

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 4, 2008

Committee
Report No.

_____ 08-48 _____

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 10, 2008, makes reference to County Communication No. 07-307, from the Community Development Block Grant (CDBG) Program Manager, transmitting the following:

1. A document entitled “FACT SHEET REQUEST FOR PROPOSALS 2008 CONSOLIDATED/ANNUAL ACTION PLAN July 1, 2008 to June 30, 2009”;
2. A document entitled “County of Maui – CDBG 2008 Annual Action Plan (APP) Submission Schedule”; and
3. A document entitled “CDBG PROGRAM; PROJECT EVALUATION & RATING SYSTEM”.

Your Committee notes that on an annual basis, the County applies for grants from the U. S. Department of Housing and Urban Development (HUD), under its HUD-Administered Small Cities CDBG Program. The grants are provided to assist local governments in meeting their community development needs, primarily benefiting low- and moderate-income persons and families.

By correspondence dated February 25, 2008, the CDBG Program Manager transmitted the following:

1. 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 as follows:

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 4, 2008
Page 2

Committee
Report No. 08-48

A. To authorize the Mayor or her 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 (HUD) for a grant of \$2,038,242 to aid in the development of the following projects:

1. Maui Economic Concerns of the Community, Inc.
Project: Ka Hale A Ke Ola Homeless Resource Center
Rehabilitation
Rehabilitation of buildings utilized to provide emergency and transitional housing for homeless families and individuals with the roof replacement and environmental review requirements.....\$ 320,000

2. Hana Health
Project: Hana Nutrition Center
New construction of a 2,896 square foot Nutrition Center in the Hana community district and environmental review requirements \$ 300,000

3. County of Maui, Department of Water Supply
Project: Emergency Generator for Kanae Water System, Hana
Procurement and permanent installation of an emergency/standby generator for Kanae well site to provide water during electrical power disruption and emergency situations and environmental review requirements..... \$ 100,000

4. Lanai Women’s Center
Project: Lanai Community Health Center Facility
Architectural/engineering planning and design, permitting, project management, parking lot, utilities, and environmental review requirements for the development of a community health center on the island of Lanai..... \$ 500,000

5. County of Maui, Department of Fire and Public Safety

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 4, 2008
Page 3

Committee
Report No. 08-48

Project: Hana Fire Tanker
Procurement of water tanker and firefighting tools and
equipment for the Hana community district.....\$ 435,500

6. CDBG Program Administration.....\$ 382,742

TOTAL: \$2,038,242

- B. To authorize the Mayor or her duly authorized representative to:
(a) receive and accept any grant award; (b) execute and file all understandings and assurances contained therein; (c) furnish information as requested by the HUD in connection with the application which is authorized to be filed; (d) accept the grant upon its approval by the HUD; and (e) execute all documents necessary for the acceptance and implementation of any grant award received pursuant to the application filed.

- C. To authorize the Mayor or her duly authorized representative to execute any and all documents necessary to process and accept such funds, including any amendments thereto.

- D. To authorize, since the grant amount may vary, that the grant shall be applicable to the amount or amounts specified in the notification of grant award or similar comparable document, and that such amounts may be expended if appropriated under the terms of the budget ordinance or any amendment made to the budget ordinance.

- 2. A document entitled "Applications Received for CDBG Funding in Program Year 2008".

- 3. A document entitled "COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) RECOMMENDED PROJECTS FOR FUNDING PROGRAM YEAR 2008".

- 4. A document entitled "COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ALTERNATE PROJECTS PROGRAM YEAR 2008".

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 4, 2008
Page 4

Committee
Report No. 08-48

5. Copies of the executive summaries for the recommended 2008 CDBG projects.
6. A document entitled “CDBG PROGRAM BUDGET PY [*sic*] 2008-2009”.
7. Various correspondence regarding the Annual Community Assessment Report Program Year 2006 (July 1, 2006 to June 30, 2007).

By correspondence dated March 7, 2008, Kathy Bennett, Director/Teacher, Na Kamalii Hoaloha Preschool, provided testimony in support of the resolution.

By correspondence dated March 10, 2008, John Blumer-Buell, provided testimony in opposition to the Hana Nutrition Center project.

At its meeting, your Committee met with the CDBG Program Manager; a CDBG Program Specialist, Office of the Mayor; the First Deputy Corporation Counsel; and Cheryl Vasconcellos, Executive Director, Hana Health.

Your Committee received public testimony from the following: (1) three individuals supporting the purchase of the Hana Fire Tanker; (2) three individuals and three board members of Hana Health supporting the Hana Nutrition Center project; (3) one individual supporting the competitive application process; and (4) one individual opposing the Hana Nutrition Center project.

Your Committee received 106 written testimonies in support of the Hana Nutrition Center project from the Executive Director of Hana Health, and correspondence from John Blumer-Buell in opposition to the Hana Health Center project.

The CDBG Program Manager stated that four grant workshops were held that provided technical assistance and public awareness of the CDBG program. In addition, individual technical assistance was provided to 15 organizations.

The CDBG Program Manager explained that project selection was based on a competitive application process and is consistent with the five-year consolidated plan. She further stated that applications for CDBG funds were evaluated and ranked by a panel comprised of five members and one alternate, using a predetermined rating criteria, which was publicly disclosed. Emphasis was placed on consolidated plan priority;

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 4, 2008
Page 5

Committee
Report No. 08-48

project readiness; financial considerations; project impact and delivery; and applicant attributes. The current competitive application process does not provide the Council with the opportunity to add or delete projects that are proposed for funding. The Council must decide whether or not to adopt the resolution in its entirety. If the Council does not adopt the resolution, the County must use an alternate process to submit an application to HUD by May 15, 2008.

The CDBG Program Manager explained that the Hana Fire Tanker project is also listed as an alternate project to allow for the reprogramming of prior year grants to fund the additional \$138,500 required to complete the project.

Your Committee questioned whether Hana Health must have its property rezoned before beginning construction of the Hana Nutrition Center.

Ms. Vasconcellos stated that the land for the project is zoned Interim, which allows for accessory uses that includes the Hana Nutrition Center.

The CDBG Program Manager stated that if the applicant does not obtain the proper zoning or a building permit for the Hana Nutrition Center project, CDBG funds will not be provided for the project.

Your Committee voted to revise the proposed resolution to correct the description of the Molokai Community Service Council's Na Kamalii Hoaloha Preschool project to "New Construction of a preschool facility on the island of Molokai and environmental review requirements."

Your Committee recommended that the proposed resolution be further revised to incorporate nonsubstantive revisions.

Your Committee voted to recommend adoption of the revised proposed resolution and filing of the communication.

Your Committee is in receipt of a revised proposed resolution incorporating your Committee's recommendations and other nonsubstantive revisions.

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

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 4, 2008
Page 6

Committee
Report No. 08-48

1. That Resolution No. _____, as revised herein and 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 No. 07-307 be FILED.

Adoption of this report is respectfully requested.

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COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

April 4, 2008
Page 7

Committee
Report No. 08-48

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