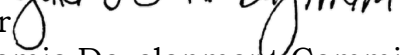


April 7, 2026

MEMO TO: BFED-1 File

F R O M: Yuki Lei K. Sugimura, Chair 
Budget, Finance, and Economic Development Committee

SUBJECT: **TRANSMITTAL OF INFORMATIONAL DOCUMENT RELATING TO
PROPOSED FISCAL YEAR 2027 BUDGET FOR THE COUNTY OF
MAUI** (BFED-1)

The attached informational document pertains to Item 1 on the Committee's agenda.

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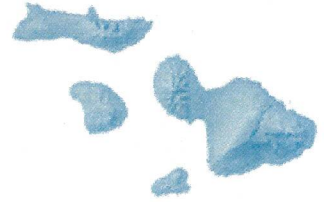
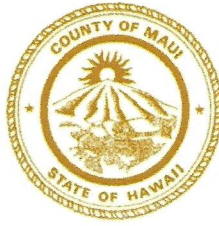
Attachment

Received at BFED meeting on 04/07/2026.

RICHARD T. BISSEN, JR.
Mayor

RICHARD E. MITCHELL, ESQ.
Director

SAUMALU MATA'AFU
Deputy Director



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

March 30, 2026

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

For transmittal to:

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

Dear Chair Lee and Members of the Council:

SUBJECT: FISCAL YEAR 2027 AFFORDABLE HOUSING PLAN

In accordance with Section 3.35.080, Maui County Code (MCC), the Department of Housing (Department) transmits the Affordable Housing Plan for Fiscal Year (FY) 2027.

Department of Housing

FY 2027 Affordable Housing Fund Annual Plan

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 for the ten Affordable Housing Fund (AHF) projects in the Mayor's FY 2027 Proposed Budget (Budget) below. In addition to those projects, other proposed AHF budget items include:

1. \$1,434,557 to reclassify Open Space Funds for the Kaiaulu O Napili Affordable Housing Project.
2. \$1,000,000 for predevelopment costs to construct affordable housing projects on County-owned properties.

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

The anticipated revenues proposed in the FY 2027 Budget for the AHF are \$35,560,345. The AHF has a current estimated balance of \$43,931,554. The total funding available in the AHF for FY 2027 is \$79,491,899.

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 approximately 782 affordable housing units for income-eligible residents.

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.

All proposed FY 2027 Budget appropriations for the AHF will result in housing.

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

Under Section 3.35.010(D), MCC, the Department is authorized to use no more than 3 percent annually of the total amount in the AHF for administrative expenses, which in FY 2027 totals \$2,384,757. The Department requests \$70,000 to administer the FY 2027 AHF program.

FY 2027

Affordable Housing Fund Project Descriptions

1. Kuikahi Workforce Housing Project

Developer: Papakapu LLC

Amount: \$19,397,020 loan

Location: 101 Kuikahi Drive, Wailuku, Maui, Hawai'i

TMK: (2) 3-5-002:035

Community Plan District: Wailuku

Site Control: Yes

Purpose:

The Kuikahi Workforce Housing Project will provide 102 for-sale residential units developed across fifty-four building pads, consisting of six single-family Americans with Disability Act units and ninety-six duplex homes. The project will include thirty-one units at or below 120 percent of area median income (AMI) and seventy-one units at or below 140 percent of AMI, addressing the housing gap for essential workforce households.

Funding will be used for planning, design, new construction, on-site improvements, and other uses.

The developer's AHF proposal aims to subsidize the development costs per home. Proposed as loan-to-equity financing, the developer favors an interest-free construction loan that converts at each buyer's closing into a recorded County equity share to be repaid at resale (or no later than year 30) with 1 percent simple interest, providing a means to preserve affordability and recover funds for future projects.

Previous funding: None

2. From Ashes, 'Aina: LCLT Fire Recovery Vertical Construction Project

Developer: Lahaina Community Land Trust

Amount: \$2,461,000 grant

Location: Lahaina, Maui, Hawai'i

TMK: To-be-determined (TBD)

Community Plan District: West Maui

Site Control: TBD (Community Land Trust)

Purpose:

Proposed funding will be used toward construction of five permanently affordable homeownership units on fire-affected lots owned by Lahaina Community Land Trust in Lahaina. A portion of proposed funds would be used for administrative, predevelopment, and other costs. Homes will be sold to fire-impacted households earning up to 140 percent of AMI.

