

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 4, 2008

Committee
Report No.

_____ 08-43

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 4, 2008, makes reference to County Communication No. 07-258, from the Community Development Block Grant (CDBG) Program Manager, transmitting the following:

1. A copy of a draft report entitled "CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER) FOR PROGRAM YEAR 2006 (JULY 1, 2006 THROUGH JUNE 30, 2007)"; and
2. A copy of a report entitled "ANNUAL ACTION PLAN (AAP) OF THE CONSOLIDATED PLAN FOR PROGRAM YEAR 2007 (JULY 1, 2007 THROUGH JUNE 30, 2008)".

The purpose of the CAPER is to comply with the annual reporting requirements of the County of Maui, as a grant recipient of Federal funds, by which the County must review and report on the progress it has made in carrying out its Consolidated Plan (ConPlan) and its AAP. The AAP, which is part of the ConPlan, describes the activities the County will specifically undertake with anticipated CDBG funds received during the program year.

At its meeting, your Committee met with the Budget Director, the CDBG Program Manager, and the First Deputy Corporation Counsel.

There was no public testimony.

The CDBG Program Manager provided your Committee a copy of the final CAPER for Program Year 2006. She explained that the ConPlan is a five-year strategic plan that addresses how the County identifies priority housing and community development needs utilizing the funds available through the U.S. Department of Housing and Urban Development (HUD) grant programs.

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The CDBG Program Manager discussed the challenges inherent in applying for and receiving Federal grants. These challenges include compliance with Federal regulations and the submittal of various reports required of the grantees.

The CDBG Program Manager stated that the penalties for non-compliance may include additional reporting requirements by HUD and the establishment of a monthly plan to ensure the appropriate use of Federal funds. She explained that this requirement would be in place for one year, and could result in the possible reduction of future allocations.

Your Committee expressed concern about whether the County's four CDBG employees are able to properly oversee the 25 ongoing projects, especially since several of these projects involve construction of facilities.

The CDBG Program Manager stated that there is adequate oversight because the employees have several years of experience working with these projects, and technical assistance is available from HUD's field office in Honolulu, when necessary.

Your Committee voted to recommend filing of the communication.

Your Budget and Finance Committee **RECOMMENDS** that County Communication No. 07-258 be **FILED**.

Adoption of this report is respectfully requested.

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