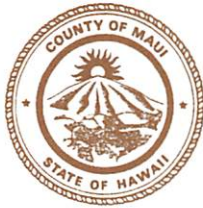


ALAN M. ARAKAWA  
MAYOR

RECEIVED

2018 FEB 20 PM 1:47

OFFICE OF THE  
COUNTY CLERK



KEITH A. REGAN  
MANAGING DIRECTOR

**OFFICE OF THE MAYOR**

Ke'ena O Ka Meia

COUNTY OF MAUI – Kalana O Maui

REFERENCE NO. BD-BA 18-62  
BD-BA 18-63

February 19, 2018

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

For Transmittal to:

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

Dear Chair White:

**SUBJECT: 2018 AFFORDABLE HOUSING FUND ANNUAL PLAN**

Pursuant to Section 3.35.080, Maui County Code, I am transmitting the Department of Housing and Human Concerns' 2018 Affordable Housing Fund Annual Plan and proposed bills reflecting appropriations for the proposed projects identified in the plan for consideration by the Maui County Council as well as removing projects that have been encumbered.

Public Notice for the Affordable Housing Fund Program's 2018 Proposal Application Workshop was published in the Maui News on October 22 and 29, 2017. The Workshop was conducted by the Department of Housing and Human Concerns (Department) on October 31 with 4 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 29, 2017 and November 5, 2017. The application deadline was December 8, 2017.

The Department received three (3) proposals for the following projects:

1. Na Hale O Maui Kahoma Homes Project – Na Hale O Maui
2. FABMAC Homes Affordable House Project – FABMAC Homes LLC
3. Mission Grounds Development Project – Wailuku Union Church

COUNTY COMMUNICATION NO. 18-90

Honorable Michael White, Chair  
and Members of the Maui County Council  
February 19, 2018  
Page 2

The 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:

1. Na Hale O Maui Kahoma Homes Project – Na Hale O Maui
2. FABMAC Homes Affordable House Project – FABMAC Homes LLC

The Department is also recommending funding for the following:

1. Administrative Expenses for the Program

Attached are brief descriptions of each project and recommended funding amounts as well as applicant proposals for the Council's review.

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

Sincerely,

  
SANANDA K. BAZ  
Budget Director

Attachments (5)

cc: Keith Regan, Managing Director  
Mark Walker, Director of Finance  
Carol Reimann, Director of Housing and Human Concerns

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2018)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A  
OF THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI  
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -  
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2018,  
AFFORDABLE HOUSING FUND

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

SECTION 1. Ordinance No. 4456, Bill No. 65 (2017), Draft 1, as amended, "Fiscal Year 2018 Budget", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2018, is hereby amended as it pertains to the Affordable Housing Fund, by removing the provisos for the Hale Mahaolu Ewalu Senior Project Phase II, Fabmac Affordable Housing Project, and Kulamalu Affordable Housing project, and inserting a new proviso for the Fabmac Homes Affordable House Project, to read as follows:

**"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL  
FUNDS FOR FISCAL YEAR 2018**

	<u>ESTIMATED BALANCE AS OF 6/30/17</u>	<u>ANTICIPATED REVENUES FOR FY 2018</u>	<u>TOTAL FOR FY 2018</u>
M. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	5,986,221	6,063,514	12,049,735
(1) Provided, that no more than \$70,000 shall be for administrative expenses.			
[(2) Provided, that \$2,500,000 shall be for Hale Mahaolu for the Hale Mahaolu Ewalu Senior Project Phase II to construct 22 rental units for seniors at 60% and below of the area median income.]			
[(3) Provided, that \$1,500,000 shall be for the Fabmac Affordable Housing Project of Fabmac Homes, LLC to subsidize the acquisition of nine lots to construct pre-fabricated homes which will be sold to families earning below 80% of the area median income (six homes) and 90% - 100% of the area median income (three homes).]			
[(4) Provided, that \$100,000 shall be for the Kulamalu Affordable Housing project of the County of Maui.]			

[(5)] (2) Provided, that \$2,000,000 shall be for planning, design, and engineering of the Lanai Affordable Housing Project, Phase I.

(3) Provided, that \$1,500,000 shall be for the Fabmac Homes Affordable House Project of Fabmac Homes, LLC for the acquisition of six lots to construct pre-fabricated homes which will be sold to families earning below 90% of the area median income."

SECTION 2. Material to be repealed is bracketed. 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. \_\_\_\_\_ (2018)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A  
OF THE FISCAL YEAR 2018 BUDGET FOR THE COUNTY OF MAUI  
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -  
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[(5)] (2) Provided, that \$2,000,000 shall be for planning, design, and engineering of the Lanai Affordable Housing Project, Phase I.

(3) Provided, that \$1,000,000 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 at 100% and below of area median income and four homes to be sold at 101% - 120% of area median income."

SECTION 2. Material to be repealed is bracketed. 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

**FY 2018 AFFORDABLE HOUSING FUND PLAN RECOMMENDATIONS**

	Project and Description	Amount
1	<b>FABMAC HOMES, LLC – FABMAC Affordable House Project</b> Funds will be utilized for the acquisition of six (6) lots. FABMAC HOMES, LLC will then construct pre-fabricated homes on the lots and sell them to families earning 90% and below of area median income (AMI)	\$ 1,500,000
2	<b>Na Hale O Maui – Na Hale O Maui Kahoma Homes Project</b> Funds to be utilized for the continued construction of 12 homes in the Kahoma Residential Project. 8 homes to be sold at 100% and below AMI and 4 to be sold at 101 – 120% AMI.	\$1,000,000
3	<b>Administrative Expenses</b>	\$70,000
	<b>TOTAL</b>	<b>\$2,570,000</b>

**County of Maui  
Department of Housing and Human Concerns  
Affordable Housing Fund Program Application Form**

<b>Project Name:</b>	<b>FABMAC HOMES Affordable House Project: A LEED Pilot Project for Affordable Housing</b>
----------------------	---

**1. ENTITY INFORMATION**

**A) Entity Information**

Please type or print legibly the following information:

<b>Entity's Name:</b> <b>FABMAC HOMES, Inc</b>	
<b>Entity's Tax ID Number:</b> <b>20-4120677</b>	
<b>Entity's Contact Name, Title:</b> <b>Francesca Carey, President</b>	
<b>E-Mail Address:</b> <b>info@fabmachomes.com</b>	<b>Phone Number:</b> <b>808-244-0888</b>
<b>Entity's Address:</b> <b>33 Lono Ave. Ste. 310 Kahului, HI 96732</b>	<b>Fax Number:</b> <b>808-871-2422</b>

Please also include the information below if this application is being prepared by a person or entity different from the applicant.

<b>Application Preparer Name:</b>	
<b>Application Preparer Contact Name, Title:</b>	
<b>Application Preparer E-Mail Address:</b>	<b>Application Preparer Phone Number:</b>
<b>Application Preparer Address:</b>	<b>Application Preparer Fax Number:</b>

The Entity is a:

- |   |  |
|---|--|
| <input type="checkbox"/> public agency                        | <input type="checkbox"/> private non-profit organization |
| <input checked="" type="checkbox"/> private for-profit entity | <input type="checkbox"/> Community Land Trust            |
| <input type="checkbox"/> other                                |  |

Non-Profit Articles of Incorporation (Include copy) *N/A*



Corporate Bylaws (Include copy) – See Appendix 1

Financials (Include most current financial statement) – See Appendix 2

Name and Title of Individual(s) authorized to sign legal documents on behalf of organization:

Name: Francesca Carey Title President

Name: \_\_\_\_\_ Title \_\_\_\_\_

(Include resolution authorizing individual(s) to sign application) – See Appendix 3

## 2. TYPE OF USES

A. Use Category: Check the use category(s) that most appropriately describes your use of Affordable Housing Fund Program funds:

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Land Acquisition **   | <input type="checkbox"/> New Construction             |
| <input type="checkbox"/> Rehabilitation                   | <input type="checkbox"/> On-Site Improvements         |
| <input type="checkbox"/> Planning, Design                 | <input type="checkbox"/> Off-Site Infrastructure      |
| <input type="checkbox"/> Residential Building Acquisition | <input type="checkbox"/> Other Uses (please specify): |

➤ \*\* 6 – existing, entitled, single family lots

B. Project/Program Type: Check the appropriate activity:

- For-Sale Housing  
 Rental Housing  
 Rehabilitation  
 Other (please specify):

C. Occupancy Information:

Number of households assisted:

At or below 50% of median income: \_\_\_\_\_

At or below 60% of median income: \_\_\_\_\_

At or below 80% of median income: \_\_\_\_\_

Other: 6 – At or below 90% of median income

Indicate the number of units allotted for each of the following:

Family 6 Homeless \_\_\_\_\_

Elderly \_\_\_\_\_ Special Housing Needs \_\_\_\_\_

In the space provided below, please describe the special housing need served by this project (i.e. mobility impaired, hearing/vision impaired, mentally challenged, etc.). N/A

### 3. FORM OF ASSISTANCE

Check the appropriate type of assistance:

- grant  
 interest bearing loan (interest rate set at 3%)

If type of assistance is a loan, describe loan terms, loan repayment schedule and identify security/guarantee:

### 4. PROJECT SUMMARY

A. Project Name: **FABMAC HOMES**  
**Affordable House Project**

B. Location (town/community): **To be determined**

C. Tax Map Key #: **To be determined**

D. Detailed project description [please include an outline of the income categories the project will serve; location of project; total number of units; type of project (homeownership or rental); target group (family, elderly or other special needs group, specify group); form of assistance (loan or grant); use of affordable housing fund program funds (acquisition of vacant land, acquisition of residential building and rehabilitation, new construction, etc.); unit size (no. of bedroom/bath); other funding sources (if firm commitment or tentative commitment), status of entitlements (zoning, district boundary amendment, community plan, 201H variances); environmental review status; site control status; project schedule (from pre-development to occupancy or acquisition of site or building to occupancy); if project satisfies another developer's affordable housing requirement or not; community support, other county, state or federal agencies support or approval and needs analysis for the type of project]:

- **Project Summary Overview:** The most challenging component in an affordable housing project is finding suitable land. The long and arduous entitlement process, financing, the housing cycle, housing policies, and government regulations are some other barriers to providing affordable housing here on Maui. However, there are still opportunities to purchase individual lots within existing neighborhoods and thereby, eliminating some of those barriers. Cost of land still remains a problem unless the land cost can be subsidized.

To address this problem, FABMAC HOMES is applying for \$1,500,000.00 grant under the Maui County Affordable Housing Program, to be used to subsidize the acquisition of 6 existing, entitled single family lots within the Island of Maui. FABMAC will provide additional funds to be applied to the balance of the cost of the lot (if needed) at the time of purchase; to be reimbursed by the homebuyer at time of closing from the long term take out loan. The relationship between FABMAC and the homebuyer during the interim period of purchasing the lot and building of a FABMAC home is similar to a construction loan; where upon completion, the home and lot will convert to a mortgage for the prospective qualified homebuyer. Grant funds would be disbursed at the time the individual lots are purchased to provide the needed housing subsidy. This project is 100% affordable. FABMAC HOMES is committed to providing affordable housing to the residents of Maui and also retain all grant subsidies for a period of

no less than 25 years. Upon any future resale, FABMAC HOMES will require the homebuyer to sell to a qualified homebuyer within the same Maui County Affordable Housing Price Guidelines median income category; to be recorded as a deed restriction.

➤ **Outline of the Income Categories:** The grant funds would be used to subsidize the cost of acquiring 6 individual existing, entitled, single family lots, utilizing the following criteria for each income category:

- Each Lot acquired – Market rate of existing, entitled, single family lot is approximately \$310,000.
- FABMAC 3-4 bedroom home, 2 baths, approximately 997 to 1430 living square feet and includes carport (approx 300 sq ft) – cost approximately \$220,000 to \$261,000 (depending on model selected).
- Site preparation would cost \$40,000 to \$65,000.