EPA environmental reviews have been completed for each of the previously developed sites, and no additional entitlements or variances are anticipated. Each home will remain permanently affordable through a 99-year renewable ground lease, with resale prices appreciating at a fixed rate of 1.5 percent per year.

Previous funding:

FY: 2025
Amount: \$1,500,000 (AHF Program)
Scope: Acquisition program

FY: 2025
Amount: \$3,500,000 (AHF Program)
Scope: Insurance Gap Funding

FY: 2026
Amount: \$11,000,000 (General Fund)
Scope: Acquisition, Construction, Gap Funding

3. Pu'uhona Homestead LIHTC Project

Developer: DDC IA LLC

Amount: \$1,800,000 loan

Location: Wailuku, Maui, Hawai'i

TMK: various

Community Plan District: Wailuku

Site Control: Yes

Purpose:

The project will deliver twenty-two single-family homes through a low income housing tax credit rental with an option to purchase model for Department of Hawaiian Home Lands beneficiaries earning at or below 60 percent of AMI. The project will include two units at or below 30 percent of the AMI, five units at or below 50 percent of AMI, and fifteen units at or below 60 percent of the AMI.

Funding will be used for new construction, planning, design, and other indirect costs. Homes will be constructed on vacant and improved lots within the Pu'uhona subdivision. The project has existing infrastructure, established entitlements, and site control.

Water meter and installation fees were paid in April 2022 for the subdivision. Additional improvements requested by Department of Water Supply are underway.

Previous funding: None

4. Kaiahale 'o Kahiluhilu - Phase 1 Project

Developer: Hui Kauhale, Inc.

Amount: \$15,000,000 grant

Location: Kahului, Maui, Hawai'i

TMK: (2) 3-7-004:003 (portion)

Community Plan District: Kahului

Site Control: Yes (land leased from the State)

Purpose:

The first phase of Kaiahale 'o Kahiluhilu consists of 197 permanently affordable rental housing units within a single six-story building, which includes one-, two-, and three-bedroom apartments. The project includes ten units at or below 30 percent of AMI, fifty-five units at or below 50 percent of AMI, 131 units at or below 60 percent of AMI, and one resident manager unit.

Funding will be used for new construction and will offset reductions in federal funding and other subsidies and address increased project costs. The funding is critical to securing the financing required for project completion. The project received entitlements under Chapter 201H, Hawaii Revised Statutes.

While the project qualifies for an exemption in accordance with Chapter 14.07, MCC, a portion of the AHF request will be used to offset water system development fees.

Previous funding:

FY:	2026
Amount:	\$5,000,000
Scope:	New Construction

5. Kaiahale 'o Kahiluhilu - Phase 2 Project

Developer: Hui Kauhale, Inc.

Amount: \$10,000,000 grant

Location: Kahului, Maui, Hawai'i

TMK: (2) 3-7-004:003 (portion)

Community Plan District: Kahului

Site Control: Yes (land leased from the State)

Purpose:

The second phase of Kaiahale 'o Kahiluhilu consists of 106 permanently affordable rental housing units within a single six-story building, which includes one-, two-, and three-bedroom apartments. The project includes seven units at or below 30 percent of AMI, twenty-eight units at or below 50 percent of AMI, seventy units at or below 60 percent of AMI, and one resident manager unit.

The requested funds for new construction will offset reductions in federal funding and other subsidies, address increased project costs, and are critical to securing the state financing necessary for the project's completion.

The project received entitlements under Chapter 201H, Hawaii Revised Statutes. While the project qualifies for an exemption in accordance with Chapter 14.07, MCC, a portion of AHF request will pay for water system development fees.

Previous funding:

FY:	2026
Amount:	\$5,000,000
Scope:	New Construction

6. Aloha House Sober Living Program Home Acquisition Project

Developer: Aloha House, Inc.

Amount: \$2,000,000 grant

Location: Central Maui, Hawai'i

TMK: TBD

Community Plan District: Kahului and Wailuku

Site Control: TBD

Purpose:

The project will provide supportive long-term housing for up to twenty (point in time) very low-income adults who are participating in or have completed Aloha House's substance abuse treatment program, drug court, or are receiving intensive case management services for mental illness or co-occurring disorders.

