

DEPARTMENT OF COMMUNITY SERVICES OPERATING BUDGET REVIEW FISCAL YEAR 2009

MARCH 18, 2008



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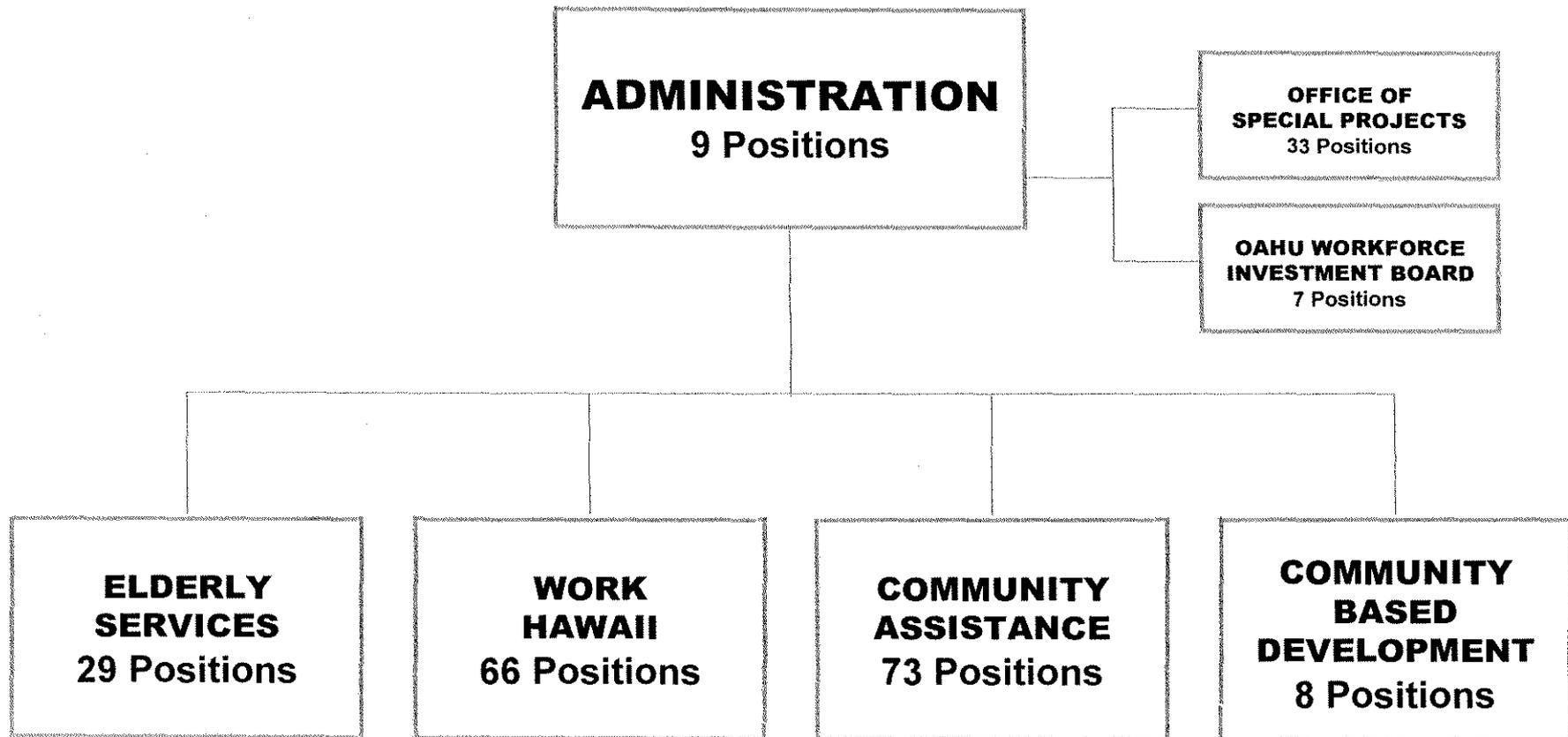
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CITY CLERK
HONOLULU, HAWAII

DEPARTMENT OF COMMUNITY SERVICES

FY 2009 Operating Budget Review

The chart below reflects the number of full-time equivalent positions appropriated in **Fiscal Year 2008**, totaling **225** positions for the Department.