➤ **At or below 90% of median income: Lot 1 & Lot 2 (each)**

Example: Lot cost - 310,000 (market rate)  
 FABMAC 3bdrm - 220,000 (997 living sq ft & 300 sq ft carport)  
 Site preparation - 40,000 (approx)  
 570,000  
 Grant Subsidy - 250,000 (applied to land cost)  
 \*Sales Price each - 320,000 (\* At or below 90%)

*\*Low income to below moderate category@ current prevailing interest rate (4 to 5.125%) referenced in Maui Affordable Sales Housing Price Guidelines 2017*

➤ **At or below 90% of median income: Lot 3 & Lot 4 (each)**

Example: Lot cost - 310,000 (market rate)  
 FABMAC 3bdrm - 245,000 (1326 living sq ft & 300 sq ft carport)  
 Site preparation - 50,000 (approx)  
 605,000  
 Grant Subsidy - 250,000 (applied to land cost)  
 \*\*Sales Price each - 355,000 (\*\*At or below 90%)

*\*\*Low income to below moderate category@ current prevailing interest rate (4 to 4.25%) referenced in Maui Affordable Sales Housing Price Guidelines 2017*

➤ **At or below 90% of median income: Lot 5 & Lot 6 (each)**

Example: Lot cost - 310,000 (market rate)  
 FABMAC 4bdrm - 261,000 (1430 living sq ft & 300 sq ft carport)  
 Site preparation - 65,000 (approx)  
 626,000  
 Grant Subsidy - 250,000 (applied to land cost)  
 \*\*\*Sales Price each - 386,000 (\*\*\*)At or below 90%)

*\*\*\*Low income to below moderate category@ current prevailing interest rate (4 to 4.75%) referenced in Maui Affordable Sales Housing Price Guidelines 2017*

Upon approval of grant application, grant funds would be disbursed to FABMAC at the time lots become available for purchase per the terms of the grant agreement.

- **Location of Project:** The grant funds will be used to purchase existing, entitled, single family lots within the Island of Maui. All lots selected for purchase will already have zoning for single family dwellings in place; priority given to vacant lots within existing neighborhoods.
- **Total number of Units:** The grant funding will be used to subsidize the cost of 6 lots; 6 FABMAC homes (single family dwellings 3-4 bedrooms, 2 bath, with carports and site preparation) constructed on each lot, to be sold to an income qualified homebuyer.
- **Type of Project:** This is a homeownership project.
- **The Target Group:** This project is targeted for Maui residents\*; particularly those workforce families who are in need of affordable housing within the Island Maui.

*\*FABMAC HOMES Inc complies with The Fair Housing Act and HRS Chp 515 in selection of qualified homebuyers for purchase of FABMAC homes*

- **Form of Assistance:** The project is seeking a grant in the amount of \$1,500,000.00 to provide subsidy in the acquisition of 6 existing, entitled, single family lots within the Island of Maui.
- **Use of Affordable Housing Fund Program Funds:** Grant funds will be used for acquisition of 6 existing, entitled, single family lots; specifically to subsidize the cost of the lots acquired. FABMAC will provide additional funding upfront, for the balance of the cost of the lot if needed; to be reimbursed by the homebuyer at time of closing of the take out loan. Upon completion of the home, the house and lot will convert to a mortgage obtained by the qualified homebuyer.
- **Unit size:** FABMAC will select the unit size ranging from 997 to 1430 square feet for a 3-4 bedroom, 2 bath home, with carport, and to include site preparation.

In the event a lot is purchased in an area where there is no county sewer hookup and a septic system is required, the additional cost for septic will be added into the total cost of site preparation (approximate total site cost \$40,000 to \$ 65,000 to include the septic system.

- **Other sources of funding:** None
- **Status of entitlements:** All necessary approvals will already be in place, as these are existing, fully entitled single family lots. Building permits will be applied for prior to construction of FABMAC homes on each lot.

- **Environmental review:** Not applicable; FABMAC will be acquiring lots already zoned for single family dwellings and have all entitlements in place.
- E. Provide an overview of a long-term management plan for the proposed project (please include tenant selection process; homebuyer selection process; compliance monitoring plan (annual verification of owner occupancy, verification of homeownership unit kept affordable for 25 years, rental unit kept affordable for life of unit, etc.)
- Homebuyers will be selected from a current list of buyers who have already contacted FABMAC HOMES. FABMAC will also utilize print media advertising to announce the availability of affordable housing units. Other interested and qualified homebuyers will be added to this list; thereby, giving all residents of Maui Island an opportunity to seek affordable housing ownership.
  - Selection will be in order of first come first served. An applicant screening will include homebuyer's desired location, unit size, and income qualification in assessing their housing needs and eligibility.
  - FABMAC will survey each homeowner to verify the unit is owner occupied, to be done annually for the duration of ownership.
  - A deed restriction will be included in the closing documents that will limit the resale to buyers who qualify under Maui Affordable Sales Price Guidelines. The prospective buyer's lender will provide notification to FABMAC (based on preliminary title report) in the event any attempt to record the deed without compliance occurs.
- F. Provide a housing needs analysis for the type of project being developed (if citing information from housing needs studies or market analysis, reference the source document and include the pertinent pages of the source document) (document source if using statistics).

***"Housing is absolutely essential to human flourishing. Without stable shelter, it all falls apart."***

*Matthew Desmond – Assistant Professor of Sociology at Princeton University  
(quote reference: [https://www.brainyquote.com/quotes/matthew\\_desmond\\_833154](https://www.brainyquote.com/quotes/matthew_desmond_833154))*

Every discussion on affordable housing and the need for it, should begin with the above statement; as it focuses our attention on the human element, and reminds us that as a society we need to meet the basic needs of housing its' people. Affordable housing provides stability for the individual(s) to thrive in all other aspects of their lives and in turn has a positive affect on the community as a whole. Our current Maui County General Plan not only acknowledges housing as a basic human need, it adopted policy to "recognize housing as a basic human right" (Maui County General Plan - Objective 3: Policy "a"; pg 58). This policy is applicable to all who reside within the County of Maui.

The need for housing that is affordable is essential in providing stable shelter to all who reside here. "The Maui Island Housing Issue Paper" prepared by John Knox & Associates in December of 2006, indicated that for as long as Hawaii has been a state we have had the highest prices for housing in the nation and Maui has often been among the highest.

SMS: Hawai'i Housing Planning Study, 2016 data for years 2010 to 2014 (Pg 25-26; Section: "a"; Table 21) indicate Maui County had the largest increase in median sales prices for single-family housing compared to other counties in the state. Homes in Maui increased from median sales price \$460,000 (2010) to \$570,000 (2014), an increase of 24%.

The Realtors Association of Maui, Inc. has reported the median residential home price for Nov 2016 to Oct 2017 as follows (RAM website <http://ramaui.com>; Oct 2017 Stats Report YTD; Pg. 8 – Median Sales Price- Table):

Maui Median Sales Price Single Family:

Nov-2016	\$635,000
Dec -2016	\$701,000
Jan-2017	\$660,000
Feb-2017	\$672,575
Mar-2017	\$756,000
Apr-2017	\$673,000
May-2017	\$700,000
Jun-2017	\$740,000
Jul-2017	\$701,000
Aug-2017	\$700,000
Sep-2017	\$650,000
Oct-2017	\$667,350

In 2015 the median average price of \$585,000 for single family unit increased by 2.6% from prior year 2014; 2016 median average price of \$635,000 increased by 8.5% from prior year 2015; 2017 median average price of \$695,000 increased by 9.17% from prior year 2016 ( Oct 2017 Stats Report YTD; Pg 8- Median Sales Price; YTD Graph). The recent data from 2015 to 2017 supports the trend of continual increases in the median average price on Maui. Some may fear a repeat of The Great Recession of 2006 and foreclosures crisis when viewing the continual escalating of housing prices here on Maui. However, the lending standards are

much stronger in today's housing market, with the tightening of income verification and reasonable down payments it will prevent another recession. Regardless, housing prices still remain high.

In the SMS: Hawaii Housing Planning Study-2016 it states the following, "Hawaii housing market is inelastic; which means an increase in demand does not lead to an increase in supply in a timely or efficient manner" (pg 10 SMS Study). In addition to lack of supply we have highly volatile market activity and high prices, which altogether results in no affordable housing opportunities for those on Maui seeking homeownership. (Pg 25 SMS Study).

In today's housing market "Cash is King" as noted in RAMS monthly stats reports and account for 37-38% of all sales (Pg 2; Jan – Sep 2017; "Old Format" stats reports). Cash sales provide a strong negotiating position and with no financing or appraisals needed, it ensures for quick closings. Most of the local market will find it challenging to compete with the cash buyer. It is not only the cash buyers that add to the competitive housing market but, also the out of state buyers. In Maui County from 2008 – 2015, 21,365 single family units were sold and 51.7% were sold to out of state buyers the highest compared to other counties in the state (SMS Study; Pg 16; Section 2: Table 12).

The housing problem encompasses many factors, cost burden (paying more than 30% of monthly income towards mortgage/rent), substandard units, overcrowding, lack of new housing (low supply), long entitlement process for developments, enumerable government regulations (Hawaii rank highest in the nation), less than living wages, failed housing policies, high cost of construction and materials, all have an impact on production of affordable housing.

The reality is the opportunity for obtaining affordable housing has now passed and the advice now is to start saving for the next market cycle as reported by RAM Chief Staff Executive, Terry Tolman (RAM Jan-Sep 2017 Monthly Stat reports; Pg 2 of the Old Format Report).

Regardless as to where we may be in the housing cycle, there is still a vast need of affordable housing for all segments of the population (families, elderly, homeless, special needs, etc) and government is limited on how much they can do, considering funding constraints. Therefore, public private partnership is one alternative solution in achieving the goal of providing an increase of affordable housing opportunities on Maui Island.

Maui County Department of Housing and Human Concerns have identified goals to increase housing opportunities in the Annual Action Plan of the Consolidated Plan for Program Year 2017, July 1, 2017 to June 30, 2018. Those goals are to increase homeownership opportunities and promote decent and affordable housing. The Annual Goal and Objectives are focused on 17 single family units slated for the program year 2017. FABMAC would like to partner with the County and add to that goal an additional 6 house/lot packages servicing 6 households at or below 90% of Maui median income.

FABMAC HOMES, Inc. is well informed of the current housing challenges Maui residents face and as an advocate for affordable housing is willing to provide opportunities for those seeking homeownership, particularly the workforce population.

FABMAC HOMES, Inc. has brought to the housing market a new product to Maui, prefabricated Energy® Certified HUD homes; with the intent to acquire 6 existing, entitled single family lots to construct those homes on. While it has been noted that the “window of opportunity for affordable housing has past” there are still opportunities to seek affordable housing and FABMAC is offering an “innovative” project to achieve that goal. The project is consistent with the policies of the Maui County General Plan 2030; “seek innovative ways to lower the cost without comprising the quality of life (Pg 57;Section “B”).

This project also resolves some of the existing barriers to providing affordable housing such as: utilizing grant subsidy towards land cost and pricing home at or below 90% Maui’s median income (eliminating cost burden), acquiring existing lots in established neighborhoods that are already entitled and zoned for single family units, constructing a product that is prefabricated to high standards set by HUD and can be completed within 60 days once construction begins (expedited occupancy).

FABMAC’s partnership with the County through this grant program will increase the opportunity for housing that truly is affordable for Maui residents. Land is and will always be a high cost. With grant funds the cost of the acquisition of 6 existing, entitle single family lots, with FABMAC constructing the prefabricated homes, will provide opportunity for homeownership to become a reality for 6 qualified homebuyers here on Maui. FABMAC’s project as outlined within this application supports retention of subsidy upon any future resale, that is the best and highest use of grant funds.

G. Summary of amount and use of Affordable Housing Fund Program funds:

	<u>Affordable Housing Fund</u>	<u>TOTAL FUNDS</u>
Land Acquisition	\$ 1,500,000	\$ 1,860,000
Residential Building Acquisition	\$ _____	\$ _____
New Construction	\$ _____	\$ _____
Rehabilitation	\$ _____	\$ _____
On-Site Improvement	\$ _____	\$ 310,000
Off-Site Infrastructure	\$ _____	\$ _____
Planning, Design	\$ _____	\$ _____
Other	\$ _____	\$ _____
<b>TOTAL</b>	<b>\$ 1,500,000</b>	<b>\$ 2,170,000</b>



H. What type of project are you planning? (Check all that apply)

- Apartment building
- Garden Style                       Mid-rise                       High-rise
- Cluster                                       Single-family dwelling units
- Townhouse                       Duplex, triplex, fourplex
- New Construction                       Rehabilitation                       Acquisition (of 6 existing lots; grant funding applicable to only land cost)

I. Size, number and rent of units:

<u>Affordable Housing Fund Program Units</u>	<u>Size</u>	<u>Number</u>	<u>Rent/Sales Price</u>
0 bedroom units	_____ s.f.	# _____	\$ _____
1 bedroom units	_____ s.f.	# _____	\$ _____
2 bedroom units	_____ s.f.	# _____	\$ _____
3 bedroom units	<u>997-1326</u> s.f.	# <u>4</u>	\$ <u>320K to 355K</u>
4 bedroom units	<u>1430</u> s.f.	# <u>2</u>	\$ <u>386K</u>
5 bedroom units	_____ s.f.	# _____	\$ _____

Total number of units in project: 6

J. Number of affordable units and rents/sales price (as a percentage of median income)  
**NOTE: Please reference page 4 section "Outline of Income Categories" for further detail.**

Please indicate if it is rents or sales price.

	<u>50 percent below</u>	<u>80 percent below</u>	<u>100 percent below</u>	<u>120 percent below</u>
0 bedroom units	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
1 bedroom units	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
2 bedroom units	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
3 bedroom units	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
4 bedroom units	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
5 bedroom units	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____

K. Project Unit Mix – N/A

Fill in the appropriate number in the table below.

No. of Buildings	Studios	1 BR	2 BR	3 BR	4 BR	Total units

Gross Building Area in square feet	SF / unit	SF / unit	SF / unit	SF / unit	SF / unit	Gross Residential Area
Common Area (in square feet)						
Commercial Space (in square feet)						
Total Area						

If you need more space, attach a separate sheet with the information requested above.

**L. Project Amenities N/A; The lots acquired are within existing neighborhoods**

The Project will include the following amenities:

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Playground/Tot lot     | <input type="checkbox"/> Picnic Area                              | <input type="checkbox"/> Swimming Pool  |
| <input type="checkbox"/> Community Meeting Room | <input type="checkbox"/> Elevator                                 | <input type="checkbox"/> Transportation |
| <input type="checkbox"/> Laundry Room           | <input type="checkbox"/> Computer with high-speed internet access |   |
| <input type="checkbox"/> Other (describe) _____ |   |   |

**L. Unit Amenities**

What equipment/furnishings will be available in each unit?

- |   |  |   |  |
|---|--|---|--|
| <input checked="" type="checkbox"/> Range   | <input checked="" type="checkbox"/> Refrigerator | <input type="checkbox"/> Air Conditioning   | <input checked="" type="checkbox"/> Disposal         |
| <input checked="" type="checkbox"/> Dishwasher  | <input type="checkbox"/> Washer                  | <input type="checkbox"/> Dryer              | <input checked="" type="checkbox"/> Carpet           |
| <input type="checkbox"/> Drapes   | <input type="checkbox"/> Furniture               | <input checked="" type="checkbox"/> Heating | <input checked="" type="checkbox"/> Cable TV Hook up |
| <input checked="" type="checkbox"/> High speed internet access  |  |   |  |
| <input checked="" type="checkbox"/> Other (describe) <u>vinyl flooring; 2" plantation blinds; solar water heating; forced air system w/ducting and blower for A/C ready install; A/C not included, additional cost.</u> |  |   |  |

**N. Project includes other facilities (if applicable): N/A**

- Community Center Facility
- Child Care Facility
- Other (Describe):

O. Will project have innovative techniques in design, construction, or operation?

Yes  No (If "Yes", briefly describe)

- FABMAC homes are LEED certified; with design and fabrication at an Energy Star® Certified HUD Building Center. Energy Star® Pak includes dual pane thermal windows and additional insulation to meet R-79 (total of ceiling, walls, floors), saving money on utility costs. Building specifications exceeds State and County codes.

P. Provide schematic plans and/or preliminary plans, if available. **See Appendix 4**

Q. Period of Affordability?  25 years  In perpetuity  25 years or longer  Other

R. Who will own the project?

1. Prior to completion: **FABMAC HOMES Inc**
2. After construction: **Qualified Homebuyer**
3. After occupancy: **Qualified Homebuyer**

S. Parking – **Parking will be provided per Maui County ordinance for single family dwellings and already established within the established subdivision.**

How many parking spaces will be provided at the project site? Please complete the table below. **N/A**

	Number of spaces	Ratio of Spaces/Units
Tenant		
Guest		
Handicap Accessible		
Commercial		
Total		

Will a fee be charged to tenants for parking in addition to rent? **N/A**  Yes  No

T. Energy Efficiency and Green Building Practices

- Project will utilize solar water heating.
- Project will install Energy Star certified appliances throughout the project.
- Project will install low flow plumbing fixtures which conserve water.
- Project will install energy efficient light fixtures in common areas.

- [option ] Project will install air conditioning in each unit.(additional charge)
- [ X ] Project will install ceiling fans in each unit.
- [ N/A ] Project will install a light colored cool roof in each building.
- [ N/A ] Project will incorporate water-efficient landscaping.
- [ X ] Project will use painted rated low or no Volatile Organic Compounds (VOC).
- [ X ] Project will vent range hood to the outside.

**U. Accessible units – FABMAC will provide accessible units upon request by the homebuyer; for an additional cost**

Number of Accessible units	
Number of Adaptable units	

**V. Availability**

Will all of the residential units be available to the general public?     [ X ] Yes     [ ] No

If you answered no, please qualify which populations the units will be made available to.

**4. SITE INFORMATION N/A; To be determined a time of lot acquisition**

A. Current legal owner of property: N/A

B. Street Address (if applicable): N/A

C. Provide the following documents, if applicable:    **N/A**

1. Preliminary title report
2. Location map
3. Project site map
4. Flood insurance rate map
5. Professional Housing Report (Residential Building Acquisition)

D. Year Residential Building constructed (Residential Building Acquisition) **N/A; FABMAC is providing new constructed prefabricated homes for sale to qualified homebuyers**

E. Total site land area: \_\_\_\_\_ sq.ft. \_\_\_\_\_ acres **N/A; To be determine at time of lot acquisition**

F. Describe the physical characteristics of site (shape, terrain, foliage, structures, etc.) **N/A**

G. If applicable, indicate if any of the following conditions apply to the infrastructure servicing the project site by checking the appropriate category: **It is FABMAC's intent to acquire existing, entitled single family lots that meet the following standards listed in 1-9.**

	Yes	No	N/A
1. Road access to site adequate	___	___	___
2. Sewer capacity adequate	___	___	___
3. Electrical service adequate	___	___	___
4. Water service adequate	___	___	___
5. Aquifer serving area adequate	___	___	___
6. Storm drainage adequate	___	___	___
7. Trash/garbage service adequate	___	___	___
8. Fire service adequate	___	___	___
9. Police service adequate	___	___	___
Distance to fire station	___	miles	
Distance to police station	___	miles	

If any answer to the above questions is "No", on a separate attachment describe the deficiency, include the distance needed to bring the infrastructure to the project site and time to complete. Describe any actions being taken, or which must be taken to resolve any potential problems associated with any infrastructure deficiencies.

H. Schools. For new construction projects having more than 50 non-elderly housing units, provide letters from the Department of Education that note (a) the capacity of the school(s) servicing the area of the project, (b) current enrollment, and (c) whether the schools can accommodate the additional students generated by the project. **N/A**

I. Specify any off-site public improvements required for the project: **N/A; FABMAC will acquire lots that already exist within established neighborhoods; therefore, no offsite improvements will be required.**

J. Specify any special assessments or impact fees that are or may be required for the project: **N/A**

K. Land use requirements: Does the project already have the following applicable land use requirements necessary to carry out project proposed? Indicate by checking "Yes" or "No" for each item: **N/A; FABMAC will acquire lots that exist within established neighborhoods and already have in place all State and County entitlements, including zoning for single family dwellings.**

	Yes	No		Yes	No
State Land Use	___	___	General Plan	___	___
Subdivision Ordinance	___	___	Zoning Ordinance	___	___

If any answer to any question is "No", identify on a separate attachment any actions taken toward obtaining the necessary changes. Estimate the time required for effecting these changes. **N/A**

	Yes	No
Does the project require a 201 H Variance?	___	___
If yes, has it been approved?	___	___
If no, when will it be approved?		

L. Site Control: **N/A; To be determined at the time of acquisition of 6 individual existing, entitled single family lots within established neighborhoods on the Island of Maui.**

1. Date of option agreement, purchase agreement, lease agreement, development agreement, land sales contract, or other enforceable agreement:

Entered into \_\_\_/\_\_\_/\_\_\_ Terminates \_\_\_/\_\_\_/\_\_\_

2. Provide copy of site control (ie. Option, purchase, lease, etc.) agreement.

3. If entity does not have site control, does entity have a valid commitment of site control?	Yes	No
	___	___

4. If entity does not have site control or valid commitment of site control, when will site control be obtained?

5. Include appraisal, if available, or other information regarding property value.

M. Environmental Considerations: Indicate which of the following environmental concerns are applicable to your project by checking "Yes" or "No": **N/A**

	Yes	No	NA
1. Project will affect a property designated as a historic site on the State or National Registers of Historic Places.	___	___	<b>X</b>
2. Project site is located in 100-year flood zone.	___	___	<b>X</b>
3. Project site is located in a wetland.	___	___	<b>X</b>
4. Project will require a Shoreline Management Permit.	___	___	<b>X</b>
5. Project will affect endangered species or their habitats.	___	___	<b>X</b>
6. Project has manmade hazards or nuisances.	___	___	<b>X</b>

If any answer to the above questions is "Yes":

Have any of the permits or clearances related to the aforementioned environmental concerns been obtained?      \_\_\_    \_\_\_

If "No", identify on a separate attachment any actions taken toward obtaining an environmental clearance and the anticipated time to complete such actions.

Does the proposed project require an Environmental Assessment in accordance to Chapter 343, Hawaii Revised Statute? **N/A**      \_\_\_    \_\_\_

If not required, provide explanation: **FABMAC is acquiring existing, entitled individual single family lots, within established neighborhoods. This project is not considered to be a development.**

Is the Final Environmental Assessment for the proposed project complete (in accordance to Chapter 343, Hawaii Revised Statute)? **N/A**      \_\_\_    \_\_\_

If yes, please submit one set of the completed State Final Environmental Assessment, Finding of No Significant Impact or Environmental Impact Statement. **N/A**

If no, when will it be completed?

Does the proposed project require an Environmental Assessment in accordance to 24 CFR Part 58 (if federal funds are utilized)? **N/A**

\_\_\_ \_\_\_

Is the Final Environmental Assessment for the proposed project complete (in accordance to 24 CFR Part 58)? **N/A**

\_\_\_ \_\_\_

If yes, please submit a copy of the final Federal Environmental Assessment, Finding of No Significant Impact or Federal Environmental Impact Statement. **N/A**

If no, when will it be completed?

If Affordable Housing Fund Program funds or federal funds are utilized for site acquisition, an All Appropriate Inquiry (AAI) and Phase 1 Site Assessment are required to be completed. **N/A**

Will Affordable Housing Fund Program funds or federal funds be utilized for site acquisition?	Yes	No
	___	___

If yes, has it been completed?	___	___
--------------------------------	-----	-----

If yes, attached a copy of the AAI and Phase 1 Site Assessment.

If no, when will it be completed?

**N. Community support:** (If available, include letters of support from community members, other organizations, government officials, and local elected officials) **See Appendix 5**

**O. Does this project involve any relocation of existing tenants or homeowners?**

[ ] Yes [X ] No

If yes, please describe any proposed relocation assistance:



**5. PROJECT SCHEDULE**

Indicate the approximate dates for the following:

Milestones: Acquisition of 6 existing, entitled single family lots.	Date
Approval of Zoning Change, Community Plan Amendment, District Boundary Amendment or 201 (H) Variances	<b>N/A; lots are existing and will already have in place all entitlements needed for building of a single family dwelling.</b>
Closing of Lot 1	30 days after acceptance of offer
Closing of Lot 2	30 days after acceptance of offer
Closing of Lot 3	30 days after acceptance of offer
Closing of Lot 4	30 days after acceptance of offer
Closing of Lot 5	30 days after acceptance of offer
Closing of Lot 6	30 days after acceptance of offer

**NOTE: See Milestone Table for the construction of the units on the following page.**

**5-b. Milestones for construction of FABMAC homes:**

Milestones: <b>Acquisition of 6 existing, entitled single family lots.</b>	Date
Approval of Zoning Change, Community Plan Amendment, District Boundary Amendment or 201 (H) Variances	<b>N/A; lots are existing and will already have in place all entitlements needed for building of a single family dwelling.</b>
Projected Building Permit Date:	Within 90 days from closing on a lot a building permit will be submitted; approval of permit is under the Plan Review Waiver process.
Closing of Construction Financing:	N/A; FABMAC will carry the cost of the house and lot, until the close of escrow when the homebuyer takes legal possession. FABMAC is reimbursed from the closing proceeds of the take out loan.
Construction Start Date:	Within 120 days from securing building permit, construction will begin.
Construction Completion Date:	Approximately 60 days needed for on-site set up of house sections (prefabricated construction).  Occupancy occurs shortly after MECO sets the electrical meter (note: it is reasonable to expect delays from MECO.)
Lender Initiates take out loan:	30-45 days after homebuyer has been approved.
Projected Occupancy Permit Date:	After FABMAC is paid from proceeds of take out loan, homebuyer takes immediate possession of home.
Placed in service date:	After completion of loan approval and FABMAC has received funding owed for upfront construction costs/land.
Achievement of initial occupancy for 100% of units	Project completion for acquisition of 6 lots is prior to the close of 36 month period as specified in grant agreement.

**6. Sources of Funds**

A. Identify all potential sources of financing for the proposed project/program in this section and Attachment "A" – Uses and Sources Budget.

	<u>Funds Committed</u>	<u>Funds Tentative</u>	<u>Total Funds</u>
1. Grants			
Affordable Housing Fund	\$ _____	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
HOME	\$ _____	\$ _____	\$ _____
CDBG	\$ _____	\$ _____	\$ _____
EDI-SP	\$ _____	\$ _____	\$ _____
Value of equity in property contributed	\$ _____	\$ _____	\$ _____
Cash contribution from private source, other than applicant	\$ _____	\$ _____	\$ _____
Permit or Fee Waiver(s)	\$ _____	\$ _____	\$ _____
Other: _____	\$ _____	\$ _____	\$ _____
Other: _____	\$ _____	\$ _____	\$ _____
1. Loans			
Affordable Housing Fund	\$ _____	\$ _____	\$ _____
Local Government Loans	\$ _____	\$ _____	\$ _____
State Loans	\$ _____	\$ _____	\$ _____
HOME Loans	\$ _____	\$ _____	\$ _____
Other Federal Loans	\$ _____	\$ _____	\$ _____
Private Loans	\$ _____	\$ _____	\$ _____
Other Financing	\$ _____	\$ _____	\$ _____
3. Applicant cash contribution (other than land)	<u>\$ 360,000</u>	\$ _____	<u>\$ 360,000**</u>
4. Private Foundations (Specify: _____)	\$ _____	\$ _____	\$ _____
(Specify: _____)	\$ _____	\$ _____	\$ _____
5. Other (Specify: _____)	\$ _____	\$ _____	\$ _____
Other (Specify: _____)	\$ _____	\$ _____	\$ _____
Other (Specify: _____)	\$ _____	\$ _____	\$ _____
Other (Specify: _____)	\$ _____	\$ _____	\$ _____
Other (Specify: _____)	\$ _____	\$ _____	\$ _____
Total Project Funds	<u>\$ 360,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,860,000</u>

**\*\* FABMAC is providing the balance of the cost of the lots (after grant subsidy is applied) if needed; FABMAC to be reimbursed from the proceeds at the time of closing of the take out loan.**

B. Explain how all of the Affordable Housing Fund Program funds allocated for this project/program will be expended within 36 months of commitment of Affordable Housing Funds Program funds?

- The Affordable Housing Fund Program funds will be utilized to purchase 6 individual entitled, single family lots located within existing neighborhoods on Maui. The requested \$1,500,000 will be allocated between 6 lots as a subsidy to buy down the cost. As opportunities for acquisition becomes available, FABMAC will request the funds at time of closing of the lot. FABMAC will provide additional funds for the balance of the lot owed if needed; to be reimbursed at the time of closing from the proceeds of the homebuyers take out loan.

C. Describe fund sources unsuccessfully attempted: **NONE**

D. Provide Attachment "A" - Uses and Sources Budget. Use the format provided (or another comparable format prepared by your organization for your proposed project). Provide name of individual or company who prepared budget. **Attachment "A" prepared by Francesca Carey; President of FABMAC HOMES Inc.**

Provide Attachment "B" - Operating Pro Forma budget (rental projects only). Use the format provided (or another comparable format prepared by your organization for your proposed project). Provide name of individual or company who prepared budget. **N/A**

## 7. NARRATIVES

### A. ANTICIPATED RESULTS

Describe the results you expect to achieve. Explain how the proposed activities are directly related to the priority housing need described and what anticipated direct and indirect results of the project will be. Include information on the length of commitment to the original target population, the continued affordability of the assisted housing in terms of monthly rent, and other program results that help illustrate the overall benefit of the project.

- FABMAC HOMES expects to acquire 6 lots (existing, entitled single family lots) the cost to be subsidized with grant funds. FABMAC to construct 1 home on each of the acquired lots; with the goal to provide affordable housing opportunities for 6 households, qualified for the slated income categories as outlined in 2017 Maui Affordable Housing Sales Guidelines.
- The proposed activities described within this project relates to the overall need to increase affordable housing opportunities outlined in County Planning documents and Action Plans. This project meets the Counties goals of increased homeownership and brings an innovate approach to increasing affordable housing through the use of grant funds as

subsidy towards the land acquisition, specifically 6 lots that are existing in neighborhoods and have all entitlements and zoning in place for single family dwellings. Infrastructure is already established in neighborhood communities. These lots are in areas of the community where neighborhood and/or regional amenities are in close proximity.

- The direct results of this project is the opportunity to provide to our local working families affordable homes without compromising the quality of life. The indirect result is that when the basic need of housing is met, it does provide a positive impact on the community. In addition, the grant funding received will not be lost upon the first resale of the home. Through a deed restriction the grant subsidy is retained for at least 25 years or more; giving many more families the same opportunity for affordable housing here on Maui.

## B. LEVERAGING

Provide a description of all efforts to leverage or match funding from non-County sources for the subject project. Also, describe all non-County sources that will assist with project or program implementation and management (discuss sources in the order listed in Section III(A) of application). Identify whether commitments are firm or tentative and under what circumstances tentative commitments will become actualized. **Please attach commitment/reservation letters of other project/program funding sources that are in place.** Briefly describe the general terms and conditions of other resources and give their expiration date(s). For non-cash contributions, detail how dollar amounts were calculated.

- There are not other efforts to match or leverage funding from other sources.
- Non-County sources:
  - Applicant will provide up front funding for the balance of the cost of the lot if needed (after grant funding is applied) and the cost of the home while under construction. This is a firm commitment.
  - Qualified homebuyer will provide financing after the completion of the home. FABMAC is reimbursed for the initial construction cost and if any, additional land cost from the homebuyers take out loan at time of closing. This is a firm commitment upon final approval by the homebuyer's lender.
- No other project/program funding sources in place; therefore, general terms and condition are not applicable.

## C. PROGRAM DESIGN

Describe the proposed project activities. Describe how the housing units and/or services proposed will be developed and marketed to eligible participants and what kind of screening procedure, if any, will be used. Outline the relationship of this proposal to established local housing and community development plans and strategies. For special needs housing projects, describe in detail the services that will be provided or coordinated for the property's residents. Describe any known opposition to this proposal. Give enough detail to clearly illustrate all activities associated with the proposed project or program.

### ➤ **Proposed Project Activities:**

#### ➤ **SELECTION OF LOTS:** Selection of lots for FABMAC homes, will include the following criteria:

- Where possible infill lots already established in existing neighborhoods (all entitlements in place).
- Zoning already in place for single family dwellings.
- Access to utilities in place (i.e. electric, sewer or septic, water meter approved or in place).
- Grant subsidy applied at time of closing of each lot; balance of the lot cost to be paid upfront by FABMAC if needed; at closing of homebuyer's take out loan FABMAC will be reimbursed.

#### ➤ **PRODUCT DEVELOPMENT Prefabricated Homes:** FABMAC HOMES, Inc is a dealer for a large manufactured home factory in California. FABMAC is a locally owned Hawaii corporation and is not a franchise. Manufactured home are built to the Federal Building Code, which supersedes both State and County codes. These homes are built with termite treated wood, they are Energy Star and LEED rated, and are not subject to course-of-construction inspections. Once the house sections are on site the home can be completed in 60 days.

Our homes come complete with kitchen appliances (refrigerator, range - gas or electric glass top, dishwasher and disposal, plantation blinds, cornice boxes above the windows, central heating system with ducting (A/C ready), solar hot water system, plumbing, electrical, cabinets and fixtures are all in place. Once buyer receives loan approval and closes on the home it is ready to move in.

The foundation system we use is a patented, warranted and approved system that has been in use on the Mainland for more than 30 years. The foundation system meets the new Fannie Mae guidelines for permanent foundations in these homes. These structures are rated for hurricane (150 mph gusts) and earthquakes.

FABMAC home have a 10 year warranty and we handle all service calls during the warranty period. We are very proud of these homes and we stand by the warranty and our own building techniques.

- **PRODUCT CONSTRUCTION On-site:** Our VP of construction, Charles Morgan, has manufacturing experience since 1993 and oversees the construction of each FABMAC home. His responsibilities include scheduling, hiring and training of our crew, oversight of site preparation, permit applications, septic system installations, final inspection and final walk through. We follow the federal guidelines for assembly of the homes and at all times adhere to strict safety regulations.
  
- **MARKETING OF PROPERTY – FABMAC Home/Lot Package:** Office manager, Francine Fernandez, has worked in the Hawaii banking and title company fields since 1989. She brings this background and wealth of knowledge to FABMAC, and will assist President Francesca Carey in implementation of homebuyer selection and qualification program to include the following:
  - Generating a homebuyer list: Use the current list to date and add any new homebuyers who are interested. Implement print media advertising to announce availability of affordable homes in order to reach out to all Maui residents interested in homeownership.
  - Selection of homebuyer: First on list will be selected for the income qualification process, using income requirements as outlined by County of Maui Housing Division.
  - Survey qualified homebuyer: To determine qualified homebuyer's preference of location and home package model FABMAC will survey homebuyer.
  - Assist homebuyer in lender application: Francine Fernandez's expertise in the area of lending, title, and banking is an asset to not only FABMAC, but to the homebuyer. She will be available to assist the homebuyer in the mortgage application process.
  - Annual survey: FABMAC will solicit homeowners annually to ensure home is owner occupied.
  - FABMAC HOMES Inc will comply with The Fair Housing Act and HRS Chp 515 in selection of homebuyers and in all real estate transactions.
  
- **Relationship of this Project to established local housing and community development plans and strategies:** As already referenced in the Housing Needs Analysis of this application (section "F"; pg 6), this project is consistent with the Maui County General Plan's desire for collaboration between public and private sectors in meeting the need for affordable housing ownership for Maui's residents. It is consistent with the Annual Action Plan of the Consolidated Plan for Program Year 2017, in the goal to increase homeownership opportunities and promote decent and affordable houses. The County will see an increase of 17 homes, 12 multi-family and 5 single family units as slated in the Action Plan for Year 2017. In the Maui County Consolidated Plan for 2015 to 2019, homeownership is ranked as a high priority. The innovative concept of prefabricated manufacture homes built on existing single lots with grant subsidy applied to the cost of the land, does lower the cost of housing, "without compromising the quality of life" (Maui General Plan 2030). FABMAC is seeking already existing, fully entitled single family lots within established neighborhoods and communities. Within the Maui General

Plan and accompanying Maui Island Plan these types of infill lots are already delineated in the urban growth boundaries. Unfortunately, while County plans are desirable and they set the future goals related to home ownership, here on Maui the barriers of affordable housing cannot be over looked. FABMAC's project reduces the cost of the land through grant subsidy which is one of the greatest barriers to producing affordable homes here on Maui. FABMAC's product, manufactured prefabricated homes, expedites construction time making it possible to have a unit completed in 60 days and upon final approval of financing by the lender, the homeowner takes possession. FABMAC's project offers affordable housing to those who desire homeownership and supports the Maui County General Plan 2030 policy to "recognize housing as a basic human right" (Objective 3: Policy "a"; pg 58).

## **8. APPLICANT EXPERIENCE**

- A. Provide name, address, contact person and phone number of the organization who will develop, manage, coordinate and implement the proposed project:

Name **FABMAC HOMES Inc**

Address **33 Lono Ave. Ste. 310 Kahului, Maui HI 96732**

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Contact Person **Francesca Carey - President**

Phone Number **(808) 244-0888**

- B. Describe your capacity to carry out the proposed project. Submit relevant documents (i.e. applicable licenses to operate project, permits, etc.)

- FABMAC have built 50 homes on Maui to date. Since 2006 we have worked with local subcontractors to construct our homes. We have our own trained crews in the field and we have long term relationships with an outstanding group of subcontractors who help with septic installation, grading, grubbing, decks, carports and garages. Upon approval of this Grant, we will construct a lot/house every 3 months. This is well within our capacity as we have previously constructed 2 to 4 homes concurrently.
- Our office staff handles much of the paperwork for the building permit application, and our Office Manager, Francine Fernandez has worked in the fields of lending, title, and banking for many years. She will help design and implement a program to qualify our homebuyers for affordable home loans. (See Appendix 6-Bio)
- This Grant will help us continue to meet our goal to build and sell lot/house packages. We have already built and sold three lot/house packages, where FABMAC bought the lot and built the home. The lot/house packages include the permit application, engineering drawings, sewer or septic system design and build, site preparation, grubbing and grading, driveway design and apron (if required), optional carport or garage design and build, deck design and build. House prices include trucking, shipping, delivery to the lot, assembly of the house, permanent foundation, all interior finish work, and two sets of stairs.



- Our close relationship with Pasha Hawaii ensures our homes are brought to Hawaii from the mainland with a minimum of damage. Our homes are secured inside the barge with no exposure to the weather and arrive in seven days from Port of San Diego, California.
- We also have established a good relationship with local lenders, appraisers, underwriters, and escrow companies. We are able to close on home loan packages in a timely manner. Both American Home Loans and Bank of Hawaii are funding FABMAC manufactured homes at this time.

C. Describe the qualifications and experience of your organization and individual(s) who will manage the development of the project and manage the rental housing project. Submit detailed description of experience and ability to implement project. **See Applicant Experience: B-Capacity & Appendix 6-Bio**

- Our VP of Construction Charles Morgan, has been in the manufactured home business since 1993. He joined FABMAC HOMES Inc in 2010. His responsibilities include scheduling, hiring and training our crews, site preparation, permit application, septic system installations, final inspection and final walk through. He ensures our compliance with federal guidelines for assembly of our homes and at all times ensure we adhere to strict safety regulations.
- Our President/CEO Francesca Carey, has a California Contractors license and has recently taken her exam for Hawaii Contractors license. She garnered years of experience in San Diego, Santa Clara and Monterey Counties building homes before she relocated to Maui. Since 1994 she has been working as an independent dealer for manufactured home factories in Oregon, Arizona, and California. When she moved to Maui she saw the importance of finding ways to make Hawaii homes more affordable, and over several years she put together the permitting, shipping, and assembly systems that FABMAC uses today providing opportunities for homeownership here on Maui.
- Our Office Manager Francine Fernandez is a client focused professional, providing customer service since 1989. Her background and years of experience in financing and as a loan officer, is an asset to FABMAC and to the clients FABMAC services. Her strong leadership and relationship building skills are evident in her interaction with others, and also contributes to the success of FABMAC.
- Our Crew Supervisor Marvin Bulusan is a licensed contractor within the State of Hawaii (CT-27429). He manages and oversees the construction of FABMAC homes, to include but not limited too, training, scheduling, setup, plumbing, skirting, installation of decks, stairs, carports, and garages. His vast knowledge and experience in the construction industry provides the expertise needed to complete the project to the standards of FABMAC HOMES and to the homebuyer.

D. Submit resumes of key personnel involved in the development, implementation and/or management of the rental housing project. **See Appendix 6-Bio**

**E. Describe past experience relevant to the proposed housing project. N/A**

1. Complete the following information for all government (federal, state or county) funded project(s). Attach additional pages for each project, if needed:

- a. Name of Project \_\_\_\_\_
- b. Project Address \_\_\_\_\_
- c. Date project started \_\_\_\_\_ Date completed \_\_\_\_\_
- d. Total grant/loan amount \_\_\_\_\_ Source \_\_\_\_\_
- e. Provide a brief description of project:

2 Describe any problems encountered in carrying out project: **N/A**

3. Describe any amendments to the original proposal subsequent to receipt of government (federal, state or county) funding: **N/A**

4. Any differences between the anticipated and actual accomplishments of the project (if, for example, a different number of housing units were built, etc.) **N/A**

5. If the project is not yet complete, indicate why: **N/A**

**F. Legal Status of Applicant (check, as applicable):**

- A. Corporation: Non-profit \_\_\_ or For-profit   
Partnership: General \_\_\_ or Limited \_\_\_

Joint Venture (explain)

Note: If the proposal is submitted by a partnership or joint venture, composed of two or more individual firms, then each member firm must submit all information listed on this form, and in addition answer the following: **N/A**

(a) Members of Joint Venture

- (b) Date of Joint Venture Agreement
- (c) State of Registration
- (d) Does the agreement between members comprising joint venture make them jointly and severally liable? If not, state terms of agreement in this regard.
- (e) Certified copy of Partnership Agreement

B. The Offeror, if a corporation, was organized on **February 15, 2006** under the laws of the State of **Hawaii**. (Attach Certified copy of Articles of Incorporation and Bylaws, or Certified copy of Partnership Agreement. Non-profit corporations are to attach a copy of the IRS tax-exempt determination). **See Appendix 1**

C. Have you ever failed to complete any work awarded to you? **No**. If yes, when, where and why?

D. Has any officer or partner of your organization in the past five (5) years been involved with of some other organization that defaulted on a federally funded contract? **No**. If yes, state name of individual, name of owner and reason therefore?

E. Has any officer or partner of your organization in the past five (5) years been involved with some other organization declared ineligible to participate in any governmental assisted contract? ( ) Yes (X) No

If "Yes", please explain:

F. Has any officer or partner of your organization ever filed a petition of voluntary bankruptcy? ( ) Yes (X) No

L. Has there ever been filed a petition or involuntary bankruptcy against your organization, or any officer or partner of the organization? ( ) Yes (N) No

M. Has the organization, or any officer or partner ever made an assignment of assets for the benefit of creditors? ( ) Yes (X) No


N. Are there any unsatisfied judgments outstanding against the organization, or any director or partner of the organization? ( ) Yes (X) No

O. Has the organization been a party to any litigation within the last 5 years?  
( ) Yes (X) No

If "yes" was answered to any question 6 through 10, give a full explanation:

**CERTIFICATION OF AUTHORIZED OFFICIAL**

To the best of my knowledge and belief, data, attachments and exhibits in this application are true and correct. The documents have been duly authorized by the governing body of the entity and the entity will comply with all of the federal, state and county rules and regulations if Affordable Housing Fund Program funds are awarded.

 SIGNATURE	President TITLE
Francisca Cozzy PRINTED NAME	11/8/2017 DATE

## ATTACHMENT "A" - USES AND SOURCES BUDGET

<u>USE OF FUNDS</u>	<u>ACTUAL COST</u>	<u>AFFORDABLE HOUSING FUND SOURCE</u>	<u>OTHER SOURCE</u>	<u>NAME OF OTHER SOURCE</u>
1. ACQUISITION				
1.1 LAND	<u>1,860,000</u>	<u>1,500,000</u>	<u>360,000</u>	<u>**FABMAC HOMES &amp; Qualified Homebuyer</u>
1.2 EXISTING STRUCTURES	_____	_____	_____	_____
1.3 OTHER	_____	_____	_____	_____
2. PREDEVELOPMENT				
2.1 ARCHITECT FEE DESIGN	_____	_____	_____	_____
2.2 ARCHITECT FEE SUPERVISE	_____	_____	_____	_____
2.3 ENGINEERING FEES	_____	_____	_____	_____
2.4 COST ESTIMATES	_____	_____	_____	_____
2.5 OTHER	_____	_____	_____	_____
3. SITE WORK				
3.1 DEMOLITION	_____	_____	_____	_____
3.2 SITE CLEARANCE	_____	_____	_____	_____
4. CONSTRUCTION/REHAB.				
4.1 OFF-SITE INFRASTRUCTURE	_____	_____	_____	_____
4.2 ON-SITE IMPROVEMENT	<u>310,000</u>	_____	<u>310,000</u>	<u>**FABMAC HOMES &amp; Qualified Homebuyer</u>
4.3 NEW BUILDING	<u>1,452,000</u>	_____	<u>1,452,000</u>	<u>**FABMAC HOMES &amp; Qualified Homebuyer</u>
4.4 REHABILITATION	_____	_____	_____	_____
5. DEVELOPER'S FEES	_____	_____	_____	_____
6. OTHER RELATED COSTS				
6.1 BLDG. PERMITS & FEES	_____	_____	_____	_____
6.2 APPRAISAL	_____	_____	_____	_____
6.3 GEOTECHNICAL	_____	_____	_____	_____
6.4 ENV. CONSULTANT	_____	_____	_____	_____
6.5 RECORDATION FEES	_____	_____	_____	_____
6.6 ATTORNEYS FEES	_____	_____	_____	_____
6.7 IMPACT FEES	_____	_____	_____	_____
6.8 PROJECT AUDIT	_____	_____	_____	_____
6.9 OTHER	_____	_____	_____	_____
7. INTERIM COSTS				
7.1 CONST. INSURANCE	_____	_____	_____	_____
7.2 CONST. INTEREST	_____	_____	_____	_____
7.3 CONST. LOAN ORIG. FEE	_____	_____	_____	_____
8. PERMANENT FINANCING FEES				
8.1 CREDIT REPORT	_____	_____	_____	_____
8.2 PERM. LOAN ORIG. FEE	_____	_____	_____	_____

