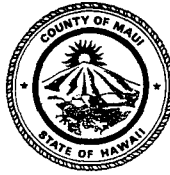


JAMES "KIMO" APANA
Mayor



JAMES B. TAKAYESU
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April 17, 2002

To: Councilman Bob Carroll

From: Traci Fujita Villarosa *TFV*
Deputy Corporation Counsel

Re: Budget and Finance Committee No. 02-54
2002 CDBG Grant Resolution
\$150,000 Grant to Mental Health Kokua

Dear Councilman Carroll:

You have asked this office to review and comment on the letter dated April 12, 2002 from Mr. Glenn Vares, CDBG Coordinator. I have reviewed the letter and provide the following comments to you.

Mr. Vares' letter brings valid concerns to the Council's attention. Because the Mental Health Kokua application was received on April 8, 2002, this is the first opportunity the CDBG office has had to provide Council with its comments on this application.

It appears that the Mental Health Kokua is unaware of the federal regulations to assist qualified tenants who are being dislocated due to a project in which federal funds are used. It is my understanding that the CDBG office is attempting to meet with Mental Health Kokua prior to the Council meeting on April 19, 2002 to discuss these federal regulations.

An important issue Council should consider is whether, given these additional responsibilities, the \$150,000 CDBG grant will be sufficient to complete the proposed Mental Health Kokua project. Depending upon its other sources of funding, Mental Health Kokua may not have sufficient funds remaining to complete their project after providing the required assistance to qualified tenants.

Should the Council approve the CDBG grant to Mental Health Kokua, the County CDBG office must work with Mental Health Kokua to ensure that all federal regulations regarding relocation assistance to tenants displaced from their homes are complied with.

If you have any further questions, I can be reached at extension 7740.