DEPARTMENT OF COMMUNITY SERVICES

FY 2009 Operating Budget Review

DEPARTMENT OVERVIEW

FY 2009 Budget

	FY 2008	FY 2009	\$ CHANGE	% CHANGE
Salaries	9,765,628	11,607,660	1,842,032	19%
Current Expenses	56,987,803	59,929,198	2,941,395	5%
Equipment	79,500	157,150	77,650	98%
Total	66,832,931	71,694,008	4,861,077	7%

- ❖ **Salaries** increased by **\$1,842,032** or **19%** from FY08 to FY09 largely due to collective bargaining pay raises and additional staff for new positions and contracts.
- ❖ **Current Expenses** increased slightly by **\$2,941,395** or **5%** from FY08 to FY09 due to anticipated increases in both Federal and State funding.
- ❖ **Equipment** expenses increased by **\$77,650** for equipment replacement, accompanying computer software purchases, and a passenger vehicle.

DEPARTMENT OF COMMUNITY SERVICES

FY 2009 Operating Budget Review

DEPARTMENT OVERVIEW – Budget by Funding Source

	FY 2008	FY2009	CHANGE
General Funds	3,326,314	3,367,113	40,799
Rental Assistance Fund	233,000	233,000	0
Community Dev Fund	1,249,536	1,330,589	81,053
Special Projects Fund	6,130,055	4,369,890	(1,760,165)
Federal Grants Fund	17,055,196	21,218,040	4,162,844
Housing & Comm Dev Rehab Fund	1,816,236	1,823,595	7,359
Housing & Comm Dev Sec 8 Fund	36,937,594	39,214,140	2,276,546
Leasehold Conversion Fund	85,000	137,641	52,641
	66,832,931	71,694,008	4,861,077

- ❖ Decrease in Special Projects Fund is primarily due to reclassification of Hoala and Family Self Sufficiency (FSS) program contracts to Federal Grants Fund.
- ❖ Increase in all other funds due primarily to additional grant funding or addition of carryover funds.
- ❖ Increase in Leasehold Conversion Fund is due to possible adverse decisions on Discovery Bay and Admiral Thomas federal challenges that are pending in the U.S. District Court.

DEPARTMENT OF COMMUNITY SERVICES

FY 2009 Operating Budget Review

DEPARTMENT OVERVIEW

FY 2009 Budget

Authorized Position Count

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	
Permanent Positions	143	143	0	143	No Change
Temporary Positions	73	72	23	95	+22 Positions
Contract Positions	9	15	0	15	+6 Positions
TOTAL	225	230	23	253	+28 Positions

- ❖ 23 positions are **Budget Issues (\$1,282,323)** reflecting the replacement of 20 contract positions with temporary positions to comply with the City Auditor's recommendation and establishment of 3 temporary positions to implement the Tenant-Based Rental Assistance (TBRA) Program.
- ❖ The addition of 6 contract positions is due to an increase in 7 WH staff and a decrease of 1 EAD staff.

DEPARTMENT OF COMMUNITY SERVICES

FY 2009 Operating Budget Review

DEPARTMENT OVERVIEW – Vacancy Report

Activity	Positions Vacant	FTE				
		Number Vacant	Fill by 6/30/08	Fill during FY 2009	Will not Fill	Abolish
Administration	2	2	0	2	0	0
Special Projects	29	29	3	22	2	2
Workforce Investment	6	6	0	0	6	0
Elderly Affairs *	8	5.5	0	5.5	0	0
Work Hawaii	19	19	10	9	0	0
Community Assistance	17	17	9	8	0	0
Community Based Dev	2	2	0	2	0	0
Total	83	80.5	22	48.5	8	2

* Elderly Affairs: 5 0.5 Positions = 2.5 FTE
 3 1.0 Positions = 3.0 FTE
 8 Vacant = 5.5 FTE



DEPARTMENT OF COMMUNITY SERVICES FY 2009 Operating Budget Review

DEPARTMENT OVERVIEW – Explanation of Vacancies

- ❖ Limited term positions needed to be created to replace contract positions to comply with the City Auditor's recommendation
- ❖ Created a new class of positions, Community Services Specialist
- ❖ Recruiting staff for Planner, Grants Manager, and Clerk positions has been challenging given the current low unemployment rate and higher salaries offered in the private sector
- ❖ Unfunded vacant positions exist when grant program funds decrease, but the positions are maintained in the event that additional/new grant funds become available.