8.3 TITLE & RECORDING	_____	_____	_____
9. TENANT RELOCATION	_____	_____	_____
10. PROJECT RESERVES	_____	_____	_____
10.1 LEASE-UP RESERVE	_____	_____	_____
10.2 OPERATING RESERVE	_____	_____	_____
11. PROJECT ADMIN/MGMT.	_____	_____	_____
11.1 AFFIRMATIVE MKT.	_____	_____	_____
11.2 MANAGEMENT	_____	_____	_____
11.3 TAXES	_____	_____	_____
11.4 INSURANCE	_____	_____	_____
12. TOTAL USES (DEVELOPMENT)	<b><u>\$3,622,000</u></b>		
13. TOTAL SOURCES	<b><u>\$2,122,000</u></b>	<b><u>\$1,500,000(grant funds)</u></b>	
14. DIFFERENCE	<b><u>\$1,500,000 (grant funds)</u></b>		

**\*\*NOTE: FABMAC to provide funding for the balance of the cost of 6 individual lots (after grant funds are applied) and initial construction of the home as upfront costs; FABMAC will be reimbursed for the upfront costs at the time of closing of the homebuyer's take out loan.**



**Na Hale O Maui KAHOMA CONSTRUCTION**

FY 2018/2019

Request for \$1,000,000 Grant

from

County of Maui Affordable Housing Fund

December 08, 2017

*Mission Statement: "To secure and preserve a permanent supply of affordable housing alternatives for low and moderate income households in Maui County."*

**County of Maui  
Department of Housing and Human Concerns  
Affordable Housing Fund Program Application Form**

<b>Project Name:</b>	<b>NA HALE O MAUI KAHOMA HOMES</b>
----------------------	------------------------------------

**1. ENTITY INFORMATION**

**A) Entity Information**

Please type or print legibly the following information:

Entity's Name: <b>Housing and Land Enterprise of Maui, dba Na Hale O Maui</b>	
Entity's Tax ID Number: <b>20-5325361</b>	
Entity's Contact Name, Title: <b>Cassandra J L Abdul, Executive Director</b>	
E-Mail Address: <b>cassandra@nahaleomaui.org</b>	Phone Number: <b>(808) 244-6110 (w) (808) 304-3533 (c)</b>
Entity's Address: <b>190 N. Church Street Wailuku, Hawaii 96793</b>	Fax Number: <b>808 244-6115</b>

Please also include the information below if this application is being prepared by a person or entity different from the applicant.

Application Preparer Name: <b>N/Aa</b>	
Application Preparer Contact Name, Title:	
Application Preparer E-Mail Address:	Application Preparer Phone Number:
Application Preparer Address:	Application Preparer Fax Number:

The Entity is a:

- |  |  |
|--|--|
| <input type="checkbox"/> public agency             | <input type="checkbox"/> private non-profit organization |
| <input type="checkbox"/> private for-profit entity | <input checked="" type="checkbox"/> Community Land Trust |
| <input type="checkbox"/> other                     |  |

Non-Profit Articles of Incorporation (Include copy)

**Please see Attachment 6**



Corporate Bylaws (Include copy)

**Please see Attachment #7**

Financials (Include most current financial statement)

**Please see Attachment #9**

Name and Title of Individual(s) authorized to sign legal documents on behalf of organization:

Name: **Cassandra J L Abdul**

Title **Executive Director**

Name **Michael Trotto**

Title **President**

(Include resolution authorizing individual(s) to sign application)

**Please see Attachment #10**

**2. TYPE OF USES**

A. Use Category: Check the use category(s) that most appropriately describes your use of Affordable Housing Fund Program funds:

- |   |   |
|---|---|
| <input type="checkbox"/> Land Acquisition                 | <input checked="" type="checkbox"/> New Construction  |
| <input type="checkbox"/> Rehabilitation                   | <input type="checkbox"/> On-Site Improvements         |
| <input type="checkbox"/> Planning, Design                 | <input type="checkbox"/> Off-Site Infrastructure      |
| <input type="checkbox"/> Residential Building Acquisition | <input type="checkbox"/> Other Uses (please specify): |

B. Project/Program Type: Check the appropriate activity:

- For-Sale Housing
- Rental Housing
- Rehabilitation
- Other (please specify):

C. Occupancy Information:

Number of households assisted: **12**

At or below 50% of median income:

At or below 60% of median income:

At or below 80% of median income:

At or below 100% of median income: **8**

At or below 120% of median income: **4**

Indicate the number of units allotted for each of the following:

Family **12**

Homeless \_\_\_\_\_

Elderly \_\_\_\_\_

Special Housing Needs \_\_\_\_\_

In the space provided below, please describe the special housing need served by this project (i.e. mobility impaired, hearing/vision impaired, mentally challenged, etc.).

**3. FORM OF ASSISTANCE**

Check the appropriate type of assistance:

grant  
 interest bearing loan (interest rate set at 3%)

If type of assistance is a loan, describe loan terms, loan repayment schedule and identify security/guarantee:

**4. PROJECT SUMMARY**

- A. Project Name **Na Hale O Maui Kahoma Homes**
- B. Location (town/community): **Kahoma, Lahaina, Maui, Hawaii**
- C. Tax Map Key #: **(II) 4-5-37:005, 006, 007, 008, 018, 019, 020, 022, 023, 024, 025**

D. Detailed project description

**Na Hale o Maui is applying for grant assistance from the Affordable Housing Fund. The Affordable Housing grant will be used for new construction of the twelve 3-bedroom 2 bath, and 4-bedroom, 2.5 bath single family homes;**

**Na Hale O Maui is the owner of record of 12 improved, vacant lots, located in the Kahoma Homes subdivision, developed by West Maui Land under 201H. Na Hale O Maui obtained a Phase I environmental review prior to acquiring the property.**

**The project is located in Kahoma, Lahaina, Maui, Hawaii, a portion of an infill project developed by West Maui Land with 68 lots. The Kahoma Homes subdivision is located above the old Mill, between the original Kahoma Stream bed and the channelized Kahoma Stream adjacent to the industrial area**

**Na Hale O Maui will construct 12 single-family homes for sale to Island families earning between 80 – 120% of AMI, who work and live in West Maui. Eight (8) homes to be sold to families earning between 80%-100% of AMI, and four (4) homes to be sold to families earning between 100-120% of AMI.**

**The configuration of the vacant lots resulted in Architectural challenges to design and site the homes. Multiple revisions and the creation of several new home designs were necessary before the schematic phase was concluded. The design development phase and construction document phase may take up to 90 days, followed by bidding. We anticipated the commencement of construction in the second quarter of 2018. Na Hale O Maui envisions building**

homes in groups of 3 – 4, with the final homes completing on or before the last quarter of 2019.

Na Hale O Maui plans to apply for State of Hawaii CIP funds in mid-January 2018. Na Hale O Maui will apply for addition funds from private foundation grants and a bank loan (which will unfortunately increase the cost of construction by points, fees and interest.) as needed.

**Please see Program Narrative for additional details (Attachment 1)**

- E. Provide an overview of a long-term management plan for the proposed project (please include tenant selection process; homebuyer selection process; compliance monitoring plan (annual verification of owner occupancy, verification of homeownership unit kept affordable for 25 years, rental unit kept affordable for life of unit, etc.)

**Please see Attachment #1 and #2**

- F. Provide a housing needs analysis for the type of project being developed (if citing information from housing needs studies or market analysis, reference the source document and include the pertinent pages of the source document) (document source if using statistics).

**The State of Hawaii Consolidated Plan for Program Years 2015 through 2019 (June 1, 2015-Jun 30, 2020),(Please see Attachment #3)**

**Page 19 Needs Assessment NA-05 Overview states:**

**"Projected housing need Statewide, approximately 64,100 housing units are projected to be needed from 2014 • 2020.\* This includes an estimated backlog of approximately 25,900 housing units and the projected demand for approximately 38,200 new housing units to accommodate household growth (based on the State's 2040 population projections).**

**"Households with incomes of 80% and below the area median income (AMI) are targeted for rental assistance while households with incomes from 80-100% AMI are targeted for homeownership assistance. As shown in the attached table of Projected Housing Need, approximately 27,200 affordable rental housing units and 16,500 affordable for-sale units are estimated to be needed by 2020."**

**\*source: Ricky Cassidy, Rental Housing Study, 12/30/2014**

**Projected housing need for Maui County 2014-2020 is shown as follows:**

<b>Sub-total affordable rental</b>	<b>4,857</b>
<b>80-100% AMI</b>	<b>1,087</b>
<b>100-120% AMI</b>	<b>956</b>

<b>120-140% AMI</b>	<b>890</b>
<b>Sub-total for sale</b>	<b>2,933</b>
<b>&lt;140% AMI</b>	<b>6,204</b>
<b>Total</b>	<b>13,994</b>

Page 63 of the report further states:

**"As noted in the Needs Assessment, statewide approximately 64,100 housing units are projected to be needed from 2014 -2020. This includes an estimated backlog or unmet need of approximately 25,900 housing units, of which approximately 18,700 are needed by households with income of 140% AMI and below.**

**"... There is an unmet need for approximately 11,600 affordable rental housing units and 7,100 affordable for-sale units. (Rick Cassidy, Affordable Rental Housing Study Update 2014, December 2014.)"**

**The 2010-2014 Consolidated Plan for the County of Maui on page 27 states:**

***"Households with incomes at 80% of HUD median income and below are estimated to be in need of rental housing and households with incomes between 80 percent and 140 percent of HUD median income are estimated to be in need of affordable for-sale housing. By 2015, approximately 17,400 affordable rental housing units and nearly 8,800 affordable for-sale units are projected to be needed."*** (Attachment #3)

**The 2015-2019 Draft Consolidated Plan for the County of Maui Summary of Housing Needs (p.29) sets forth "Housing Problems for Maui County, defined as households with one of the following four needs:**

- 1. Substandard Housing-lacking complete plumbing or kitchen facilities.**
- 2. Overcrowding -more than one person per room (and none of the problem).**
- 3. Housing cost burden greater than 30% of income (and none of the problems).**
- 4. Housing cost burden greater than 50% of income (and none of the problems)."**

**Na Hale O Maui serves qualified households with income from 80% to 140% of AMI determined by funding source. The above list of housing problems consider each issue alone, and not in combination. However, we have found that most of the households who participate in our program contend with substandard or overcrowded housing situations. We routinely hear about living situations with multiple generations in a single 'home,' and households of six in a 1- or 2-bedroom apartment.**

**The high cost and the very small number of Maui rental units are well**

documented. Our program participants struggle with housing cost burdens much greater than 30% and often more than 50% of their income, even holding down multiple Jobs.

The YTD 2017 median sales price for a single family home in Lahaina is \$932,000. On December 08, 2017, the least expensive 3-bedroom, single family home in Lahaina on the Maui MLS was \$629,000. The home is approx. 1083 square feet that is 11 years old.

We hold quarterly 1-hour Homebuyer Seminars to introduce the Na Hale O Maui homeownership program. We limit our seminars to approximately 80 people, based on the room capacity, and routinely receive 100 or more calls of interest. The 'extras' are first placed on a wait list, and then transferred to the reservation list for the next scheduled seminar.

We are currently only able to complete (renovate or build) one residence at a time. For every housing opportunity, we have 8-12 families who complete our 4-step program, are pre-qualified by a lender and submit a Statement of Interest.

