



DEPARTMENT OF  
**HOUSING AND HUMAN CONCERNS**  
COUNTY OF MAUI

ALAN M. ARAKAWA  
Mayor

CAROL K. REIMANN  
Director

JAN SHISHIDO  
Deputy Director

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November 16, 2017

Honorable Alan M. Arakawa  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Chair Stacy Crivello  
Housing, Human Services,  
and Transportation Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

  
Mayor Date

Dear Chair Crivello:

**SUBJECT: FIRST-TIME HOMEBUYERS PROGRAM (HHT-24)**

Thank you for your correspondence of November 7, 2017 pertaining to your committee's discussion on the above subject. The information requested in your letter is listed below in bold and is followed by the Department's responses.

1. **Current data that supports the need to revive the program.**  
Please refer to the 2016 Hawaii Housing Demand Study which shows the 2<sup>nd</sup> highest impediment to homeownership is the lack of a down payment.
2. **Statistics during FYs 2010 through 2013, when the program was in existence.**
  - a. **What is the breakdown of the 52 households provided with grants, per grant amount, per FY?**
    - 13 grants per fiscal year
    - \$15,000 per grant per household
  - b. **Of the 52 households, did any require repayment? And if so, what was the reason for the repayment? How is this being monitored?**
    - To date, 7 of the 52 homeowners who received the grant have sold their property and repaid the grant funding to the County.
    - The Department does not monitor the reason for the sales.

- The grants are recorded on the title of the property. Thus, when the homeowner initiates the sale of their property, the title company contacts our office and ensures the County is repaid and the lien is released from title.

**c. Of those applicants who applied, but were unable to secure a Program grant, is the Department aware whether they were able to secure other financing to help with down payment and closing costs?**

The Department does not track this information.

**3. How was the grant amount of \$15,000 calculated? How was it determined who received the full grant amount and who did not?**

The program parameters were set up by the previous DHHC Director (Jo-Ann Ridao) and former Housing Administrator (Wayde Oshiro). The Department is not certain how these figures were determined and approved.

**4. Financing options to increase the grant award amount and ensure monies revolve back into the General Fund (for example, the feasibility of either increasing the grant amount to \$25,000 or issuing a \$15,000 grant with a \$10,000 no-interest loan).**

Presently, all grant re-payments are deposited back to the general fund. The Department wishes to keep this process in place.

The Department is in favor of adopting either suggestion (to increase the amount of the grant) – as the original program was implemented during the great recession, when prices were very affordable. Based on the current higher market prices, the Department feels more subsidy would need to be granted to make a significant difference for the qualified buyers.

**5. Strategies to increase the number of applicants that are awarded funds through this program.**

Per the Department's response to question #4, the Department believes it is necessary to increase the amount of grant subsidy provided per home buyer (from \$15,000 to at least \$25,000). Based on this necessary increase, the Department feels the only way to increase the amount of applicants the program serves is to increase the amount of funding. Previously, \$200,000 was awarded each fiscal year, the Department would recommend an increase to \$750,000 - \$1,000,000.

Honorable Chair Stacy Crivello  
Housing, Human Services,  
and Transportation Committee  
Maui County Council  
November 16, 2017  
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Thank you for the opportunity to provide this information. Should you have any questions, please feel free to contact me at Ext. 7805.

Sincerely,

A handwritten signature in black ink, appearing to read 'CAROL K. REIMANN', with a stylized flourish at the end.

CAROL K. REIMANN  
Director of Housing and Human Concerns