DEPARTMENT OF COMMUNITY SERVICES

FY 2009 Operating Budget Review

ADMINISTRATION

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	\$ CHANGE	% CHANGE
Salaries	536,980	541,654	0	541,654	4,674	1%
Current Expenses	1,250,740	244,844	0	244,844	(1,005,896)	-80%
Equipment	0	0	0	0	0	0%
TOTAL	1,787,720	786,498	0	786,498	(1,001,222)	-56%

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	
Permanent Positions	8	8	0	8	No Change
Temporary Positions	1	1	0	1	No Change
Contract Positions	0	0	0	0	No Change
TOTAL	9	9	0	9	No Change

- ❖ The Salary increases are due to collective bargaining pay raises.
- ❖ The decrease in Current Expenses is due to \$1 million for the Leeward Community Benefits Grants being transferred to the Office of Special Projects who administers the grant.

DEPARTMENT OF COMMUNITY SERVICES

FY 2009 Operating Budget Review

OFFICE OF SPECIAL PROJECTS

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	\$ CHANGE	% CHANGE
Salaries	1,346,306	1,459,476	149,823	1,609,299	262,993	20%
Current Expenses	695,132	2,562,425	61,356	2,623,781	1,928,649	277%
Equipment	0	0	0	0	0	0%
TOTAL	2,041,438	4,021,901	211,179	4,233,080	2,191,642	107%

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	
Permanent Positions	12	12	0	12	No Change
Temporary Positions	21	20	4	24	+3 Positions
Contract Positions	0	0	0	0	No Change
TOTAL	33	32	4	36	+3 Positions

- ❖ The Salary increases are due primarily to collective bargaining pay raises.
- ❖ The increase in Current Expenses is due to the transfer to the Office of Special Projects of: (1) the Community Benefits grant funds from the administration budget; and, (2) Workforce Investment Act – Youth grant funds from the OWIB budget.
- ❖ Our Budget Issues reflect the replacement of 4 contract positions for the Youth Services and Youth Offender Program with temporary positions and fringe benefits.

DEPARTMENT OF COMMUNITY SERVICES
FY 2009 Operating Budget Review
OAHU WORKFORCE INVESTMENT BOARD

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	\$ CHANGE	% CHANGE
Salaries	346,568	327,756	0	327,756	(18,812)	-5%
Current Expenses	2,641,122	202,766	0	202,766	(2,438,356)	-92%
Equipment	0	0	0	0	0	0%
TOTAL	2,987,690	530,522	0	530,522	(2,457,168)	-82%

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	
Permanent Positions	0	0	0	0	No change
Temporary Positions	6	6	0	6	No change
Contract Positions	1	1	0	1	No change
TOTAL	7	7	0	7	No change

- ❖ The Salary decreases are due to a reduction of Workforce Investment Act (WIA) funds.
- ❖ The decrease in Current Expenses is due to the transfer of the WIA Youth training grants to the Office of Special Projects.

DEPARTMENT OF COMMUNITY SERVICES

FY 2009 Operating Budget Review

ELDERLY AFFAIRS DIVISION

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	\$ CHANGE	% CHANGE
Salaries	1,182,899	1,127,298	0	1,127,298	(55,601)	-5%
Current Expenses	7,230,467	7,331,780	0	7,331,780	101,313	1%
Equipment	20,000	35,000	0	35,000	15,000	75%
TOTAL	8,433,366	8,494,078	0	8,494,078	60,712	1%

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	
Permanent Positions	11	11	0	11	No Change
Temporary Positions	16	16	0	16	No Change
Contract Positions	2	1	0	1	-1 Position
TOTAL	29	28	0	28	-1 Position

- ❖ The Salary decreases are due to a FY 08 BRASS adjustment which inserted \$115,623 in salaries.
- ❖ The increase in Current Expenses is due primarily to an increase in federally funded subrecipient contracts.
- ❖ The increase in Equipment is for upgrade and/or replacement of existing computers and passenger vehicle.

