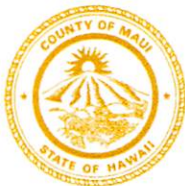


Michael P. Victorino
Mayor

Sananda K. Baz
Managing Director



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OFFICE OF THE
COUNTY CLERK

OFFICE OF THE MAYOR
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

REFERENCE NO. BD-BA 19-80

March 1, 2019

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Michael P. Victorino 3/1/19

Mayor Date

For Transmittal to:

Honorable Kelly T. King, Chair
And Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair King and Members:

**SUBJECT: AFFORDABLE HOUSING FUND PROGRAM FISCAL
YEAR 2019 ANNUAL PLAN**

Pursuant to Section 3.35.080, Maui County Code, I am transmitting, on behalf of the Department of Housing and Human Concerns, the 2018 Affordable Housing Fund Annual Plan for consideration by the Maui County Council.

Public Notice for the Affordable Housing Fund Program's 2019 Proposal Application Workshop was published in the Maui News on October 7 and 14, 2018. The Workshop was conducted by the Department of Housing and Human Concerns (Department) on October 15 with 6 applicant representatives in attendance. A Notice for Request for Proposals for projects requesting funding from the Affordable Housing Fund was published in the Maui News on October 14 and October 21, 2018. The application deadline was November 23, 2018.

All received proposals were reviewed and evaluated by a three-person selection committee. Based on review and evaluation by the selection committee, the following projects are being recommended:

COUNTY COMMUNICATION NO. 19-117

Chair Kelly T. King
March 1, 2019
Page 2

1. Kai Mauka Ike Nui Apartments (project name changed from Kaiauulu O Kupuohi Apartments) – Ikaika Ohana
2. Ewalu Phase II – Hale Mahaolu
3. Westside Staircase – Ka Hale A Ke Ola
4. Renewal Project Phase III Building 7 – Ka Hale A Ke Ola
5. 100% Affordable Hana Housing Project – Habitat for Humanity

The Department received nine (9) proposals for the following projects:

1. Kaiauulu O Kupuohi Apartments – Ikaika Ohana
2. Ewalu Phase II – Hale Mahaolu
3. Westside Staircase – Ka Hale A Ke Ola
4. Renewal Project Phase III Building 7 – Ka Hale A Ke Ola
5. 100% Affordable Hana Housing Project – Habitat for Humanity
6. Pailolo Place – Pailolo Investment LLC
7. A LEED Project for Affordable Housing – FABMAC Homes
8. Kaahumanu Church Affordable Housing Project – Kaahumanu Church
9. Mission Grounds Affordable Housing Project – Wailuku Union Church

Attached are proposed bills to amend the Fiscal Year 2019 Budget for the following projects:

1. Ewalu Phase II – Hale Mahaolu
2. Westside Staircase – Ka Hale A Ke Ola
3. Renewal Project Phase III Building 7 – Ka Hale A Ke Ola

With regards to the Kai Mauka Ike Nui Apartments – Ikaika Ohana and 100% Affordable Hana Housing Project – Habitat for Humanity projects, Mayor Victorino has requested further information from the Department.

I respectfully request that this matter be referred to the appropriate Council committee for review and discussion.

Thank you for your attention to this matter. Should you have any questions, please contact me at Ext. 7212.

Sincerely,



MICHELE M. YOSHIMURA
Budget Director

Attachments

cc: Sananda K. Baz, Managing Director
Scott K. Teruya, Director of Finance
William R. Spence, Interim Director of Housing and Human Concerns

