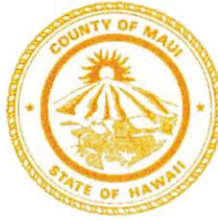


RICHARD T. BISSEN, JR.
Mayor

RICHARD E. MITCHELL, ESQ.
Director

SAUMALU MATA'AFU
Deputy Director



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COUNTY CLERK

DEPARTMENT OF HOUSING
COUNTY OF MAUI
2065 MAIN STREET, SUITE 108
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7351
FAX: (808) 270-6284

April 9, 2025

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Richard T. Bissen, Jr.

Mayor Date 4-9-25

For transmittal to:

Honorable Alice L. Lee, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Lee and Members:

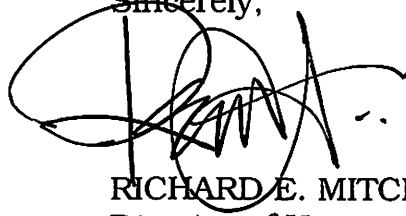
**SUBJECT: FISCAL YEAR 2026 AFFORDABLE HOUSING FUND
ANNUAL PLAN**

Thank you for the opportunity to provide the Department of Housing's Fiscal Year (FY) 2026 Affordable Housing Fund annual plan (Plan). The Department transmits the Plan to the Council in accordance with Section 3.35.080, Maui County Code, and respectfully requests that the projects listed be considered for funding in FY 2026.

Should you have any questions please contact me or the Department at (808) 270-7110 or email me at director.housing@co.maui.hi.us.

Received at BFED meeting on 04/11/2025

Sincerely,

A handwritten signature in black ink, appearing to be 'R. Mitchell', written over a circular stamp or seal.

RICHARD E. MITCHELL, ESQ.
Director of Housing

Attachment (1)

Department of Housing

Fiscal Year (FY) 2026 Affordable Housing Fund Annual Plan

Section 3.35.080, Maui County Code, Subsections A Through E

- A. A description of the projects to be funded, including grants and loans, with a completed grant or loan proposal for each project.**

Please see descriptions of the twelve Affordable Housing Fund (AHF) projects in the Mayor's FY 2026 Proposed Budget on the following pages.

- B. The total proposed appropriations for the subject fiscal year.**

The Mayor's FY 2026 Proposed Budget proposes \$32,519,431 for the AHF, which represents 5 percent of the anticipated real property tax revenues in FY 2026. The AHF has a current estimated balance of \$10,992,593. The total funding available in the AHF for FY 2026 is \$43,512,024.

- C. The number of housing units that will be created and residents to be served.**

The total appropriations proposed will support the development, acquisition, or rehabilitation of 843 affordable housing units.

- D. If housing is not the immediate result from a proposed appropriation, such as land acquisition or infrastructure improvements, provide an explanation on how the appropriation will result in housing.**

Not applicable.

- E. The total expenditure for administrative expenses, which shall be consistent with section 3.35.010(D) of this chapter.**

Section 3.35.010(D), Maui County Code, allows 3 percent of the total amount in the AHF to be used for administrative expenses, which is \$1,305,361 in FY 2026. The Department requests \$70,000 to administer the FY 2026 AHF program.

FY 2026 Affordable Housing Fund Project Descriptions

1. Hale O Pi'ikea I Project

Owner: Hawaiian Community Development Board (HCDB)

Amount: \$681,425 grant

Location: Kihei, Maui, Hawai'i

TMK: (2) 3-9-002-076-0001

Purpose:

The Hale O Pi'ikea I affordable rental housing project is the first of three phases of the Hale O Pi'ikea affordable rental housing development. HCDB is the current legal owner of the property. The funds will be used for on-site improvements and off-site infrastructure for eighty-nine new long-term rental housing units. The project will include 9 units at or below 30 percent of the area median income, 9 units at or below 50 percent of the area median income, and seventy-one units at or below 60 percent of the area median income.

This project will also have one dedicated housing unit set aside for a homeless household with a maximum term of one year. Malama Na Makua A Keiki (MNMA), an established direct service provider, will facilitate filling this unit with a homeless individual or family. MNMA will also provide case management throughout the lease and help place the household in a long-term affordable unit.