Funding will be used to support the acquisition of two fee-simple residential properties to serve sixteen to twenty adults (point in time) earning at or below 50 percent of AMI. The proposed acquisitions aim to address the critical need to secure long-term site control on terms that will enable affordable rental rates in perpetuity. Based on a minimum useful life of forty years and an average stay of six months, the two program locations will ultimately serve over 1,280 very low-income Maui residents.

Previous funding:

FY:	2021
Amount:	\$900,000
Scope:	Acquisition of two residential buildings

7. La' akea Village

Developer: La'akea Villages

Amount: \$4,500,000 grant

Location: Pa'ia

TMK: (2) 2-5-005:030

Community Plan District: Paia

Site Control: Yes (land leased from County)

Purpose:

La'akea Village will provide twenty-two rental homes, which include forty-seven bedrooms, for adults with intellectual and developmental disabilities. The project will also include a five-bedroom licensed residential habilitation home and an on-site staff unit. The project will serve households earning 30 to 100 percent AMI.

Funds will be used for planning, design, new construction, and offsite infrastructure.

Previous funding: None

8. Kaiaulu O Lana'i

Developer: Ikaika 'Ohana

Amount: \$5,000,000 grant

Location: Lana'i City

TMK: (2)4-9-002:058 (portion)

Community Plan District: Lana'i

Site Control: Yes (land leased from County)

Purpose:

Kaiaulu O Lana'i is a phased project that includes twenty-four one-bedroom units for seniors, and forty three-bedroom and eight four-bedroom homes for families, totaling seventy-two units. Rents will be at or below 80 percent AMI, with four units designated for managers.

After a 15-year compliance period, single family homes will be available for purchase at a price aligned with affordable housing restrictions.

Funds will cover predevelopment, site work, new construction, and related costs. The developer is not currently requesting funding for water system development fees but will seek a waiver in the future.

Previous funding:

FY:	2026
Amount:	\$7,200.000
Scope:	New Construction

9. Hana Housing

Developer: Habitat for Humanity and GTH Land Company, Inc.

Amount: \$6,595,272 grant

Location: Hana

TMK: (2) 1-3-004:001

Community Plan Area: Hana

Site Control: Yes

Purpose:

Habitat for Humanity's affordable housing project will create 25 single-family residential lots, each of which is approximately 10,000 square feet with sufficient space to accommodate an 'ohana unit on each lot. The project will serve households making 80 percent or below Hana's AMI.

Funds will cover land acquisition, predevelopment, new construction, and related costs. Water system development fee funding is not included in the proposal.

Previous funding:

FY:	2020
Amount:	\$5,000.000 - Extended and lapsed (2024)
Scope:	Land Acquisition & New Construction

10. Kaiaulu O Napili 153

Developer: A0746 Lahaina, L.P.

Amount: \$10,000,000 (Loan interest rate of .25%)

Location: Napili, Lahaina, Maui

TMK: Portion of (2) 4-3-001: 096

Community Plan Area: West Maui

Site Control: TBD (land leased from County)

Purpose:

The project includes a 153-unit affordable rental project on 14.99 acres fast-tracked to house families displaced by the Lahaina fire. The project will remain affordable for seventy-five years and utilize Chapter 201H, HRS, to bypass current park zoning.

The project will serve households at 30-120 percent of AMI. It will feature thirty-three single-family homes (three- and four-bedrooms) with rent-to-own options after fifteen years, seventy-two multifamily apartments (two- to four-bedrooms), and forty-eight senior apartments (one- and two-bedrooms). There are seven units that accommodate those who are mobility impaired, and there are four units that can accommodate individuals who are hearing and vision impaired.

Funding will be used for predevelopment, offsite, onsite and construction cost. Water system development fees are not being requested but will be in the future.

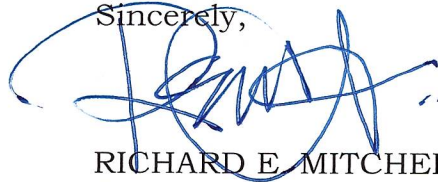
Previous funding:

FY: 2025
Amount: \$650,000
Scope: Predevelopment

FY: 2026
Amount: \$2,000.000
Scope: New Construction

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Mitchell', with a large, stylized flourish extending to the right.

RICHARD E. MITCHELL, ESQ.
Director of Housing

Cc: Saumalu Mata'afa, Deputy Director
Cassi Yamashita, County Housing Programs Division Administrator