FY 2019 AFFORDABLE HOUSING FUND PLAN RECOMMENDATIONS

	Project and Description	Amount
1	<p>Ikaika Ohana – Kai Mauka Ike Nui Apartments (name changed from Kaiaulu O Kupuohi Apartments) Funds will be utilized for the acquisition pre-development site costs to produce 84 total rental units, 59 units will be rented at or below 60% of the area median income (AMI), 24 units will be rented at market rate, and 1 unit will be reserved for an onsite property manager. The property shall follow an affordability period of 65 years. TMK: 2-4-5-010-060 and 2-4-5-010-047 Location: 187 Kupuohi Street, Lahaina, HI</p>	\$ 3,000,000
2	<p>Hale Mahaolu – Ewalu Phase II Funds will be utilized for new construction of Ewalu Phase II. A total of 24 rental units shall be constructed, 5 units shall be rented at or below 50% AMI, 17 shall be rented at or below 60% AMI. The property shall remain affordable in perpetuity. TMK: (2) 2-3-066-019 & 020 Location: Kulamalu Town Center, Pukalani, HI</p>	\$850,000
3	<p>Ka Hale A Ke Ola – Westside Staircase Funds will be utilized for rehabilitation to repair the staircase at the Westside facility. This staircase rehabilitation will preserve 48 units which serve a population at or below 50% AMI. This project shall remain affordable in perpetuity. TMK: (2)-4-6-015 Location: 15 Ipu Aumakua Lane, Lahaina, HI</p>	\$442,040
4	<p>Ka Hale A Ke Ola – Renewal Project Phase III Building 7 Funds will be utilized to rehabilitate a building to support 16 additional residents at the Wailuku facility. All 16 units shall be used to serve those at or below 50% AMI. This project shall remain affordable in perpetuity. TMK: 3-8-46:21 Location: 670 Waiale Road, Wailuku, HI</p>	\$199,213
5	<p>Habitat for Humanity – 100% Affordable Hana Housing Project Funds will be utilized for land acquisition and new construction to produce 25 single family homes. 5 of the units shall be reserved for those at or below 50% AMI, 7 shall be reserved at or below 60% AMI, and 13 shall be reserved at or below 80% AMI. This project has an affordability period of 30 years. TMK: (2) 1-3-004:001 Location: Hana, HI</p>	\$5,000,000

ORDINANCE NO. _____

BILL NO. _____ (2019)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A
OF THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2019,
AFFORDABLE HOUSING FUND (HALE MAHAOLU EWALU PHASE II)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4861 Bill No. 57 (2018), as amended, "Fiscal Year 2019 Budget", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2019, is hereby amended as it pertains to the Affordable Housing Fund, by adding a proviso for \$850,000 for Hale Mahaolu Ewalu Phase II, to read as follows:

"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2019

	<u>ESTIMATED BALANCE AS OF 6/30/18</u>	<u>ANTICIPATED REVENUES FOR FY 2019</u>	<u>TOTAL FOR FY 2019</u>
M. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	14,387,781	6,429,714	20,817,495
(1) Provided, that no more than \$70,000 shall be for Administrative Expenses.			
(2) Provided, that \$1,000,000 from the West Maui Affordable Housing funds shall be for the Na Hale O Maui Kahoma Homes project of Housing and Land Enterprise of Maui, dba Na Hale O Maui, for the continued construction of twelve homes in the Kahoma Residential Project. Eight homes to be sold to families with a household income at 100 percent and below of area median income and four homes to be sold to families with a household income between 101 percent and 120 percent of area median income.			
(3) Provided, that \$2,000,000 shall be for planning, design, and engineering of the Lanai Affordable Housing Project, Phase I.			
(4) Provided, that \$2,000,000 shall be for a First-time Homebuyers Program. No funds shall be granted until Council has approved, by Resolution, a First-time Homebuyers Program that shall include, but not be limited to, the maximum grant amount to an individual and			

considerations regarding the overall subsidy received by an individual.

- (5) Provided, that \$1,000,000 shall be for residential workforce housing units buy-back.
- (6) Provided, that \$250,000 shall be the County's match for the appraisal and other preparations for the condemnation of the ground lease for the Front Street Apartments affordable housing project. Funds shall not be expended until the Hawaii Housing Finance and Development Corporation provides dollar-for-dollar matching funds and the County and the Hawaii Housing Finance and Development Corporation have entered into a Memorandum of Agreement detailing the terms of the County's financial obligation.
- (7) Provided, that \$105,000 shall be for the Hawaii Housing Planning Study.
- (8) Provided, that \$850,000 shall be for construction for Hale Mahaolu Ewalu Phase II. The 24 rental units will include five units rented at or below 50 percent of the area median income and 17 units to be rented at or below 60 percent of the area median income."

