKI HOKAMA, Chair

Resolution

No. _____

AUTHORIZING THE FILING OF AN APPLICATION
WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
UNITED STATES OF AMERICA,
FOR A GRANT UNDER THE
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

WHEREAS, pursuant to Title I, Housing and Community Acts of 1974 and 1977, and Section 7(d), Department of Housing and Urban Development Act, the United States of America has authorized the making of grants to public bodies to aid in financing housing and community development projects; and

WHEREAS, the assistance of the U.S. Department of Housing and Urban Development is desired to aid in the development of several community development projects within the County of Maui; now, therefore,

BE IT RESOLVED BY THE Council of the County of Maui:

1. That it does hereby authorize the Mayor of the County of Maui, or his duly authorized representative, to execute and file an application on behalf of the County of Maui with the U.S. Department of Housing and Urban Development for a grant of ONE MILLION SEVEN HUNDRED ELEVEN THOUSAND FIVE HUNDRED NINETY-ONE DOLLARS (\$1,711,591) to aid in the development of the following projects:

Resolution No. _____

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|----|---|-------------------|
| 1. | Maui Economic Opportunity, Inc. Project: Molokai Expanded Rural Shuttle Service Bus (B) Acquisition of a 25 passenger ADA-compliant bus to increase the level of public service provided on the island of Molokai. | \$ 141,100 |
| 2. | Maui Economic Opportunity, Inc. Project: Molokai Expanded Rural Shuttle Service Bus (A) Acquisition of a 25 passenger ADA-compliant bus to increase the level of public service provided on the island of Molokai. | \$ 115,639 |
| 3. | Hale Mahaolu Project: Lahaina Surf Preservation Rehabilitation of the Lahaina Surf to include asbestos removal. | \$ 200,000 |
| 4. | The Maui Farms, Inc. Project: The Maui Farm Rehabilitation Rehabilitation of the Maui Farm facility to include interior/exterior rehabilitation activities and energy conservation related improvements. | \$ 284,100 |
| 5. | Ka Hale A Ke Ola Homeless Resource Centers, Inc. Project: KHAKO Staircase Safety Initiative Rehabilitation of the Ka Hale A Ke Ola Homeless Resource Center facility to include repair and replacement of deteriorating staircases and decks for Buildings 3, 4, 5, 6 and 7. | \$ 384,298 |
| 6. | J. Walter Cameron Center Project: Cameron Center Rehabilitation and Improvement Rehabilitation of the J. Walter Cameron Center facility to include interior/exterior rehabilitation, installation of energy efficient parking light system and parking lot area improvements. | \$ 244,136 |
| 7. | CDBG Program Administration | <u>\$ 342,318</u> |
| | TOTAL | \$1,711,591 |

Furthermore, as recommended by the U.S. Department of Housing and Urban Development to avoid compromising the performance of the County of Maui CDBG Program in the accomplishment of its objectives, should any of the projects listed above prove not feasible for funding, is not in the position for funding as represented in the CDBG application, or should any funds from prior years become available for reprogramming actions by the CDBG Program Manager during Program Year 2016, the funds may be reallocated among the current open projects if funds have been progressively spent down and upon substantiated need of additional funding for completion of the project, or the current alternate projects may be funded in the order presented herein. If in the absence of viable current alternate projects proposed in the CDBG 2016 Program Year for the consideration of reprogrammable funds, alternate projects from prior years may be considered, but shall be required to first submit an updated application and be evaluated for its project readiness and viability in meeting the desired community needs pursuant to the Consolidated Plan. In the assignment of reprogrammable funds, primary considerations shall be the substantiated and justifiable need for additional funding, the readiness of use of funds and the timely expenditure of funds.

If the current alternate projects are not funded during the CDBG 2016 Program Year, the alternate projects will be required to submit an updated application to be considered for reprogrammable funds in future program years.

These Alternate Projects shall be:

Resolution No. _____

| | | |
|----|---|-------------|
| 1. | J. Walter Cameron Center Project: Cameron Center Rehabilitation & Improvement Rehabilitation of the J. Walter Cameron Center facility to include interior/exterior rehabilitation, installation of energy efficient parking light system and parking lot area improvements. | \$ 215,864 |
| 2. | Hale Mahaolu Project: Hale Mahaolu Ewalu Senior Housing Project Site work to develop a senior community campus in the Kulamalu Subdivision which will provide affordable housing for the elderly. | \$ 400,000 |
| 3. | Ka Hale A Ke Ola Homeless Resource Center Project: KHAKO Renewal Project, Phase II Rehabilitation of the Ka Hale A Ke Ola Homeless Resource Center facility to include rehabilitation of Buildings 3 and 5 for a total of 16 two-bedroom units. | \$ 599,567 |
| 4. | Boys & Girls Clubs of Maui, Inc. Project: Central Clubhouse Renovation, Building B Rehabilitation of the Central Clubhouse, Building B to include interior/exterior rehabilitation and replacement and upgrade of the security system. | \$ 221,065 |
| 5. | Boys & Girls Clubs of Maui, Inc. Project: Paukukalo Clubhouse Project, Phase I Architectural/engineering planning and design for the development of a youth center for the Boys & Girls Clubs of Maui, Paukukalo club. | \$ 250,000 |
| | Total | \$1,686,496 |

2. That the Mayor, or his duly authorized representative, is also hereby authorized to receive and accept any grant award, to execute and file all understandings and assurances contained therein, and to furnish such information as the U.S. Department of Housing and Urban Development may request in connection with the application which is herein authorized to be filed; and further, the Mayor is hereby authorized to accept the grant upon its

approval by the U.S. Department of Housing and Urban Development, and to execute all documents necessary for the acceptance and implementation of any grant award received pursuant to the application filed; and

3. That the Mayor, or his duly authorized representative, is hereby authorized to execute any and all documents necessary to process and accept such funds, including any amendments thereto; and

4. That inasmuch as the amount of the grant specified hereinabove may vary when finally approved, the authorizations herein granted shall be applicable to the amount or amounts specified in the notification of grant award or similar comparable document, including any contingency funds that the U.S. Department of Housing and Urban Development may allocate, and that such amounts may be expended if appropriated under the terms of the budget ordinance or any amendment thereof; and

5. That certified copies of this resolution be transmitted to the Mayor, the Director of Finance, the Budget Director and the CDBG Program Manager.

APPROVED AS TO FORM
AND LEGALITY:



JEFFREY DEOKA
Deputy Corporation Counsel
COUNTY OF MAUI