DEPARTMENT OF COMMUNITY SERVICES

FY 2009 Operating Budget Review

WORKHAWAII DIVISION

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	\$ CHANGE	% CHANGE
Salaries	2,843,040	3,359,294	653,958	4,013,252	1,170,212	41%
Current Expenses	2,878,384	3,130,137	264,207	3,394,344	515,960	18%
Equipment	14,750	0	0	0	(14,750)	-100%
TOTAL	5,736,174	6,489,431	918,165	7,407,596	1,671,422	29%

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	
Permanent Positions	34	34	0	34	No change
Temporary Positions	26	26	16	42	+16 Positions
Contract Positions	6	13	0	13	+7 Positions
TOTAL	66	73	16	89	+23 Positions

- ❖ The Salary increases are due to the addition of 16 temporary and 7 contract positions to provide expanded services to job seekers and employers.
- ❖ The increase in Current Expenses is primarily due to fringe benefits for personnel.
- ❖ Our Budget Issues reflect the increase of 16 temporary positions and their fringe benefits.

DEPARTMENT OF COMMUNITY SERVICES

FY 2009 Operating Budget Review

COMMUNITY ASSISTANCE DIVISION

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	\$ CHANGE	% CHANGE
Salaries	2,959,152	3,297,855	108,951	3,406,806	447,654	15%
Current Expenses	37,917,061	39,883,882	1,004,028	40,887,910	2,970,849	8%
Equipment	44,750	122,150	0	122,150	77,400	173%
TOTAL	40,920,963	43,303,887	1,112,979	44,416,866	3,495,903	9%

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	
Permanent Positions	71	71	0	71	No Change
Temporary Positions	2	2	3	5	+3 Positions
Contract Positions	0	0	0	0	No Change
TOTAL	73	73	3	76	+3 Positions

- ❖ The Salary increases are due to 3 new positions for the HOME funded TBRA Program and collective bargaining pay raises.
- ❖ The increase in Current Expenses is due to an increase in federal funding for the City's Section 8 Program and the implementation of the HOME funded TBRA program.
- ❖ The increase in Equipment is primarily due to replacement of computers, hardware, and software.
- ❖ Our Budget Issues reflect funding of \$1,112,979 for the TBRA subsidy (\$960,000), salaries (\$108,951) and Fringe Benefit cost (\$44,028) of the HOME funded TBRA program.

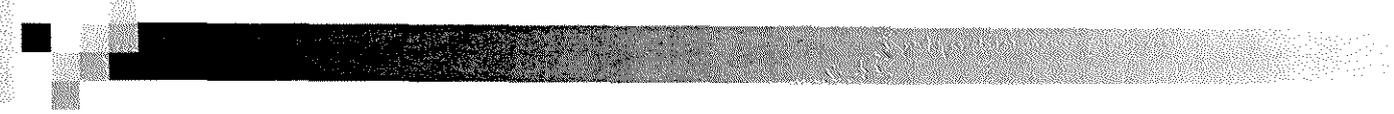
DEPARTMENT OF COMMUNITY SERVICES
FY 2009 Operating Budget Review
COMMUNITY BASED DEVELOPMENT DIVISION

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	\$ CHANGE	% CHANGE
Salaries	550,683	581,595	0	581,595	30,912	6%
Current Expenses	4,374,897	5,243,773	0	5,243,773	868,876	20%
Equipment	0	0	0	0	0	0%
TOTAL	4,925,580	5,825,368	0	5,825,368	899,788	18%

	BUDGET FY 2008	BUDGET FY 2009	BUDGET ISSUES FY 2009	TOTAL FY 2009	
Permanent Positions	7	7	0	7	No Change
Temporary Positions	1	1	0	1	No Change
Contract Positions	0	0	0	0	No Change
TOTAL	8	8	0	8	No Change

- ❖ The Salary increases are due to collective bargaining pay raises.
- ❖ The increase in Current Expenses is due to additional funding from HUD through the Continuum of Care program.

CIP



**DEPARTMENT OF
COMMUNITY SERVICES**

**CAPITAL IMPROVEMENT PROGRAM
BUDGET REQUEST**

FISCAL YEAR 2009

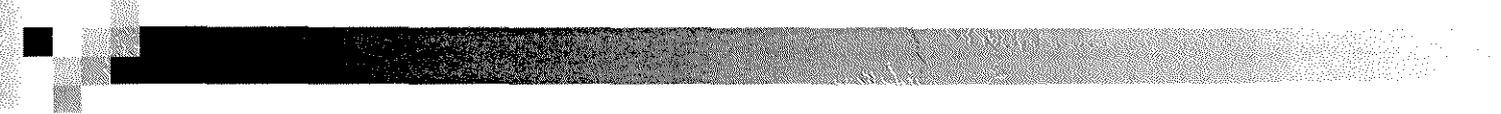
MARCH 18, 2008



River Street Residences

Project Information

- Street Address: 1331 River Street
- Tax Map Key: 1-7-006:012
- Funding Request: \$2,000,000
- Land Area: 26,925 square feet
- Existing Use: Commercial
- Land Owner: City and County of Honolulu



River Street Residences Project Information

Proposed Project

- ❖ To develop studio and one bedroom rental units to accommodate single adults, couples, and small families, with a focus of serving people with special needs who are transitioning from homelessness.