Funding a portion of the construction cost of 12 affordable homes on the lots in the Kahoma Residential Subdivision will help Na Hale O Maui meet the pent up demand from our program participants and Maui County's housing need. Upon the completion of this project Na Hale O Maui will have 46 single family homes that will remain affordable in perpetuity in our Community Land Trust portfolio.

G. Summary of amount and use of Affordable Housing Fund Program funds:

	Affordable Housing Fund	<u>TOTAL FUNDS</u>
Residential Building Acquisition	\$ _____	\$ _____
New Construction	\$1,000,000	\$3,160,000
Rehabilitation	\$ _____	\$ _____
On-Site Improvement	\$ _____	\$ _____
Off-Site Infrastructure	\$ _____	\$ _____
Planning, Design	\$ _____	\$ _____
Other: Soft Costs/Admin	\$ 660,000	\$ 660,000
<b>TOTAL</b>	<b>\$2,740,000</b>	<b>\$6,322,636</b>

H. What type of project are you planning? (Check all that apply)

- Apartment building
- Garden Style       Mid-rise       High-rise
- Cluster       Single-family dwelling units
- Townhouse       Duplex, triplex, fourplex

New Construction    Rehabilitation    Acquisition

I. Size, number and rent of units:

<u>Affordable Housing Fund Program Units</u>	<u>Size</u>	<u>Number</u>	<u>Rent/Sales Price</u>
0 bedroom units	_____ s.f.	# _____	\$ _____
1 bedroom units	_____ s.f.	# _____	\$ _____
2 bedroom units	_____ s.f.	# _____	\$ _____
3 bedroom units	1-288 -1,338_ s.f.	#8 _____	\$ <u>385,000</u>
4 bedroom units	1,391 sf	#4 _____	\$ <u>400,000</u>
5 bedroom units	_____ s.f.	# _____	\$ _____
Total number of units in project:		# 12	

J. Number of affordable units and rents/sales price (as a percentage of median income)

Please indicate if it is rents or sales price.

	<u>50 percent below</u>	<u>80 percent below</u>	<u>100 percent below</u>	120 percent
below				
0 bedroom units # _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
1 bedroom units # _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
2 bedroom units # _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
3 bedroom units # _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# <u>7</u> \$ <u>385,000</u>	# <u>1</u> \$ <u>385,000</u>
4 bedroom units # _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# <u>1</u> \$ <u>400,000</u>	# <u>3</u> \$ <u>400,000</u>
5 bedroom units # _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____

K. Project Unit Mix

Fill in the appropriate number in the table below.

No. of Buildings	Studios	1 BR	2 BR	3 BR	4 BR	Total units
Gross Building Area in square feet	SF / unit	SF / unit	SF / unit	SF / unit	SF / unit	Gross Residential Area
Common Area (in square feet)						
Commercial Space (in square feet)						
<b>Total Area</b>						

If you need more space, attach a separate sheet with the information requested above.

L. Project Amenities

The Project will include the following amenities:

- Pool
- Playground/Tot lot       Picnic Area       Swimming
- Community Meeting Room       Elevator
- Transportation
- Laundry Room       Computer with high-speed internet access
- Other (describe) \_\_\_\_\_

L. Unit Amenities

What equipment/furnishings will be available in each unit?

- Range       Refrigerator       Air Conditioning       Disposal
- Dishwasher       Washer       Dryer       Carpet
- Drapes       Furniture       Heating       Cable
- High speed internet access       Other (describe) Solar Water Heater

N. Project includes other facilities (if applicable): **N/A**

- Community Center Facility
- Child Care Facility
- Other (Describe):

O. Will project have innovative techniques in design, construction, or operation?

Yes       No (If "Yes", briefly describe)  
**The CLT Ground Lease is innovative as a sustainable leasehold ownership model that provides affordability in perpetuity while sharing equity**

P. Provide schematic plans and/or preliminary plans, if available.  
**Please see attached Attachment #17**

Q. Period of Affordability?       25 years       In perpetuity       Other

R. Who will own the project?

1. Prior to completion: Na Hale O Maui
2. After construction: Na Hale O Maui
3. After occupancy: Homeowner owns the improvements, Na Hale O Maui owns the land.

S. Parking

How many parking spaces will be provided at the project site? Please complete the table below.

**Each home will include a driveway and a 2-car garage**

	Number of spaces	Ratio of Spaces/Units
Tenant		
Guest		
Handicap Accessible		
Commercial		
Total		

Will a fee be charged to tenants for parking in addition to rent?  Yes  No

**T. Energy Efficiency and Green Building Practices**

- Project will utilize solar water heating.
- Project will install Energy Star certified appliances throughout the project.
- Project will install low flow plumbing fixtures which conserve water.
- Project will install energy efficient light fixtures in common areas.
- Project will install air conditioning in each unit.
- Project will install ceiling fans in each unit.
- Project will install a light colored cool roof in each building.
- Project will incorporate water-efficient landscaping.
- Project will use painted rated low or no Volatile Organic Compounds (VOC).
- Project will vent range hood to the outside.

**U. Accessible units**

Number of Accessible units	
Number of Adaptable units	

**V. Availability**

Will all of the residential units be available to the general public?  Yes  No

If you answered no, please qualify which populations the units will be made available to.

**Income qualified families earning between 80 – 120% of AMI who live and work in West Maui**



**4. SITE INFORMATION**

A. Current legal owner of property: **Na Hale O Maui**

B. Street Address (if applicable):

Lot 5	149 Komo Mai Street, Lahaina, Hawaii
Lot 6	165 Komo Mai Street, Lahaina, Hawaii
Lot 7	181 Komo Mai Street, Lahaina, Hawaii
Lot 8	193 Komo Mai Street, Lahaina, Hawaii
Lot 55	204 Komo Mai Street, Lahaina, Hawaii
Lot 56	196 Komo Mai Street, Lahaina, Hawaii
Lot 57	188 Komo Mai Street, Lahaina, Hawaii
Lot 58	180 Komo Mai Street, Lahaina, Hawaii
Lot 59	172 Komo Mai Street, Lahaina, Hawaii
Lot 60	164 Komo Mai Street, Lahaina, Hawaii
Lot 61	156 Komo Mai Street, Lahaina, Hawaii
Lot 62	148 Komo Mai Street, Lahaina, Hawaii

C. Provide the following documents, if applicable:

1. Preliminary title report **Please see attached Attachment #12**
2. Location map **Please see attached Attachment #13**
3. Project site map **Please see attached Attachment #14**
4. Flood insurance rate map
5. Professional Housing Report (Residential Building Acquisition)

D. Year Residential Building constructed (Residential Building Acquisition)

---

E. Total site land area: **approx. 77,343** sq.ft. **approx. 1.775** acres

F. Describe the physical characteristics of site (shape, terrain, foliage, structures, etc.)  
**The project is approximately 1.775 acres located in Lahaina, Maui, Hawaii. The land is currently vacant and is relatively flat with a gentle upslope. The project is surrounded by areas of urban use. Single family residences exist on lands mauka and to the south of the project. Multi-family properties are located on the land Makai of the Project. On the North of the project is the Kahoma Stream Flood Control Channel. Just North of the channelized Kahoma Stream is the Lahaina Business Park which consists of light industrial and commercial**







Milestones:	Date
Approval of Zoning Change, Community Plan Amendment, District Boundary Amendment or 201 (H) Variances	Completed
Projected Building Permit Date:	March 2018
Closing of Construction Financing:	March 2018
Construction Start Date:	May 2018
Construction Completion Date:	4Quarter 2019
Projected Occupancy Permit Date:	Various as homes are completed
Placed in service date <sup>1</sup> :	Various as homes are completed
Achievement of initial occupancy for 100% of the units	December 2019

**6. SOURCES OF FUNDS**

A. Identify all potential sources of financing for the proposed project/program in this section and Attachment "A" - Uses and Sources Budget.

	<u>Funds Committed</u>	<u>Funds Tentative</u>	<u>Total Funds</u>
1. Grants			
Affordable Housing Fund	\$1,440,000	\$1,000,000	\$2,440,000
HOME	\$ _____	\$ _____	\$ _____
CDBG	\$ _____	\$ _____	\$ _____
EDI-SP	\$ _____	\$ _____	\$ _____
Value of equity in property contributed	\$1,562,636	\$ _____	\$ _____
Cash contribution from private source, other than applicant	\$ 30,000	\$ _____	\$ 30,000
Permit or Fee Waiver(s)	\$ _____	\$ _____	\$ _____
Other: _____	\$ _____	\$ _____	\$ _____
Other: _____	\$ _____	\$ _____	\$ _____
2. Loans			
Affordable Housing Fund	\$ _____	\$ _____	\$ _____
Local Government Loans	\$ _____	\$ _____	\$ _____
State Loans	\$ _____	\$ _____	\$ _____
HOME Loans	\$ _____	\$ _____	\$ _____
Other Federal Loans	\$ _____	\$ _____	\$ _____
Private Loans	\$ _____	\$ _____	\$ _____

<sup>1</sup> If project consists of multiple buildings or phases, please list the projected date of the first building to be placed in service and the last building to be placed in service.

3. Applicant cash contribution (other than land)	\$ _____	\$ _____	\$ _____
4. Private Foundations (Specify: _____) (Specify: _____)	\$ _____ \$ _____	\$ _____ \$ _____	\$ _____ \$ _____
5. Other (Specify: _____)	\$ _____	\$ _____	\$ _____
Other (Specify: _____)	\$ _____	\$ _____	\$ _____
Other (Specify: _____)	\$ _____	\$ _____	\$ _____
Other (Specify: _____)	\$ _____	\$ _____	\$ _____
Other (Specify: _____)	\$ _____	\$ _____	\$ _____
<b>Total Project Funds</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

B. Explain how all of the Affordable Housing Fund Program funds allocated for this project/program will be expended within 36 months of commitment of Affordable Housing Funds Program funds?

Please see above timetable

C. Describe fund sources unsuccessfully attempted:

D. Provide Attachment "A" - Uses and Sources Budget. Use the format provided (or another comparable format prepared by your organization for your proposed project). Provide name of individual or company who prepared budget.

Provide Attachment "B" - Operating Pro Forma budget (rental projects only). Use the format provided (or another comparable format prepared by your organization for your proposed project). Provide name of individual or company who prepared budget.

**7. NARRATIVES**

**A. ANTICIPATED RESULTS**

Describe the results you expect to achieve. Explain how the proposed activities are directly related to the priority housing need described and what anticipated direct and indirect results of the project will be. Include information on the length of commitment to the original target population, the continued affordability of the assisted housing in terms of monthly rent, and other program results that help illustrate the overall benefit of the project

**Please see Attachment #1**

**B. LEVERAGING**

Provide a description of all efforts to leverage or match funding from non-County sources for the subject project. Also, describe all non-County sources that will assist with project or program implementation and management (discuss sources in the order listed in Section III(A) of application). Identify whether commitments are firm or tentative and under what circumstances tentative commitments will become

actualized. **Please attach commitment/reservation letters of other project/program funding sources that are in place.** Briefly describe the general terms and conditions of other resources and give their expiration date(s). For non-cash contributions, detail how dollar amounts were calculated.