Previous funding:

Fiscal Year: 2021

Amount: \$5,768,650

Scope: Land Acquisition

Fiscal Year: 2024

Amount: \$3,300,000

Scope: New Construction

2. Hale O Pi'ikea II Project

Owner: HCDB

Amount: \$1,472,074 grant

Location: Kihei, Maui, Hawai'i

TMK: (2) 3-9-002-076-0003

Purpose:

The Hale O Pi'ikea II affordable rental housing project is the second phase of the Hale O Pi'ikea affordable rental housing development. It will provide ninety-six new long-term rental housing units. The funds will be used for on-site improvements and off-site infrastructure. The project will include 10 units at or below 30 percent of the area median income, 10 units at or below 50 percent of the area median income, and seventy-six units at or below 60 percent of the area median income. This project will target 55+ senior residents earning 30 to 60 percent area median income to help address the critical need for affordable housing opportunities on Maui.

This project will have one four-story midrise building containing large living spaces, community garden, two elevators, an open picnic area, and a lobby. It will also include a community room with computer accessibility. Hale O Pi'ikea II will also have meeting space to accommodate social functions, tenants association meetings, and programs offered on-site by outside health and social service providers.

Previous funding:

Fiscal Year: 2022

Amount: \$4,665,660

Scope: New Construction

Fiscal Year: 2024

Amount: \$1,512,407

Scope: New Construction

3. Hale O Pi'ikea III Project

Owner: HCDB

Amount: \$1,379,037 grant

Location: Kihei, Maui, Hawai'i

TMK: (2) 3-9-002-076-0004

Purpose:

The Hale O Pi'ikea III affordable rental housing project is the third and final phase in the Hale O Pi'ikea development. This project will provide thirty-five new affordable rental units. They will consist of 4 units at or below 30 percent of the area median income, 4 units at or below 40 percent of the area median income, and twenty-seven units at or below 60 percent of the area median income. The unit mix consists of twelve one-bedroom, sixteen two-bedroom, and 8 three-bedroom apartments, addressing the critical need for affordable housing for families on Maui. The development features four two-story, garden-style walk-up buildings, offering a family friendly layout.

This project will also have one dedicated housing unit set aside for a homeless household with a maximum term of one year. Malama Na Makua A Keiki (MNMA), an established direct service provider, will facilitate filling this unit with a homeless individual or family. MNMA will also provide case management throughout the lease and help place the household in a long-term affordable unit.

Previous funding:

Fiscal Year: 2024

Amount: \$1,897,586

Scope: New Construction

4. Permanently Affordable Rental Unit Strategy (PARUS) Project

Owner: Hawai'i Community Development Corporation (HCDC)

Amount: \$1,015,000 grant

Location: Kihei and Wailuku, Maui, Hawai'i

TMK: Various

Purpose:

The PARUS initiative of HCDC is a strategic approach to the acquisition of existing housing stock by private investor owners and the conversion of acquired units into permanent affordable rental units based on the Department of Housing and Urban Development's published area median income rental guidelines. This project will consist of 3 units at or below 80 percent of the area median income, and 3 units at or below 120 percent of the area median income. HCDC also serves the growing need of gap families with incomes between 81 and 140 percent of area median income. This project delivers permanent affordable rental housing on Maui.

Previous funding:

Fiscal Year: 2025

Amount: \$3,000,000

Scope: Residential Acquisition

5. Kehalani Affordable Apartments Project

Owner: Kehalani Affordable LLC.
Loan Amount: \$3,500,000 loan
Location: Wailuku, Maui, Hawai'i
TMK: (2) 3-5-001-063-0006

Purpose:

Kehalani Apartments project is a targeted effort to address Maui's critical shortage of workforce affordable housing. This project aims to provide thirty-five quality affordable housing rental units for the Maui workforce. This three-story development will consist of 4 units at or below 30 percent of the area median income, and thirty-one units at or below 60 percent of the area median income. This project seeks to bring down the interest and carrying costs through the Affordable Housing Fund allocation and lower the overall project budget to make the project financially feasible.