River Street Residences Project Information

Proposed Project

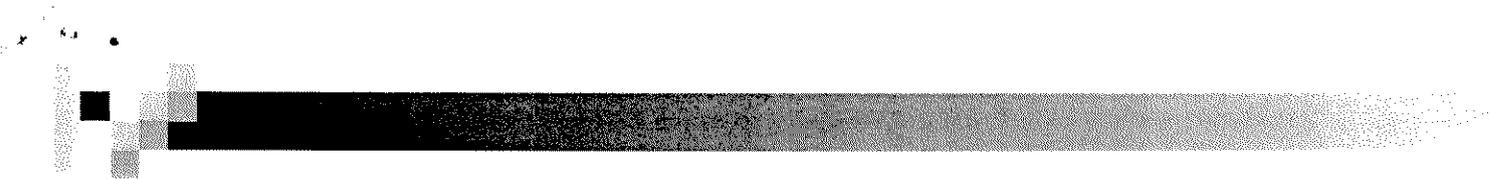
- ❖ Nonprofit developers will be asked to submit proposals to develop and manage this permanent rental housing project for lower income households who are transitioning from homelessness.

River Street Residences

Project Information

Project Justification

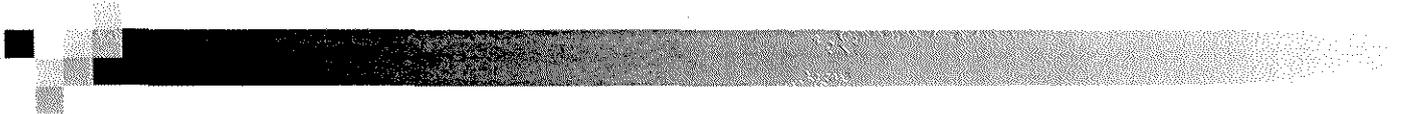
- ❖ Persons experiencing homelessness with special needs have very limited permanent housing options in Honolulu.
- ❖ Permanent supportive housing is a national best practice to address homelessness.



River Street Residences Project Information

Project Justification

- ❖ The proximity of these housing units to the downtown area offers an opportunity to address a challenging homeless population.
- ❖ The offering of services help residents maintain their housing and live as independently as possible.



River Street Residences

Project Information

Project Justification

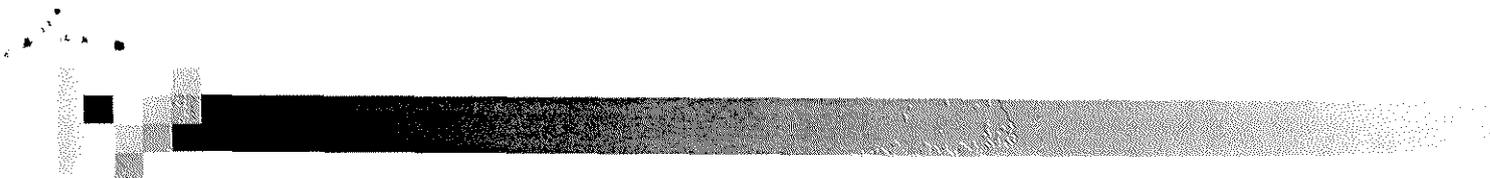
- ❖ Housing of this nature requires deep subsidies to be viable for the following reasons:
 - ✓ High development costs
 - ✓ High operating costs
 - ✓ High cost to provide services
 - ✓ Little to no return on financial investment

River Street Residences

Project Information

Potential Use of Affordable Housing Fund

- ❖ Environmental assessment
- ❖ Geotechnical investigation
- ❖ Real estate studies
- ❖ Conceptual and schematic plans
- ❖ Design activities
- ❖ Relocation expenses
- ❖ Construction costs



River Street Residences Project Information

Community Support

- ❖ The Downtown Neighborhood Board supports this project
- ❖ Neighboring property owners have been notified