**August 5, 2017 marked the 11<sup>th</sup> Anniversary for Na Hale O Maui We launched a fund raising campaign in 2017 to raise funds for our Affordable Housing project and the Down Payment Assistance Program. We solicited donation from Maui County residents and businesses, including but not limited to past Donors, Board members, Community Supporters, Homeowners, family and friends. We applied for Grants to a number of private foundations, including but not limited to:**

- **Cooke Foundation;**
- **First Hawaiian Bank Foundation'**
- **Central Pacific Bank Foundation**
- **Atherton Family Foundation**
- **Matson Foundation**
- **HEI Charitable Foundation**
- **Mike Lyons Community Award**
- **HCF Flex Fund**
- **Ward Village Foundtion**
- **Fred Baldwin Foundation**
- **Hawaii Life Foundation**
- **Oregon Community Foundation (Kerr/Labbe/Lowe Family Foundation)**
- **Ohana Fuel**
- **Whole Foods**

**We were fortunate to have the opportunity to hold an inaugural golf tournament at the Makena Golf and Beach Club in 2016. The tournament provided NHOM with approximately \$30,000 for the construction of Kahoma Homes.**

**We plan to continue to apply for Grants and donations as the opportunities arise, including applying for State of Hawaii GIA and CIP funds in January 2018. We met with the majority of the Maui delegation to seek support for the fund applications.**

**We have had preliminary discussions with a number of lenders, including but not limited to Central Pacific Bank, HomeStreet Bank, Bank of Hawaii and First Hawaiian Bank for possible construction financing of the homes. Na Hale O Maui should be able to borrow up to 75% of the appraised fee simple value of the lots and homes. Na Hale O Maui owns the twelve lots, currently valued at \$1,562,640 on our Balance Sheet. Each Lenders is familiar with Na Hale O Maui as a not for profit entity, and are comfortable with a 'break-even' scenario, on a preliminary basis.**

**All funding is tentative, with the exception of the Golf Tournament funds and successful grants..**

### **C. PROGRAM DESIGN**

Describe the proposed project activities. Describe how the housing units and/or services proposed will be developed and marketed to eligible participants and what kind of screening procedure, if any, will be used. Outline the relationship of this proposal to established local housing and community development plans and strategies. For special needs housing projects, describe in detail the services that will be provided or coordinated for the property's residents. Describe any known opposition to this proposal. Give enough detail to clearly illustrate all activities associated with the proposed project or program.

**Please see Attachment #1 & 2. Priority/preference will be given to income qualified families who work and/or live in West Maui.**

**8. APPLICANT EXPERIENCE**

- A. Provide name, address, contact person and phone number of the organization who will develop, manage, coordinate and implement the proposed project:

Name **Housing and Land Enterprise of Maui, dba Na Hale O Maui**  
Address 190 N. Church Street  
Wailuku, Maui, Hawaii 96793  
Contact Person Cassandra Abdul, Executive Director  
Phone Number (808) 304-3533

- B. Describe your capacity to carry out the proposed project. Submit relevant documents (i.e. applicable licenses to operate project, permits, etc.)

**Please see Attachments #1 and #4**

- C. Describe the qualifications and experience of your organization and individual(s) who will manage the development of the project and manage the rental housing project. Submit detailed description of experience and ability to implement project.

**Please see Staff Resumes (Attachment #4)**

- D. Submit resumes of key personnel involved in the development, implementation and/or management of the rental housing project.

**Please see Staff Resumes (Attachment #4)**

- E. Describe past experience relevant to the proposed housing project.  
**Please see Attachment #5**

1. Complete the following information for all government (federal, state or county) funded project(s). Attach additional pages for each project, if needed:

- a. Name of Project \_\_\_\_\_  
b. Project Address \_\_\_\_\_  
c. Date project started \_\_\_\_\_ Date completed \_\_\_\_\_  
d. Total grant/loan amount \_\_\_\_\_ Source \_\_\_\_\_



e. Provide a brief description of project:

2 Describe any problems encountered in carrying out project:

3. Describe any amendments to the original proposal subsequent to receipt of government (federal, state or county) funding:

4. Any differences between the anticipated and actual accomplishments of the project (if, for example, a different number of housing units were built, etc.)

5. If the project is not yet complete, indicate why:

F. Legal Status of Applicant (check, as applicable):

A. Corporation: Non-profit  or For-profit   
Partnership: General  or Limited

Joint Venture (explain)

Note: If the proposal is submitted by a partnership or joint venture, composed of two or more individual firms, then each member firm must submit all information listed on this form, and in addition answer the following:

(a) Members of Joint Venture

(b) Date of Joint Venture Agreement

(c) State of Registration

(d) Does the agreement between members comprising joint venture make them jointly and severally liable? If not, state terms of agreement in this regard.

(e) Certified copy of Partnership Agreement

B. The Offeror, if a corporation, was organized on **August 5, 2006** under the laws of the State of **Hawaii**. (Attach Certified copy of Articles of Incorporation and Bylaws, or Certified copy of Partnership Agreement. Non-profit corporations are to attach a copy of the IRS tax-exempt determination).

**Please see Attachments #6, #7, and #8.**

C. Have you ever failed to complete any work awarded to you? **No**. If yes, when, where and why?

D. Has any officer or partner of your organization in the past five (5) years been involved with of some other organization that defaulted on a federally funded contract? **No**. If yes, state name of individual, name of owner and reason therefore?

E. Has any officer or partner of your organization in the past five (5) years been involved with some other organization declared ineligible to participate in any governmental assisted contract? ( ) Yes (X) No

If "Yes", please explain:

F. Has any officer or partner of your organization ever filed a petition of voluntary

bankruptcy? ( ) Yes ( X ) No

- L. Has there ever been filed a petition or involuntary bankruptcy against your organization, or any officer or partner of the organization? ( ) Yes ( X ) No
- M. Has the organization, or any officer or partner ever made an assignment of assets for the benefit of creditors? ( ) Yes ( X ) No
- N. Are there any unsatisfied judgments outstanding against the organization, or any director or partner of the organization? ( ) Yes ( X ) No
- O. Has the organization been a party to any litigation within the last 5 years?  
( ) Yes ( X ) No

If "yes" was answered to any question 6 through 10, give a full explanation:

**The remainder of this page intentionally left blank.**

**CERTIFICATION OF AUTHORIZED OFFICIAL**

To the best of my knowledge and belief, data, attachments and exhibits in this application are true and correct. The documents have been duly authorized by the governing body of the entity and the entity will comply with all of the federal, state and county rules and regulations if Affordable Housing Fund Program funds are awarded.

\_\_\_\_\_ Executive Director  
Cassandra J L Abdul

## ATTACHMENT "A" - USES AND SOURCES BUDGET

<u>USE OF FUNDS</u>	<u>ACTUAL COST</u>	<u>AFFORDABLE HOUSING FUND SOURCE</u>	<u>OTHER SOURCE</u>	<u>NAME OF OTHER SOURCE</u>
1. ACQUISITION	1,562,636	780,000	782,636	NHOM
1.1 LAND	1,562,636	780,000	782,636	NHOM
1.2 EXISTING STRUCTURES	_____	_____	_____	_____
1.3 OTHER	_____	_____	_____	_____
2. PREDEVELOPMENT	600,000	600,000	_____	_____
2.1 ARCHITECT FEE DESIGN	78,408	78408	_____	_____
2.2 ARCHITECT FEE SUPERVISE	_____	_____	_____	_____
2.3 ENGINEERING FEES	_____	_____	_____	_____
2.4 COST ESTIMATES	_____	_____	_____	_____
2.5 OTHER	_____	_____	_____	_____
3. SITE WORK	_____	_____	_____	_____
3.1 DEMOLITION	_____	_____	_____	_____
3.2 SITE CLEARANCE	_____	_____	_____	_____
4. CONSTRUCTION/REHAB.	_____	_____	_____	_____
4.1 OFF-SITE INFRASTRUCTURE	_____	_____	_____	_____
4.2 ON-SITE IMPROVEMENT	_____	_____	_____	_____
4.3 NEW BUILDING	_____	_____	_____	_____
4.4 REHABILITATION	_____	_____	_____	_____
5. DEVELOPER'S FEES	300,000	160,000	140,000	_____
6. OTHER RELATED COSTS	_TBD_	_____	_____	_____
6.1 BLDG. PERMITS & FEES	_____	_____	_____	_____
6.2 APPRAISAL	_____	_____	_____	_____
6.3 GEOTECHNICAL	_____	_____	_____	_____
6.4 ENV. CONSULTANT	_____	_____	_____	_____
6.5 RECORDATION FEES	_____	_____	_____	_____
6.6 ATTORNEYS FEES	_____	_____	_____	_____
6.7 IMPACT FEES	_____	_____	_____	_____
6.8 PROJECT AUDIT	_____	_____	_____	_____
6.9 OTHER	_____	_____	_____	_____
7. INTERIM COSTS	_TBD_	_____	_____	_____
7.1 CONST. INSURANCE	_____	_____	_____	_____
7.2 CONST. INTEREST	_____	_____	_____	_____
7.3 CONST. LOAN ORIG. FEE	_____	_____	_____	_____
8. PERMANENT FINANCING FEES	_TBD_	_____	_____	_____
8.1 CREDIT REPORT	_____	_____	_____	_____
8.2 PERM. LOAN ORIG. FEE	_____	_____	_____	_____
8.3 TITLE & RECORDING	_____	_____	_____	_____
9. TENANT RELOCATION	_____	_____	_____	_____

10. PROJECT RESERVES	__TBD__	_____	_____
10.1 LEASE-UP RESERVE	_____	_____	_____
10.2 OPERATING RESERVE	_____	_____	_____
11. PROJECT ADMIN/MGMT.	__TBD__	_____	_____
11.1 AFFIRMATIVE MKT.	_____	_____	_____
11.2 MANAGEMENT	_____	_____	_____
11.3 TAXES	_____	_____	_____
11.4 INSURANCE	_____	_____	_____
12. TOTAL USES (DEVELOPMENT)	\$_TBD__		
13. TOTAL SOURCES	\$_____	\$_____	
14. DIFFERENCE	\$_____		

**ATTACHMENT "B" – PRO FORMA OPERATING BUDGET (RENTAL HOUSING)**

**OPERATING INCOME**

	<u>Annual Amount</u>
1. Gross rent potential	\$ _____
2. Vacancy allowance (____% of Line 1)	_____
3. Effective gross rent (Line 1 minus Line 2)	_____
4. Other Income	_____
5. Reserve for bad debt	_____
6. Effective Gross Income (Line 3 + Line 4) – Line 5	_____

**OPERATING EXPENSES**

	<u>Annual Amount</u>
7. Management fees	\$ _____
8. Management staff costs	_____
9. Legal fees	_____
10. Accounting (audit fees)	_____
11. Telephone	_____
12. Office supplies	_____
13. Other administrative expenses	_____
Subtotal	\$ _____

**MAINTENANCE**

14. Maintenance staff costs	_____
15. Painting	_____
16. Landscaping contract	_____
17. Pest control contract	_____
18. Trash removal contract	_____
19. Maintenance supplies	_____
20. Other	_____
Subtotal	\$ _____

**Utilities**

21. Electricity	_____
22. Water and Sewer	_____
23. Gas	_____
24. Other	_____
Subtotal	\$ _____

**INSURANCE/TAXES/RESERVES**

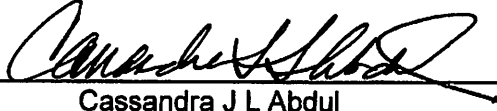
25. Property Insurance	_____
26. Liability Insurance	_____
27. Real Estate Taxes	_____
28. Operating Deficit Reserve	_____
29. Reserve For Replacement	_____
Subtotal	\$ _____
30. Total Operating Expenses (Line 7 through 29)	\$ _____

**INCOME AVAILABLE FOR DEBT SERVICE**

Effective Gross Income (Line 6)	
Minus Total Operating Expenses (Line 30)	
31. Net Operating Income	\$ _____
32. Debt Service Coverage Ratio Required by Lender	_____

**CERTIFICATION OF AUTHORIZED OFFICIAL**

To the best of my knowledge and belief, data, attachments and exhibits in this application are true and correct. The documents have been duly authorized by the governing body of the entity and the entity will comply with all of the federal, state and county rules and regulations if Affordable Housing Fund Program funds are awarded.



Cassandra J L Abdul

Executive Director