Previous funding:

None

6. Kaiaulu O Lana'i Project

Owner: A0745 Lana'i L.P.
Loan Amount: \$7,200,000 loan
Location: Lana'i City, Lana'i, Hawai'i
TMK: (2) 4-9-002-058

Purpose:

Kaiaulu O Lana'i will provide thirty-six units for families earning between 30 percent and 60 percent of the area median income . It will also include twenty-four units for seniors earning between 30 percent and 60 percent of the area median income for Lana'i. The proposed funds will be used new construction.

Previous funding:

None

7. Emergency Shelter Buildings Rehabilitation Project

Owner: Ka Hale A Ke Ola Homeless Resource Center, Inc. (KHAKO)

Amount: \$226,211 grant

Location Wailuku, Maui, Hawai'i

TMK: (2) 3-8-046-033

Purpose:

KHAKO will rehabilitate seventy-two units at or below 50 percent of the area median income. The proposed funds will extend the useful life of the KHAKO facilities by removing rotting wood and applying weather-proof painting to the building. KHAKO serves families and individuals who are unsheltered, homeless at imminent-risk of homelessness, in dangerous or desperate situations or are homeless and residing in emergency shelters.

Previous funding:

Fiscal Year: 2020

Amount: \$199,213

Scope: Rehabilitation

8. Kaiahale 'o Kahiluhilu (Phase 1) Project

Owner: Hui Kauhale Inc.

Amount: \$5,000,000 grant

Location: Kahului, Maui, Hawai'i

TMK: (2) 3-7-004-0003 (portion)

Purpose:

The first phase of Kaiahale 'o Kahiluhilu consists of 197 units multifamily rental units for families earning up to 60 percent of the area median income. The project will include 10 units at or below 30 percent of the area median income, 55 units at or below 50 percent of the area median income, and 131 units at or below 60 percent of the area median income. The funds will be used for new construction.

Previous funding:

None

9. Kaiahale 'o Kahiluhilu (Phase 2) Project Summary:

Owner: Hui Kauhale Inc.

Amount: \$5,000,000 grant

Location: Kahului, Maui, Hawai'i

TMK: (2) 3-7-004-0003 (portion)

Purpose:

The second phase of Kaiahale o' Kahiluhilu consists of 106 multifamily rental units for families earning up to 60 percent of the area median income. The project will include 7 units at or below 30 percent of the area median income, twenty-eight units at or below 50 percent of the area median income, and 70 units at or below 60 percent of the area median income. The funds will be used for new construction.

Previous funding:

None

10. Arc of Maui County Project Summary:

Owner: Arc of Maui

Amount: \$651,245 grant

Location: Lahaina, Kihei, and Kahului, Maui, Hawai'i

TMK: Various

Purpose:

The Arc of Maui provides low income rental housing to individuals with intellectual and developmental disabilities by providing twenty-four hour support by trained staff with an emphasis on health and safety. The Arc of Maui will help with replumbing costs to replace aging cast iron pipes, replacement of thirty-year old windows with energy efficient double pane windows and installation of split air conditioning system to 4 homes. The rehabilitation will support twenty residents with intellectual and developmental disabilities.

Previous funding:

Fiscal Year: 2017

Amount: \$290,430

Scope: Rehabilitation/Home renovations

11. Kaiaulu O Napili Project

Owner: A0746 Lahaina, L.P.
Loan Amount: \$12,400,000 loan
Location: Napili, Maui, Hawai'i
TMK: (2) 4-3-001-096

Purpose:

Kaiaulu O Napili will consist of 120 multifamily rental apartments. The rentals are targeted for Lahaina residents and families who were affected by the August 2023 wildfires. The proposed funding will be used predominately for new construction, planning, and design. The project will include fourteen units at or below 30 percent of the area median income, 14 units at or below 40 percent of the area median income, and eighty-six units at or below 60 percent of the area median income.

Previous funding:

None

12. Fairways at Maui Lani Project

Owner: Na Hale O Maui (NHOM)

Amount: \$3,500,00 grant

Location: Kahului, Maui, Hawai'i

TMK: (2) 3-8-096:001, 002, 003, 004, 005, 006, and 007

Purpose:

Na Hale O Maui will provide 7 single-family homes in the Fairways at Maui Lani for families earning between 80 and 140 percent of the area median income. The proposed funds will be used for planning, design, and new construction of 7 single family homes. Title to the land will be held by Na Hale O Maui to ensure affordability in perpetuity.

Previous funding:

None