SECTION 2. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. _____ (2019)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A
OF THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2019,
AFFORDABLE HOUSING FUND (KA HALE A KE OLA, WESTSIDE STAIRCASE)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4861 Bill No. 57 (2018), as amended, "Fiscal Year 2019 Budget", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2019, is hereby amended as it pertains to the Affordable Housing Fund, by adding a proviso for \$442,040 for Ka Hale A Ke Ola, Westside Staircase project, to read as follows:

"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2019

	<u>ESTIMATED BALANCE AS OF 6/30/18</u>	<u>ANTICIPATED REVENUES FOR FY 2019</u>	<u>TOTAL FOR FY 2019</u>
M. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	14,387,781	6,429,714	20,817,495
(1) Provided, that no more than \$70,000 shall be for Administrative Expenses.			
(2) Provided, that \$1,000,000 from the West Maui Affordable Housing funds shall be for the Na Hale O Maui Kahoma Homes project of Housing and Land Enterprise of Maui, dba Na Hale O Maui, for the continued construction of twelve homes in the Kahoma Residential Project. Eight homes to be sold to families with a household income at 100 percent and below of area median income and four homes to be sold to families with a household income between 101 percent and 120 percent of area median income.			
(3) Provided, that \$2,000,000 shall be for planning, design, and engineering of the Lanai Affordable Housing Project, Phase I.			
(4) Provided, that \$2,000,000 shall be for a First-time Homebuyers Program. No funds shall be granted until Council has approved, by Resolution, a First-time Homebuyers Program that shall include, but not be limited to, the maximum grant amount to an individual and			

considerations regarding the overall subsidy received by an individual.

- (5) Provided, that \$1,000,000 shall be for residential workforce housing units buy-back.
- (6) Provided, that \$250,000 shall be the County's match for the appraisal and other preparations for the condemnation of the ground lease for the Front Street Apartments affordable housing project. Funds shall not be expended until the Hawaii Housing Finance and Development Corporation provides dollar-for-dollar matching funds and the County and the Hawaii Housing Finance and Development Corporation have entered into a Memorandum of Agreement detailing the terms of the County's financial obligation.
- (7) Provided, that \$105,000 shall be for the Hawaii Housing Planning Study.
- (8) Provided, that \$442,040 shall be for the Ka Hale A Ke Ola Westside Staircase project. The rehabilitation of the staircase will preserve 48 rental units which serve a population at or below 50 percent of the area median income."

SECTION 2. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. _____ (2019)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A
OF THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2019,
AFFORDABLE HOUSING FUND (KA HALE A KE OLA, RENEWAL PROJECT PHASE III BUILDING 7)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4861 Bill No. 57 (2018), as amended, "Fiscal Year 2019 Budget", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2019, is hereby amended as it pertains to the Affordable Housing Fund, by adding a proviso for \$199,213 for Ka Hale A Ke Ola, Renewal Project Phase III Building 7, to read as follows:

"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2019

	<u>ESTIMATED BALANCE AS OF 6/30/18</u>	<u>ANTICIPATED REVENUES FOR FY 2019</u>	<u>TOTAL FOR FY 2019</u>
M. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	14,387,781	6,429,714	20,817,495
(1) Provided, that no more than \$70,000 shall be for Administrative Expenses.			
(2) Provided, that \$1,000,000 from the West Maui Affordable Housing funds shall be for the Na Hale O Maui Kahoma Homes project of Housing and Land Enterprise of Maui, dba Na Hale O Maui, for the continued construction of twelve homes in the Kahoma Residential Project. Eight homes to be sold to families with a household income at 100 percent and below of area median income and four homes to be sold to families with a household income between 101 percent and 120 percent of area median income.			
(3) Provided, that \$2,000,000 shall be for planning, design, and engineering of the Lanai Affordable Housing Project, Phase I.			
(4) Provided, that \$2,000,000 shall be for a First-time Homebuyers Program. No funds shall be granted until Council has approved, by Resolution, a First-time Homebuyers Program that shall include, but not be limited to, the maximum grant amount to an individual and			

considerations regarding the overall subsidy received by an individual.

- (5) Provided, that \$1,000,000 shall be for residential workforce housing units buy-back.
- (6) Provided, that \$250,000 shall be the County's match for the appraisal and other preparations for the condemnation of the ground lease for the Front Street Apartments affordable housing project. Funds shall not be expended until the Hawaii Housing Finance and Development Corporation provides dollar-for-dollar matching funds and the County and the Hawaii Housing Finance and Development Corporation have entered into a Memorandum of Agreement detailing the terms of the County's financial obligation.
- (7) Provided, that \$105,000 shall be for the Hawaii Housing Planning Study.
- (8) Provided, that \$199,213 shall be for the Ka Hale A Ke Ola Renewal Project Phase III Building 7. The rehabilitation of Building 7 at the Wailuku facility would support 16 additional residents at or below 50 percent of the area median income."

SECTION 2. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel