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David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

April 11, 2026

Mr. Richard E. Mitchell, Director
Department of Housing
County of Maui
Wailuku, Hawaii 96793

Dear Mr. Mitchell:

SUBJECT: **PROPOSED FISCAL YEAR 2027 BUDGET FOR THE
COUNTY OF MAUI** (BFED-1) (HO-03)

Thank you for participating in the Council's Budget, Finance, and Economic Development Committee meeting of April 6, 2026. The Committee respectfully submits the follow-up questions below.

May I further request that you transmit your response to bfed.committee@mauicounty.us by **4:30 p.m. on April 15, 2026**.

1. Please provide the Department's criteria in determining whether Affordable Housing Funds should be appropriated via grant or loan. (YLS)
2. What further actions are needed to move the Kuikahi Workforce Housing Project forward? (YLS)
3. Please provide a status update on the affordable housing projects approved in FY 2026 and prior that remain in the Department's housing plans. (YLS)
4. With litigation possibly delaying the implementation of Ordinance 5909, more commonly known as Bill 9 (2025), are there housing projects that can be expedited to help meet the demand for housing units that were planned to be provided by the conversion of transient vacation rental units? If yes, please identify these projects and outline the Department's plan to see that these units are delivered. (YLS)

Mr. Richard E. Mitchell
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5. Please confirm whether the Tax Map Key for the “Kīhei Police Station” parcel, as referenced in the Committee’s meeting, is (2) 2-2-002:070. Please explain the housing plans for this property. Has the Department identified other County-owned parcels as possible sites for affordable housing projects? If yes, please provide the Tax Map Key for each parcel. (YLS)
6. The Council approved Resolution 21-168 which authorized the donation of a 23-acre parcel identified for Real Property Tax purposes as Tax Map Key (2) 3-8-006:004-0002, situated near Target in the Pu‘unene Shopping Center, Kahului. Please explain the Department’s plan for this parcel. (YLS)
7. For FY 2027, \$6,595,272 of the Affordable Housing Fund is for a grant to Habitat for Humanity Maui, Inc. for the Hāna affordable housing project. Please provide the project’s total cost and timeline. (YLS)
8. Please provide a copy of the Department’s Request For Proposals relating to the competitive process for affordable housing projects to be funded by the Affordable Housing Fund. (ALL)
9. How much of the Affordable Housing Fund was not expended in calendar year 2025? (ALL)
10. Please provide a copy of the Department’s Request For Proposals for the development of eligible projects under the HOME Investment Partnerships Program and the Housing Trust Fund Program. (YLS)
11. You noted that a grant agreement for the Permanently Affordable Rental Unit Strategy—PARUS—was routed for execution in March 2026. Please provide a status update. (TP)

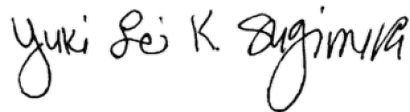
May I also request that you restate each question followed by your corresponding response. Include any attachments or exhibits. Please ensure your response is clear and legible by using a minimum 12-point font throughout so Committee Members and the public can easily read the document once it is posted.

To ensure efficient processing, please duplicate the coding in the subject line above for easy reference.

Mr. Richard E. Mitchell
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Thank you for your attention to this request. Should you have any questions, please contact me or the Committee staff (Kirsten Szabo at ext. 7662, James Krueger at ext. 7761, Jarret Pascual at ext. 7141, Clarissa MacDonald at ext. 7135, or Pauline Martins at ext. 8039).

Sincerely,

A handwritten signature in black ink that reads "Yuki Lei K. Sugimura". The signature is written in a cursive style with a large, looped "Y" and "S".

YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic
Development Committee

bfed:2027bgt:260407aho01:jpp

cc: Mayor Richard T. Bissen, Jr.
Budget Director

BFED Committee

From: BFED Committee
Sent: Saturday, April 11, 2026 10:28 AM
To: 'Richard E. Mitchell'
Cc: 'Zeke Kalua'; 'Lesley Milner'; Saumalu Mataafa; 'Amanda.M.Martin@co.maui.hi.us'; 'Jill.Peterson@co.maui.hi.us'; 'Kristina Cabbat'; 'Tiare P. Horner'; 'Shirley Blackburn'; 'Janina Agapay'
Subject: PROPOSED FISCAL YEAR 2027 BUDGET FOR THE COUNTY OF MAUI (BFED-1) (HO-03)
Attachments: 260407aho01 (HO-03).pdf
Importance: High

RICHARD T. BISSEN, JR.
Mayor

RICHARD E. MITCHELL, ESQ.
Director

SAUMALU MATA'AFU
Deputy Director



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

April 15, 2026

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

APPROVED FOR TRANSMITTAL

 4-16-26
Mayor Date

For transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
Budget, Finance, and Economic Development Committee
Maui County Council
Wailuku, Hawaii 96793

Dear Chair Sugimura:

**SUBJECT: PROPOSED FISCAL YEAR 2027 BUDGET FOR THE
COUNTY OF MAUI (BFED-1) (HO-3)**

The Department of Housing (Department) is in receipt of the Budget, Finance, and Economic Development (BFED) Committee's letter sent on Saturday, April 11, 2026, and requested a response by Wednesday, April 15, 2026. Both the BFED Committee's questions and the Department's responses follow:

- Please provide the Department's criteria in determining whether Affordable Housing Funds should be appropriated via grant or loan. (YLS)**

Developers request funding based on the specific needs of their individual projects, and the Department does not determine whether those funds are disbursed as a loan or a grant. Loan requests are most common when county funds are leveraged alongside state or

federal funding sources that require a portion of the financing to be structured as a loan.

2. **What further actions are needed to move the Kuikahi Workforce Housing Project forward?** (YLS)

The Kuikahi Workforce Housing Project is seeking a \$19,397,020 loan in FY 2027 from the Affordable Housing Fund for planning, design, new construction, and on-site improvements.

In addition to the requested funding, the developer has redesigned the project and will be requesting Council's authorization to amend entitlements received under Chapter 2.97, Maui County Code (MCC).

If the developer receives the requested funding and Council authorizes amendments to its Chapter 2.97, MCC, application, the project can move forward with development.

3. **Please provide a status update on the affordable housing projects approved in FY 2026 and prior that remain in the Department's housing plans.** (YLS)

Please see Attachment 1.

4. **With litigation possibly delaying the implementation of Ordinance 5909, more commonly known as Bill 9 (2025), are there housing projects that can be expedited to help meet the demand for housing units that were planned to be provided by the conversion of transient vacation rental units? If yes, please identify these projects and outline the Department's plan to see that these units are delivered.** (YLS)

The Department convened a Kama'aina Housing Working Group meeting on April 13, 2026, to discuss ways to expedite the development of Kaiaulu O Lanai and Kaiaulu O Napili affordable housing projects. The Kama'aina Housing Working Group consists of representatives from the Department of Planning, Department of Water Supply, Department of Public Works, Department of Environmental Management, Department of Management, and Department of Fire and Public Safety. The discussion focused on expedited permitting, infrastructure availability, interagency coordination, and entitlement processing.

As mentioned in the Department's Affordable Housing Fund Plan which was transmitted to the Council on March 31, 2026, the Kaiaulu O Lanai project proposes seventy-two affordable housing units, and Kaiaulu O Napili project proposes the development of 153 affordable housing units for communities in desperate need of housing solutions.

Additional housing projects that are currently in the pipeline, and likely to advance under an expedited timeline are identified below. Each project is in various stages of development and the Department is focused on ensuring that the developer partners receive consistent support as they move through the required steps toward delivering new housing units.

Kuikahi Workforce Housing

The developer is planning to seek an amendment to expedite entitlements from the Council, which if approved, would help expedite the development of 102 workforce housing units. Funding is also being requested in FY 2027.

Hale O Laie

The Department issued a Request for Proposals (RFP) to select a developer to retrofit existing hotel units with affordable housing and teacher housing. Once a developer is selected, the project will need Council support to authorize a sub lease. Construction is expected to start in 2027.

Experimental and Demonstration Housing Fund Projects

The Department is in the process of soliciting proposals to develop housing on County-owned parcels. Once the projects are reviewed and evaluated, the Department will seek Council's approval to move forward with development of the parcels.

5. **Please confirm whether the Tax Map Key for the "Kihei Police Station" parcel, as referenced in the Committee's meeting, is (2) 2-2-002:070. Please explain the housing plans for this property. Has the Department identified other County-owned parcels as possible sites for affordable housing projects? If yes, please provide the Tax Map Key for each parcel. (YLS)**

The Department confirms the "Kihei Police Station" parcel's tax map key (TMK) is (2) 2-2-002:070. The Department is currently preparing a RFP to complete a site survey, soil survey, and archeology survey. Once the surveys are complete, and if development is feasible, the

Department will issue an RFP to conduct a master plan on the parcel.

The Department has identified the following County-owned parcels as possible sites for affordable housing projects:

- Honoapiilani Parcel
TMK: 360020040000
- Puunene Parcel
TMK: 360020040000 (por.)
- Paia Parcel
TMK: 250050600000 (por.)
- Kihei Parcel
TMK: 220020700000
- Wailea Parcel
TMK: 390380260000
- Napili Parcel
TMK: 430010960000
- Honokowai Parcel
TMK: 440011060000
- Kula Parcel
TMK: 220140210000
- Lunalilo Parcel
TMK: 380070470000
- Wailuku Parcel
TMK: 340080200000

6. **The Council approved Resolution 21-168 which authorized the donation of a 23-acre parcel identified for Real Property Tax purposes as Tax Map Key (2) 3-8-006:004-0002, situated near Target in the Pu'unene Shopping Center, Kahului. Please explain the Department's plan for this parcel. (YLS)**

The Department is in the process of negotiating development agreements with the State to build affordable housing on the parcel.

7. **For FY 2027, \$6,595,272 of the Affordable Housing Fund is for a grant to Habitat for Humanity Maui, Inc. for the Hāna affordable housing project. Please provide the project's total cost and timeline.** (YLS)

Hana is an isolated small community, with limited housing supply, high housing costs relative to local incomes, and barriers to market access for residents. The project will create twenty-five single-family residential lots, each of which is approximately 10,000 square feet with sufficient space to accommodate an accessory dwelling unit on each lot.

The project anticipates constructing five homes per year, with construction expected to start on January 1, 2027. The total project budget is \$15,977,080, which includes the FY 2027 Affordable Housing Fund request of \$6,595,272.

8. **Please provide a copy of the Department's Request For Proposals relating to the competitive process for affordable housing projects to be funded by the Affordable Housing Fund.** (ALL)

The Department issued a public notice on its website announcing the FY 2027 Affordable Housing Fund request for applications on September 13, 2025 (Attachment 2). A press release was also released on September 13, 2025 (see link below):

<https://tinyurl.com/47ejww57>

The deadline to submit FY 2027 Affordable Housing Fund proposals was October 20, 2025. The Department assembled an independent review committee which comprised of representatives from the Department of Water Supply, Department of Environmental Management, and the Department of Management to review and score thirteen proposals. The proposals were independently scored on the following criteria: project readiness, community need, ability to leverage, and developer experience.

The projects were ranked based on overall score, and the list was sent to the Mayor's office for consideration in the FY 2027 Budget.

9. **How much of the Affordable Housing Fund was not expended in calendar year 2025?** (ALL)

The Budget Office will provide the requested information.

10. **Please provide a copy of the Department's Request For Proposals for the development of eligible projects under the HOME Investment Partnerships Program and the Housing Trust Fund Program. (YLS)**

Please see Attachment 3 for the FY 2026 HOME Investments Partnerships (HOME) Program and the National Housing Trust Fund Program RFP. The RFP was released on September 22, 2025.

11. **You noted that a grant agreement for the Permanently Affordable Rental Unit Strategy—PARUS—was routed for execution in March 2026. Please provide a status update. (TP)**

The agreement for the Permanently Affordable Rental Unit Strategy was fully executed on April 6, 2026.

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

Sincerely,



FOR RICHARD E. MITCHELL, ESQ.
Director of Housing

Attachments (3)

Cc: Lesley Milner, Budget Director
Saumalu Mata'afa, Deputy Director of Housing
Cassi Yamashita, County Housing Programs Division Administrator
Gail Rumbaoa, Federal Housing Programs Division Administrator
Alicia Mazingo, Housing and Community Development Division Administrator

3. Please provide a status update on the affordable housing projects approved in FY 2026 and prior that remain in the Department's housing plans.

Projects/ Programs	Type of Project	FY	Grant/ Loan #	Process	End Date	Funding Amount	Available Balance	People projected to serve or Units projected to build/ improve
Arc of Maui - Plumbing/Window	AHF	2026	G6814	Executed	7/1/2027	\$651,245.00	\$651,245.00	20
Kaiahale O Kahiluhilu I	AHF	2026	G6816	Routed for Execution	7/1/2027	\$5,000,000.00	\$5,000,000.00	197
Kaiahale O Kahiluhilu II	AHF	2026	G6817	Routed for Execution	7/1/2027	\$5,000,000.00	\$5,000,000.00	106
Kaiaulu O Lanai	AHF	2026	S0011	Routed for Execution	7/1/2027	\$7,200,000.00	\$7,200,000.00	72
Kaiaulu O Napili	AHF	2026	G6779	Routed for Execution	7/1/2027	\$2,000,000.00	\$2,000,000.00	120
Kehalani Apartments	AHF	2026	S0012	Updated terms under review	7/1/2027	\$3,500,000.00	\$3,500,000.00	35
Ka Hale A Ke Ola - Emergency Shelter Rehabilitation	AHF	2026	G6871	Executed	7/1/2027	\$226,211.00	\$226,211.00	64
Lipoa Apartments	AHF	2026	G6815	Routed for Execution	7/1/2028	\$25,000,000.00	\$25,000,000.00	175
Na Hale O Maui	AHF	2026	G6780	Executed	7/1/2027	\$3,500,000.00	\$3,500,000.00	7
Permanently Affordable Rental	AHF	2026	G6778	Executed	7/1/2027	\$1,015,000.00	\$1,015,000.00	6

Unit Strategy (PARUS)								
Piikea I	AHF	2026	G6775	Executed	7/1/2027	\$681,425.00	\$681,425.00	89
Piikea II	AHF	2026	G6776	Executed	7/1/2027	\$1,472,074.00	\$1,472,074.00	96
Piikea III	AHF	2026	G6777	Executed	7/1/2027	\$1,379,037.00	\$1,379,037.00	35
Kilohana Makai	AHF	2026	NA	Executed	NA	\$500,000.00	\$500,000.00	28
Mokuahau-Loi Pohaku Buy-Back	AHF	2026	NA	Executed	NA	\$500,000.00	\$500,000.00	1
Aikanaha	AHF	2025	S0010	Executed	6/30/2042	\$4,000,000.00	\$3,413,352.34	210
Kaiaulu O Kuku'ia	AHF	2025	G6584	Executed	6/30/2027	\$250,000.00	\$22,685.79	197
Kaiaulu O Napili	AHF	2025	G6583	Executed	6/30/2027	\$650,000.00	\$325,000.00	115
LCLT Insurance Gap	AHF	2025	G6474	Executed	4/16/2027	\$3,500,000.00	\$3,500,000.00	8 to 12
PARUS	AHF	2025	G6582	Executed	6/30/2027	\$3,000,000.00	\$64,344.16	3
Hale Mahaolu Ke Kahua	AHF	2024	S0005	Executed	5/4/2028	\$6,000,000.00	\$6,000,000.00	119
Hale Pilina	AHF	2024	G6178	Executed	12/31/2027	\$10,000,000.00	\$1,443,996.78	178
Kilohana Makai-Onsite	AHF	2024	G6165	Executed	6/30/2026	\$4,929,088.00	\$ -	28
Liloa Hale	AHF	2024	S0004	Executed	6/28/2026	\$5,800,000.00	\$3,671,341.47	116
Piikea III	AHF	2024	G6152	Executed	6/30/2026	\$1,897,586.00	\$ -	34
Waikapu Development Venture	AHF	2024	G6265	Executed	6/30/2026	\$10,650,000.00	\$10,650,000.00	80
Hale Pilina	AHF	2022	G5491	Executed	12/31/2027	\$660,000.00	\$66,671.21	178
Kilohana Makai-WelaSt	AHF	2022	G5908	Executed	12/31/2026	\$825,000.00	\$ -	28
Na Hale O Maui	AHF	2022	G5467	Executed	6/30/2027	\$2,000,000.00	\$461,149.38	6
Kane Street	AHF	2021	G5222	Executed	6/30/2027	\$3,000,000.00	\$1,401,499.55	25
Totals	30			24		\$124,786,666.00	\$98,645,032.68	2368

RICHARD T. BISSEN, JR.
Mayor

RICHARD E. MITCHELL, ESQ.
Director

SAUMALU MATA' AFA
Deputy Director



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

FY 2027 AFFORDABLE HOUSING FUND PROGRAM PUBLIC NOTICE

REQUEST FOR APPLICATIONS

The Department of Housing (Department) requests applications for Affordable Housing Fund eligible projects, from any public agency, private non-profit organization, community land trust, or private for-profit entity. Proposals must address housing needs for Maui County households earning 140 percent of Maui County's area median income (AMI) and below, as established by the Department of Housing and Urban Development (HUD).

The Affordable Housing Fund Program was established to provide affordable housing and suitable living environments for income-eligible residents, including the rehabilitation of existing structures, land purchase or other acquisition of land or property entitlements, planning, design, and construction.

Applications will be available beginning September 19, 2025, on the Department's website, or for pick up Monday through Friday (except holidays) from 7:45 a.m. to 4:30 p.m. at:

County Housing Programs Division
2065 Main Street, Suite 108
Wailuku, Hawaii 96793

PROJECT REQUIREMENTS

Affordable Housing Fund applications must follow Chapter 3.35, Maui County Code. Project readiness is a critical evaluation component, which includes site control as well as completion of all applicable environmental reviews (e.g., Chapter 343, Hawai'i Revised Statute, and 24 Code of Federal Regulations Part 58).

Attachment 11211

Additional points will be awarded for proposals that:

1. Prioritize project funding for off-site infrastructure requirements.
2. Provide housing solutions for below-moderate, moderate and above-moderate income households earning between 81-140 percent AMI.
3. Propose housing on county-owned parcels.

Construction of the project must commence within twelve months from the date of the executed agreement committing Affordable Housing Fund resources to the project and must be completed within twenty-four months of that date. All Affordable Housing Fund Program funds must be expended within twenty-four months of the executed agreement.

If Affordable Housing Fund Program funds will be used for land acquisition or construction, an environmental assessment and property appraisal must be submitted with the application. In addition, the project entity receiving Affordable Housing Fund resources must have a commitment in place for all other funding sources.

All funds from the Affordable Housing Fund are subject to availability.

DEADLINES

All applications, hand-delivered, mailed, and emailed must be received by the County Housing Programs Division no later than 4:00 p.m. (Hawaii Standard Time) on Monday, October 20, 2025.

An application will be rejected if it:

1. Is received after the deadline.
2. Is incomplete.
3. Does not meet eligibility requirements or other evaluation criteria.

SUBMITTAL DETAILS

- A. The Department will not pay for or provide reimbursement for the cost of preparing and submitting an application.
- B. Six sets of the application are required:

1. The original proposal application must be unbound.
 2. One digital copy must be provided via email to **chp.housing@co.maui.hi.us**, with “FY 2027 Affordable Housing Fund Application” in the subject line, followed by the name of the project; or provided via a flash drive.
 3. Four sets must be bound copies.
- C. Applications must be submitted in an unsealed envelope that clearly and legibly shows the following information on the outside:

FY 2027 Affordable Housing Fund Application- [*insert project name]

- D. Applications will not be opened publicly.
- E. The original and bound application sets must be received at the following physical address:

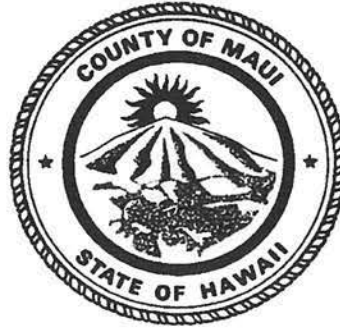
County Housing Programs Division
2065 Main Street, Suite 108
Wailuku, Hawai'i 96793

When hand-delivering an application, please ensure that the original application is date-stamped by a County Housing Programs Division staff member.



- F. Applicants are responsible for ensuring that all required supporting documents are included in the application at the time of submission.
- G. After all applications have been reviewed by the selection committee, a determination will be made as to whether oral interviews will be conducted with selected entities.
- H. All questions concerning the application process must be directed to Jody Huybrechts of the County Housing Programs Division. Ms. Huybrechts can be reached at (808) 270-7356 or Jody.L.Huybrechts@co.maui.hi.us.
- I. Failure to comply with the preceding requirements will result in the rejection of the application.

RICHARD E. MITCHELL, ESQ., Director
Department of Housing
County of Maui



**REQUEST FOR PROPOSALS (RFP)
AND APPLICATION PACKET
FOR DEVELOPMENT OF HOME INVESTMENT
PARTNERSHIPS (HOME) PROGRAM AND
NATIONAL HOUSING TRUST FUND (HTF) PROGRAM
ELIGIBLE PROJECTS - FY 2026**

September 22, 2025

**County of Maui
Department of Housing
Federal Housing Programs Division
2200 Main Street, Suite 205
Wailuku, Hawai'i 96793
Phone: (808) 270-7351**

Attachment 113

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Part I. Request for Proposals

The State, through Hawai'i Housing Finance and Development Corporation (HHFDC), publishes, as Grantee, the State's Annual Action Plan which outlines how the State will allocate federal funds from the U.S. Department of Housing and Urban Development (HUD) for housing and community development programs. The guidelines proposed for both the HOME and HTF programs in this Request For Proposals (RFP) are subject to HHFDC approval and publication in the State's Annual Action Plan.

Note: The funding available through this RFP is anticipated and has not been allocated by HUD to HHFDC. Funding will be contingent on receipt of an allocation to the County of Maui (County) by HHFDC.

This application packet invites eligible applicants to request funding for affordable housing projects funded with HOME Program (including the Community Housing Development Organization (CHDO) set-aside), or HTF Program funds. The anticipated funds available for projects are:

HOME:	\$2,250,000
CHDO:	\$450,000
HTF:	\$2,700,000

Applicants may request funding from one or more of the funding sources but must meet the requirements of each program from which funding is sought.

The County reserves the right to select one or more projects for the funding, and to reject all applications if none meet the RFP requirements. The County also reserves the right to ask an applicant to clarify, supplement, or revise elements of its application prior to selection, and to negotiate project changes after selection.

This RFP consists of an overview of the requirements for the HOME and HTF Programs, followed by an application packet that must be used to apply for funding through either program.

Applications are due: **October 31, 2025**

Applications may be submitted after the due date. They will be reviewed, after those submitted by the due date have been processed, in chronological order with the date received until all funds are committed.

Please direct questions regarding this RFP and application to Ms. Regina Freeman, at: regina.freeman@co.maui.hi.us or (808) 270-5746.

A. OVERVIEW OF HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM

The HOME Program was created by the National Affordable Housing Act of 1990. The County administers the HOME Program as a recipient of the State of Hawai'i. The State of Hawai'i receives an annual formula allocation of HOME Program funds from HUD and through HHFDC that is used in the non-metropolitan counties of the State. The State's allocation of HOME Program funds is made available to the non-metropolitan counties (Maui, Kaua'i, and Hawai'i) on a three-year rotational basis. The County utilizes its allocation either for a County-developed project, a County-administered program, or by selecting projects proposed by outside entities through a request for proposal process.

The County also selects projects for the County's HOME Program CHDO set-aside funds through the request for proposal process.

As part of the County's Five-Year Consolidated Plan strategy, which governs the use of HOME funds, the County prioritizes increasing the available stock of long-term affordable rental units for multi-family, elderly persons, and supports housing opportunities for low-income families through homebuyer loans as follows:

- 1) RENTAL HOUSING – Transitional or permanent low-income housing with preference directed towards (a) special needs housing for low-income elderly and persons with disabilities; (b) site acquisition for construction of housing units for very low-income and low-income families; (c) new construction of multi-family; and (d) construction of transitional housing units for very low-income and low-income families.
- 2) HOMEOWNERSHIP – Low-income homeownership with preference directed towards (a) homebuyer assistance for purchase of existing housing; (b) site acquisition for construction of housing units for low-income families; and (c) new construction of housing units for low-income families).

For Program Year (PY) 2026, the County anticipates the availability of \$2,250,000 in HOME funding, plus an additional \$450,000 in HOME funding for the CHDO set-aside.

B. OVERVIEW OF NATIONAL HOUSING TRUST FUND (HTF) PROGRAM

The HTF is an affordable housing production program, established under Title 1 of the Housing and Recovery Act of 2008, Section 1131 (Public Law 110-289), that is administered by HUD. The purpose of HTF is to provide grants to state governments to increase and preserve the supply of decent, safe, and sanitary

affordable housing for primarily extremely low-income, defined as 30 percent area median income (AMI), households.

HHFDC is the designated HTF grantee for the State of Hawai'i. As the State's grantee, HHFDC's HTF Allocation Plan has received conditional approval from HUD to allow HHFDC to allocate its HTF funds to the counties as sub-grantees for rental activities. The State's allocation of HTF Program funds is made available on a three-year rotational basis to the non-metropolitan counties (Maui, Kaua'i, and Hawai'i). HHFDC's Allocation Plan requires HTF projects to be selected and awarded through an application issued by the counties.

The County anticipates the availability of \$2,700,000 in PY 2026 HTF funding.

C. HOME PROGRAM REQUIREMENTS

In providing a broad range of low-income housing activities, the general purpose of the HOME Program is to fulfill three specific goals:

- To expand the supply of decent, safe, sanitary, and affordable housing, with the primary focus on rental housing, for very low and low-income Americans.
- To strengthen the capacity of states and units of general local government to design and implement strategies for achieving adequate supplies of decent, affordable housing.
- To encourage public, private, and non-profit partnerships in addressing affordable housing needs.

Changes to the HOME Final Rule, which revises the HOME Program regulations, and became effective on April 20, 2025, are incorporated into this RFP. Additional changes are anticipated during 2025. Any regulatory changes that take effect after the issuance of this RFP but prior to the award of funds under this RFP will be applied to projects, as required by the HOME Final Rule.

1. Eligible Recipients

A recipient is any public agency, private non-profit organization, CHDO as defined by HUD, or private for-profit entity eligible to apply for HOME assistance. A recipient of HOME funding must:

- 1) Assure the County it will comply with HOME Program requirements, including ongoing compliance requirements, for the period of affordability (POA).
- 2) Demonstrate the ability and financial capacity to undertake and manage the eligible activity.

- 3) Demonstrate its familiarity with Federal, State, or local housing program requirements that may be used in conjunction with HOME funds to ensure compliance with all applicable requirements and regulations of those programs.
- 4) Possess demonstrated experience and capacity to conduct an eligible HOME activity as evidenced by its ability to own, construct, or rehabilitate, and manage a project similar to the one being proposed.

Organizations wishing to qualify as a CHDO must submit supplemental information as required by the Department to demonstrate their ability to meet the requirements.

2. Eligible Activities

In general, HOME funds can be used for three types of housing programs: rental housing, homeownership, and tenant-based rental assistance (TBRA). Applicants may carry out rental housing or homeownership activities as described in this RFP.

Applicants may propose mixed-use and mixed-income housing projects. However, HOME funds may only be used for units that meet the HOME requirements (HOME-Assisted Units).

Only affordable housing activities conducted within the County will be considered for funding. Housing activities located in a 100-year flood zone or in areas with other significant environmental conditions are unlikely to receive funding.

3. Eligible Costs

HOME Program funds may be used to pay the following eligible project costs for HOME-Assisted Units:

- Development hard costs - Costs to support applicable new construction or rehabilitation standards. For rental new construction, the cost of funding an initial operating deficit reserve to meet any shortfall in project income during the period of project rent-up (not to exceed eighteen months) is eligible. For both new construction and rehabilitation, demolition costs, utility connections, and site improvements are also eligible.
- Acquisition of property - Costs of acquiring improved or unimproved real property. Acquisition of vacant land must be undertaken only with respect to a housing project intended to provide affordable housing.

- Related soft costs - Other reasonable and necessary costs incurred by the owner or participating jurisdiction associated with the financing or development of new construction, rehabilitation, or acquisition of housing. Soft costs may include architectural fees, engineering fees, builders' and developers' fees, financing fees, credit reports, title insurance, recordation fees, legal and accounting fees, including cost certifications, appraisals, environmental reviews, project audit costs, funding of an initial operating deficit reserve for rental new construction or substantial rehabilitation, staff and overhead costs directly related to carrying out a project, impact fees, affirmative marketing, and fair housing information services, as long as they are part of the project. Note that certain soft costs may be paid if they were incurred not more than twenty-four months before the date that HOME funds are committed to the project and the County expressly permits HOME funds to be used to pay the costs in the developer agreement (24 CFR 92.206(d)(1)).
- Developer Fee - For new construction, the maximum developer fee is 15 percent of total development costs or \$3,750,000, whichever is less. For acquisition and rehabilitation, the maximum developer fee is 10 percent of the acquisition costs and 15 percent of the rehabilitation costs, or \$3,750,000, whichever is less. If the project receives state funding, the County will defer to the applicable HHFDC standards.
- Relocation Costs - Costs of relocation payments and other costs for permanent or temporary relocation, including staff and overhead, replacement housing, moving costs, and out-of-pocket expenses.
- CHDOs - Project specific assistance for CHDOs that have a CHDO set-aside project.

4. Prohibited Activities & Costs

In general, HOME funds cannot be used to:

- Carry out activities authorized under 24 CFR Part 968 (Public Housing Modernization) or provide assistance under Section 9 of the 1937 Act (Public Housing Capital and Operating Funds).
- Provide project-based or tenant-based subsidies, except under a TBRA Program.
- Provide non-federal matching contributions required under any other federal programs except to match McKinney-Vento Act funds.
- Provide payment for the acquisition of property owned by the participating jurisdiction, except for property acquired by the participating jurisdiction with

HOME funds, or property acquired in anticipation of carrying out a HOME project.

- Provide project reserve accounts for replacements and unanticipated increases in operating costs, or operating subsidies for rental housing, except in certain cases involving new construction projects.
- Provide assistance (other than TBRA or assistance to a homebuyer to acquire housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the POA.

Ineligible costs that may not be paid with HOME funds include:

- Costs for luxury improvements or improvements that are not consistent with the HOME Final Rule standard of “non-luxury housing with suitable amenities.”
- Payment of any deposits, working capital or operating costs.
- Operating, replacement or other reserves, other than the initial operating deficit reserve.
- Off-site infrastructure, except for necessary connections to offsite utilities for the assisted unit.
- Refinancing or payment of other debt.
- Costs of non-residential space in a project (e.g., community rooms, commercial, or civic spaces, etc.).
- Delinquent taxes, fees, or charges on properties to be assisted.
- Any other cost that is not eligible under the HOME regulations at 24 CFR 92.206 – 92.209.

While HOME funds may not be used to pay these costs, they may be included in the development budget and paid with other funds to the extent they are reasonable and necessary for the completion and viability of the project.

In addition, project owners may not charge fees to tenants unless they are approved by the County consistent with 24 CFR 92.214(b)(3)-(4).

5. Eligible Forms of Assistance

The HOME Program permits flexibility in the forms of assistance to housing,

including grants, deferred payment loans (forgivable or repayable), interest-bearing or non-interest-bearing loans or advances, interest or principal reduction subsidies, equity investments, and loan guarantees.

Under most project circumstances, HOME assistance will be provided to the project owner as a deferred loan. The County will determine the appropriate form of assistance based on the activity type, the underwriting determination of reasonable assistance, and the need to enforce Program requirements during the POA. For tax credit and other projects, interest will be required with cash flow loan terms appropriate to the project. For nonprofit projects, non-interest-bearing deferred loans will be considered. Loan terms will be determined in underwriting. Generally, loans will be for the longest compliance period applicable to the project, interest rates will be nominal, and payments during the term of the loan will be required only out of excess cash flow with the order of payments negotiated.

6. HOME Project Requirements

The HOME Program targets a wide range of housing activities; guidelines and program requirements vary depending on the type of housing activity involved. HOME projects must meet the requirements of 24 CFR 92.251-.254 as applicable, including those summarized below. Applicants are encouraged to read the sections of the HOME regulation cited below.

1. RENTAL HOUSING:

HOME funds may be allocated to transitional or permanent housing, including specific units in a mixed income or mixed-use project. The following restrictions pertain to the HOME-Assisted Units, which will be designated in the developer agreement as either fixed units or floating units during the POA.

Occupancy – All HOME-Assisted Units must be occupied by Low Income households at or below 80 percent of AMI, as defined by HUD. Current income limits are shown in Table 2 at the end of this section. In addition, occupancy of rental units is subject to two additional requirements:

- The HOME project rule requires that, in projects of five or more units, at least 20 percent of the HOME assisted rental units must be occupied by families who have annual incomes that are 50 percent or less of the area median family income and who pay no more than the Low HOME rents (24 CFR 92.252).
- The HOME program rule requires at least 90 percent of initial occupants of assisted units to be at or below 60 percent of AMI (24 CFR 92.216). Applicants should assume that all HOME-assisted units in a project will be subject to the 60 percent AMI occupancy limit at initial occupancy.

In a mixed-income property, units will be designated as fixed or floating by the County in the developer agreement (24 CFR 92.252(j)).

Unrestricted units in a mixed-income project are not subject to occupancy restrictions or rent limits.

Voucher and Certificate Holders - Rental units cannot be denied to Section 8 voucher and certificate holders because of their status as a certificate or voucher holder (24 CFR 92.253(d)(4)).

Income Examination - Regardless of the type of rental housing pursued under HOME, income eligibility of all households in assisted units must be determined at the time of occupancy under 24 CFR 92.203 and reexamined annually, except as may be provided in 24 CFR 92.252(g)(1) for small-scale rental projects (four total units or fewer).

Tenant Selection Plan – Affirmative marketing procedures apply to projects with five or more HOME-assisted units (24 CFR 92.351), and the County must approve the tenant selection plan (24 CFR 92.253(d)).

Selection of tenants is subject to the conflict-of-interest provisions in 24 CFR 92.356.

Maximum Allowable Rents (see Table 1 for current rent limits):

Low HOME Rent Limits (24 CFR 92.252(a)(2)) – For projects with five or more units, at least 20 percent of the assisted units must have rents, including an allowance for tenant-paid utilities, that are equal to or less than the lesser of:

- 30 percent of annual incomes for households at 50 percent of median income, minus tenant paid utilities; or
- The Section 8 Fair Market Rents, as defined by HUD, for existing housing, minus tenant paid utilities;
- Unless the unit is covered by federal or state project-based rental assistance in which the tenant pays no more than 30 percent of adjusted income.

High HOME Rent Limits (24 CFR 92.252(a)(1)) – The maximum rent that can be charged for the remainder of the assisted units is based on the lesser of:

- 30 percent of the households monthly adjusted income for households whose income equals 65 percent of the median income, minus tenant paid utilities; or
- The existing Section 8 Fair Market Rent for existing housing, minus tenant paid utilities.

If a tenant is using a federal, state, or local rental assistance or subsidy program, the project owner may accept the total of the tenant's rent contribution and the full permissible assistance or subsidy payment, even if that total exceeds the maximum HOME rent. In other words, HOME rent limits do not apply to either project-based, TBRA, or subsidy payments made by federal, state, or local programs, although limits on the maximum tenant contribution to rent at 30 percent of adjusted income still apply as provided in the 2025 HOME Final Rule.

Rent limits are updated annually by HUD, and the rents charged and utility allowances must be approved annually by the County for the applicable POA.

Rents for Over-Income Tenants (24 CFR 92.252(h)) – If a low-income tenant's income increases beyond 80 percent of median, the tenant must pay no less than 30 percent of the family's adjusted monthly income, as required by 24 CFR 92.252(i), except as may be limited for units that are subject to tax credit requirements.

Lease and tenant protections (24 CFR 92.253) – Tenants in HOME-Assisted Units must have leases for a period of not less than one year, unless a shorter period is mutually agreed upon and in a form that is approved by the County. The lease must incorporate the HOME and VAWA lease addendum. Note that the lease addendum may be subject to revisions by HOME Final Rule changes prior to commitment of funds.

Violence Against Women Act (VAWA) Protections (24 CFR 92.359) – HOME-assisted rental housing must meet the requirements of 24 CFR 92.359 for the protection of applicants or tenants who are victims of domestic violence, dating violence, sexual assault, or stalking.

Termination of Tenancy (24 CFR 92.253(c)) – An owner may not terminate the tenancy or refuse to renew the lease of a tenant of HOME-assisted rental housing, except for serious or repeated violation of the terms and conditions of the lease for violation of applicable Federal, State or local law, or for other good cause. To terminate or refuse to renew tenancy, the owner must provide written notice to the tenant at least 30 days before termination specifying the grounds for the action and providing a specific period for vacating that is consistent with State or local law.

Tenant Fees (24 CFR 92.214(b)(3)-(4)) - Project owners may not charge fees to tenants unless they are approved by the County.

Period of Affordability (POA) (24 CFR 92.252(e)) – The HOME POA is determined by the type of activity as well as the amount of HOME subsidy. For rehabilitation or acquisition of existing rental housing, the minimum POA varies depending on the per-unit subsidy amount:

Under \$25,000	five years
\$25,000 - \$50,000	ten years
Over \$50,000	fifteen years
New Construction	twenty years

The affordability requirements must be imposed by deed restriction and recorded in accordance with State recordation laws.

Minimum HOME Investment (24 CFR 92.205(c)) - \$1,000 per HOME-assisted unit.

Maximum Per Unit Subsidies (24 CFR 92.250(a)) - HUD restricts the amount of HOME funds that can be invested on a per-unit basis that is established on a market-by-market basis. See Table 3.

Site and Neighborhood Standards (24 CFR 92.202(b)) – Rental new construction sites must meet the site and neighborhood standards of 24 CFR 983.55(e)(2) and (3).

Property Standards (24 CFR 92.251) - All HOME-Assisted Units must meet, at a minimum, the applicable property standards at 24 CFR 92.251. For housing that is newly constructed (24 CFR 92.251(a)) or rehabilitated (24 CFR 92.251(b)), all applicable local codes, rehabilitation standards, energy standards, ordinances, and zoning ordinances must also be met. Rental rehabilitation projects must also meet the County’s Rehabilitation Standards.

Rental properties must continue to meet applicable property standards at 24 CFR 92.251(f) and will be subject to inspections by the County for the POA.

2. HOMEOWNERSHIP:

Maximum Property Value (24 CFR 92.254(a)(2)) – The initial purchase price of housing cannot exceed 95 percent of the median purchase price for the area, applicable to the type of housing, as provided by HUD (see Table 4 for current limits). The limits may vary for new and existing housing.

Eligible Homebuyers – The unit must be made available for purchase only to low-income homebuyers at or below 80 percent of AMI. Incomes must be examined prior to commitment of funds (24 CFR 92.203).

Homebuyer Underwriting (24 CFR 92.254(f)) – Each assisted homebuyer must be underwritten according to standards approved by the County to ensure that the homeownership is affordable and sustainable for at least the POA. HOME assistance may only assist where senior debt has been reviewed and approved to be consistent with the County’s responsible lending policy.

Principal Residence (24 CFR 92.254(a)(3)) – The unit must be the principal residence of the homebuyer for the POA.

Resale/Recapture Restrictions (24 CFR 92.254(a)(5)) – The County uses the Recapture Method at 24 CFR 92.254(a)(5)(ii)(2), as approved by HHFDC and HUD. The Resale Method will be used for projects involving community land trusts. For projects subject to Recapture, if a HOME-assisted unit is sold, conveyed or transferred during the POA, the County requires a recapture of the total amount of the HOME investment for the unit, less the HOME investment amount prorated for the length of time Homeowner owned and occupied the unit. Homeowner may recover the entire investment (down payment and capital improvements made since purchase) before any Direct Subsidy is recaptured.

County’s recapture provision allows for assumption of recapture obligations by a subsequent homebuyer, provided the subsequent homebuyer is HOME eligible and no additional HOME assistance is provided. If subsequent homebuyer does not assume the HOME recapture obligations, Homeowner must repay the prorated HOME investment from any net proceeds.

Applicants proposing to use resale restrictions or a recapture restriction other than those described above must obtain approval through a substantial amendment to the County Annual Action Plan, subject to review and approval by HHFDC and HUD.

Period of Affordability (POA) – For homeownership projects, the POA depends on the per-unit buyer subsidy amount.

Under \$25,000	five years
\$25,000 - \$50,000	ten years
Over \$50,000	fifteen years

Minimum HOME Investment (24 CFR 92.205(c)) – \$1,000 per HOME-Assisted Unit.

Maximum Per Unit Subsidies (24 CFR 92.250(a)) - HUD restricts the amount of HOME funds that can be invested on a per-unit basis that is established on a market-by-market basis. See Table 3.

Property Standards – Homebuyer housing must meet the requirements of 24 CFR 92.251 as applicable. For housing that is newly constructed (24 CFR 92.251(a)) or rehabilitated (24 CFR 92.251(b)), all applicable local codes, rehabilitation standards, energy standards, ordinances, and zoning ordinances must also be met. Rehabilitation projects must meet the County’s Rehabilitation Standards. Existing housing that is acquired for homeownership must meet 24 CFR 92.251(c)(3).

7. Other Federal Requirements

The following regulations and requirements apply (subject to certain project thresholds) to projects financed by HOME funds. This list is not all-inclusive. Applicants must comply with all applicable federal regulations and requirements.

1) Fair Housing and Equal Opportunity

- Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000(d)), provides that no person may be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity receiving federal financial assistance based on race, color, or national origin.
- Title VIII of the Civil Rights Act of 1968, as amended "the Fair Housing Act" (42 U.S.C. 3601), prohibits discrimination in the sale or rent of units.
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 11259), prohibits discrimination in housing or residential property financing related to any federally assisted activity.
- Architectural Barriers Act of 1968, as amended (42 U.S.C. 4151), provides that public buildings and conveyances financed with federal funds are to be designed, constructed, or altered to provide accessibility to persons with physical disabilities.
- Age Discrimination Act of 1975, as amended (42 U.S.C 6101) prohibits age discrimination in programs receiving federal financial assistance.
- Equal Employment Opportunity, Executive Order 11246, as amended, prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex, or national origin.

2) Affirmative Marketing. (for all HOME housing projects with five or more units) Affirmative marketing steps taken to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. Affirmative marketing does not apply to families with Section 8 TBRA or families with TBRA provided with HOME funds. The County must approve the marketing and selection plan.

3) Handicapped accessibility. Housing must meet the accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794). Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42

U.S.C. 3601 – 3619).

4) Section 3 of Housing and Urban Development Act – 1968. 12 U.S.C.1701(u), requires to the greatest extent feasible, that a HOME-funded Project provide opportunities for training and employment to low-income persons residing in the program service area.

5) Minority and Women Owned Business Enterprises. Executive Orders 11625, 12432, and 12138, requires to the maximum extent possible, the inclusion of minorities and women owned businesses in all contracts.

6) Site and Neighborhood Standards. In compliance with Title VI of the Civil Rights Act of 1964, new construction of rental housing must meet the requirements of 24 CFR 983.57(e), which places limiting conditions on building in areas of "minority concentration" and racially mixed areas for new construction projects.

7) Environmental Review under National Environmental Policy Act. 24 CFR Part 58 environmental review is required for all HOME activities, but the type of review will vary based on the activity funded with HOME dollars.

The County will not approve the release of funds for a project where an approved environmental review was not conducted in advance, and in accordance with all applicable rules and regulations.

From the date of the issuance of this RFP through when the County notifies the Developer-owner of environmental clearance, only project planning and other exempt activities (as described in 24 CFR 58.34) may be conducted. The Developer-owner cannot execute a purchase contract for acquisition of property until after National Environmental Policy Act approval and clearance; however, purchase options may be extended and pre-existing contracts that were executed prior to release of RFP are permitted.

8) Lead Based Paint Poisoning Prevention Act. HOME rehabilitation and construction activities in structures originally placed in service prior to January 1, 1978, must comply with 24 CFR Part 35 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act.

9) Labor Standards. Housing activities involving twelve or more HOME-assisted units under the same construction contract require compliance with the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act.

10) Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). 42 U.S.C.4201-4655 and 49 CFR Part 24. Any occupants of the project site at time of application for HOME funds are subject to the protections of this Act, as well as Section 104(d) of the Housing and Community Development

Act of 1974.

11) Flood zones. HOME funds are not usually provided in Federal Emergency Management Agency (FEMA) designated flood areas.

12) Debarred, suspended, and ineligible contractors and recipients. HOME funds cannot be provided to debarred, suspended, or ineligible contractors, subcontractors, or recipients, as reported on the System for Award Management.

13) Conflict of interest. In compliance with 24 CFR 92.356, no persons who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds, or who are in a position to participate in a decision-making process, or gain inside information with regard to these activities, may obtain a financial interest or financial benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to the HOME-assisted activity or the proceeds from such activity, either for themselves, or those with whom they have business or immediate family ties during their tenure or for one year thereafter. Immediate family ties include the spouse, parent, brother, sister, grandparent, grandchild, and in-laws of a covered person. This conflict-of-interest provision applies to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the grantee (State) or subgrantee (County).

In compliance with 24 CFR 92.356(f), no owner, developer, or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor) whether private, for-profit or nonprofit (including a CHDO when acting as an owner, developer, or sponsor) may occupy a HOME-assisted affordable housing unit in a project during the required POA specified in 24 CFR 92.252(e) or 24 CFR 92.254(a)(4). This provision does not apply to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

Recipients must comply with procurement requirements at 2 CFR 200.318(c)(1)) and with any other applicable conflict-of-interest provisions.

14. Acquisition and relocation: Acquisition, rehabilitation, and/or demolition activities may be covered by the Uniform Relocation Act and/or Section 104(d) of the Housing and Community Development Act.

8. Additional HOME Submission Requirements

Applicants must meet all the following minimum threshold requirements to

receive consideration for an allocation or award of HOME Program Funds:

- Market Assessment - A market study or market assessment of the housing needs of the individuals to be served by the project must be submitted as a part of the application. The assessment should review the neighborhood and other relevant market data to determine that there is a current demand for the type and number of housing units being developed. (24 CFR 92.250(b)(2).)
- Site Control – Evidence of site control must be submitted with the application for HOME funds. Site control must be substantiated by providing evidence in the form of an executed lease or sale option agreement, fee simple deed, executed land lease, or any other documentation acceptable to the County. Applicants should be aware purchase or execution of a purchase agreement during the period of application review and environmental review is a choice limiting action under federal environmental review that can result in termination of any award.
- Phase 1 Environmental Site Assessment – An Environmental Site Assessment must be submitted with the application. For acquisition/rehabilitation projects, the Environmental Site Assessment should address lead-based paint and asbestos.
- Property Standards – Applicants must demonstrate understanding and compliance with HOME Property Standards at 24 CFR 92.251, as applicable. All assisted projects must meet all applicable local codes, rehabilitation standards, energy standards, ordinances, and zoning ordinances.

For projects intending to preserve housing through rehabilitation (24 CFR 92.251(b)), HOME applicants must use County Rehabilitation Standards for health and safety, and for replacement of major systems including structural support, roofing, weatherproofing (e.g. windows, doors, siding), plumbing, electrical, and HVAC.

For multifamily housing rehabilitation projects with twenty-six or more total units, the useful life of systems must be determined through a capital needs assessment, submitted with the application. For rental housing, replacement reserves must be adequate to repair or replace systems as needed.

For homeownership projects with rehabilitation, each of the major systems must have a remaining useful life of at least five years or must be rehabilitated or replaced.

- Evidence of Sources – The Applicant is required to provide evidence of commitment of all sources of funds and support all hard debt service loans and terms with executed lenders' commitment letters, letters of interest, or term

sheets prior to being issued a commitment letter by the County. This is not a prerequisite for the initial application.

- Rental Project Pro Forma Underwriting Metrics – For rental projects, the operating pro forma must demonstrate feasibility for at least the POA using the following metrics:

- Debt Service Ratio (DSR) for Projects with Hard Debt: The Project is required to evidence a DSR of no less than 1.15x on all hard debt service requirements for the first fifteen years for rehabilitation and twenty years for new construction.
- Debt Service Ratio for Projects without Hard Debt: The Project is required to evidence a positive net operating income (NOI) throughout the POA.
- Operating Pro Forma Requirements: Annual income inflation rate of 2 percent for first fifteen years and annual expense inflation rate of 3 percent for first fifteen years, or term of the first mortgage, whichever is greater.
- Annual income inflation rate of 2 percent and annual expense inflation rate of 2 percent for the remaining term of affordability.
- Vacancy rate of no less than 5 percent.
- Annual replacement reserve of no less than \$300 per unit per year.

- Homeownership Underwriting Policies – If requesting funds for homebuyer projects, applicant must demonstrate feasibility for low-income homebuyers with financing consistent with the homeownership policies required by 24 CFR 92.254(g) and HUD Notice Community Planning and Development (CPD)-18-09. Applicant must submit written standards and provide sample buyer underwriting that address:

- Maximum HOME homebuyer assistance available to each homebuyer.
- The expected income range (by \$ or % AMI) of buyers expected to qualify for assistance.
- Minimum buyer contributions to down payment and closing costs.
- Maximum front-end and back-end ratios.
- Senior mortgage standards, including loan types and terms that will not be permitted.

HOME homebuyer projects are subject to the resale and recapture requirements of 24 CFR 92.254(a)(5). The County will work with any selected developers to determine the appropriate resale or recapture method, and the restrictions based on the type of project and the level of assistance needed. The resale or recapture

method selected will require approval by HHFDC and HUD through an amendment to the County's Annual Action Plan before it can be implemented. Homebuyer projects will also be subject to the County's homebuyer policies as required by 24 CFR 92.254(g) of the HOME 2025 Final Rule.

Also, describe how the Applicant will ensure that all buyers receive counseling by a HUD-approved counseling agency prior to commitment. See 24 CFR 92.254(a)(3) and HUD Notice CPD-18-09.

9. CHDO Requirements

Each participating jurisdiction must set-aside at least 15 percent of its total HOME award each year specifically for projects that will be owned, developed, or sponsored by CHDOs. (The State of Hawaii typically receives \$3 million annually, and the CHDO set-aside typically would be \$450,000 annually.)

A CHDO is a specific kind of community based nonprofit housing organization defined in 24 CFR 92.2. The requirements for CHDO designation can be grouped into four key elements:

- A legally incorporated tax-exempt nonprofit organization.
- An independent organization free of undue control by for-profit or governmental entities.
- Accountable to the low-income community it serves.
- Capable of undertaking the development of affordable housing.

The HOME Final Rule requires that a participating jurisdiction certify that an organization meets the CHDO definition "each time it commits funds to the organization." Additionally, once a CHDO receives funding from the set-aside to develop housing, it is expected to maintain its status as a CHDO through both the development and, in the case of rental, the POA.

The statute requires set-aside projects to be "developed, sponsored, or owned by" CHDOs, which means the CHDO must be solely in charge of and responsible for the project. The HOME Final Rule outlines the CHDO roles for two types of eligible set-aside projects (24 CFR 92.300(a)(2)-(6)):

- Homebuyer – The set-aside can be used to develop for-sale housing. CHDOs can acquire and rehabilitate existing homes or build newly constructed homes for sale to income eligible buyers. The CHDO must hold title to the property during development, contract for and oversee all aspects of the construction including project financing and then sell the home upon completion to an income eligible buyer (24 CFR 92.300(a)(6)).

- Rental – A CHDO can purchase existing standard housing, acquire and rehabilitate existing rental housing or build new rental housing. A CHDO can receive set-aside funds to rehabilitate existing rental housing it already owns, provided the project was not previously HOME-assisted and still subject to the POA from that original investment. The CHDO must hold title to the property itself or through a wholly owned subsidiary while the project is being developed and for at least the POA. The CHDO must meet one of the roles defined in 24 CFR 92.300(a)(2)-(5).

The HOME Final Rule also permits the jurisdiction to provide additional assistance to CHDOs in the form of:

- Predevelopment loans to help cover preliminary costs that are required to pull a housing development project together and determine if it is feasible (24 CFR 92.301); and/or
- Retained project proceeds are net sales proceeds from homebuyer activities that can be retained and reused by a CHDO for other HOME eligible or housing activities to benefit low-income households (24 CFR 92.300(a)(6)(ii)). Retained CHDO proceeds must be prescribed in the developer agreement.

The County has elected not to offer operating expense assistance to help support general operating expenses of a CHDO as permitted under 24 CFR 92.208 and instead will approve full developer fees consistent with County underwriting policy to cover CHDO expenses while developing CHDO projects. The County will consider exceptions on a case-by-case basis.

For this application, any nonprofit wishing to be certified as a CHDO must:

- Submit the completed HHFDC CHDO Certification Application
- Indicate whether it will request:
 - Pre-development loans as permitted by 24 CFR 92.301; and/or
 - Retention of net proceeds (if any) from the sale of homebuyer projects.

10. Current HOME Program Limits

The following HOME Program limits are issued by HUD and HHFDC annually. The FY2025 limits are currently available and included below.

When updated limits for FY2026 are published by HUD, the County may approve the use of the updated limits in selected projects, subject to underwriting review.

TABLE 1

**2025 MAUI COUNTY HOME Program Rent Limits
(subject to annual update by HUD)**

	0-BR	1-BR	2-BR	3-BR	4-BR
50% Median Limits (Low HOME Rents)	\$1178	\$1262	\$1515	\$1750	\$1952
65% Median Limits (High HOME Rents)	\$1511	\$1621	\$1947	\$2241	\$2480

TABLE 2

Very low-income families mean low-income families whose annual incomes do not exceed 50 percent of the median family income for the area, as determined by HUD, with adjustments for smaller and larger families.

Low-income families mean families whose annual incomes do not exceed 80 percent of the median family income for the area, as determined by HUD, with adjustments for smaller and larger families.

Sixty percent of median limits apply to the initial occupants of High HOME rental units. The 80 percent AMI limit is used for recertification of tenants to determine if they are over income limits.

**2025 MAUI COUNTY Adjusted HOME Income Limits
(subject to annual update by HUD)**

	1 PERSON	2 PERSON	3 PERSON	4 PERSON
50% of Median	\$47,150	\$53,850	\$60,600	\$67,300
60% of Median	\$56,580	\$64,620	\$72,720	\$80,760
80% of Median	\$75,400	\$86,200	\$96,950	\$107,700

	5 PERSON	6 PERSON	7 PERSON	8 PERSON
50% of Median	\$72,700	\$78,100	\$83,500	\$88,850
60% of Median	\$87,240	\$93,720	\$100,200	\$106,620
80% of Median	\$116,350	\$124,950	\$133,550	\$142,200

TABLE 3

**2025 MAUI COUNTY Maximum Per Unit Subsidy Limits
(subject to annual update by HUD)**

0-BR	1-BR	2-BR	3-BR	4+ BR
\$187,658	\$215,121	\$261,595	\$338,419	\$371,476

TABLE 4

**2024 MAUI COUNTY Purchase Price/Value Limits
(subject to annual update by HUD)**

1 Family/Condo (new & existing)
\$737,000

D. HTF PROGRAM REQUIREMENTS

The HTF Program is an affordable housing production program that was established under Title 1 of the Housing and Recovery Act of 2008, Section 1131 (Public Law 110-289) and is administered by HUD. The purpose of HTF is to provide grants to State governments to increase and preserve the supply of decent, safe, and sanitary affordable housing for primarily extremely low-income (30 percent AMI) households.

This RFP reflects the HTF Interim Rule. HUD has indicated its intent to issue a Final Rule. Any regulatory changes that take effect after the issuance of this RFP and the award of funds under this RFP will be applied to the project when effective, as required by the HTF Interim Rule.

1. Eligible Recipients

Recipient means an organization, agency or other entity (including a public housing agency, a for-profit entity, or a nonprofit entity) eligible to apply for HTF assistance as an owner or developer to carry out an HTF-assisted project. A recipient must:

- 1) Make assurances to the County that it will comply with the requirements of the HTF program.
- 2) Demonstrate the ability and financial capacity to undertake and manage the eligible activity.
- 3) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such program.
- 4) Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct, or rehabilitate, and manage an affordable multifamily rental housing development.

2. Eligible Activities

In general, HTF funds can be used for housing for extremely low-income households. Applicants may carry out rental housing activities as described in this RFP and in 24 CFR 93.200. Mixed use and mixed income properties are permitted, but HTF can only be used for the costs of units that meet HTF requirements, subsequently referred to as HTF-Assisted Units.

Only affordable housing activities conducted within the County will be considered for funding. Any housing activities located in a 100-year FEMA flood

zone are not likely to receive funding.

3. Eligible Costs

HTF Program funds may be used to pay the following eligible project costs allocable to HTF-Assisted Units, as permitted by 24 CFR 93.201:

- Acquisition of property - Costs of acquiring improved or unimproved real property. Acquisition of vacant land must be undertaken only with respect to a housing project intended to provide affordable housing.
- Development hard costs - Costs to support applicable new construction or rehabilitation standards. For rental new construction, the cost of funding an initial operating deficit reserve to meet any shortfall in project income during the period of project rent-up (not to exceed eighteen months) is eligible. For both new construction and rehabilitation, the costs of demolition, utility connections, and site improvements are also eligible.
- Related soft costs - Other reasonable and necessary costs incurred by the owner or participating jurisdiction associated with the financing and/or development of new construction, rehabilitation, or acquisition. Soft costs may include architectural fees, engineering fees, builders' and developers' fees, financing fees, credit reports, title insurance, recordation fees, legal and accounting fees, including cost certifications, appraisals, environmental reviews, project audit costs, funding of an initial operating deficit reserve for new construction or substantial rehabilitation, staff and overhead costs directly related to carrying out a project, impact fees, affirmative marketing, and fair housing information services, as long as they are part of the project. Note that certain soft costs may be paid if they were incurred not more than twenty-four months before the date that HTF funds are committed to the project and the County expressly permits HTF funds to be used to pay the costs in the developer agreement (24 CFR 93.201(d)).
- Developer Fee – For new construction, the maximum developer fee is 15 percent of total development costs or \$3,750,000, whichever is less. For acquisition or rehabilitation, the maximum developer fee is 10 percent of the acquisition costs and 15 percent of the rehabilitation costs, or \$3,750,000, whichever is less. If the project receives state funding, the County will defer to the applicable HHFDC standards.
- Relocation Costs - Costs of relocation payments and other costs for permanent or temporary relocation, including staff and overhead, replacement housing, moving costs, and out-of-pocket expenses.
- Operating Cost Assistance – While this is an eligible cost under the HTF

Interim Rule, the County has not developed standards for such assistance and does not encourage requests for funding in this category until HUD issues guidance.

4. Prohibited Activities

HTF funds cannot be used for the following, as restricted by 24 CFR 93.204:

- Provide assistance to a project previously assisted with HTF funds during the POA or for renewal of operating cost assistance of an operating cost reserve.
- Pay for the acquisition of property owned by the grantee (state and county).
- Pay delinquent taxes, fees, or charges on properties to be assisted with HTF funds.
- Pay for political activities, advocacy, lobbying, counseling services (except for housing counseling), travel expenses (other than those eligible under 24 CFR 93.202(b)), or preparing or providing advice on tax returns.
- Pay for any cost that is not eligible under 24 CFR 93.201 and 93.202.

In addition, project owners may not charge fees to tenants unless they are approved by the County consistent with 24 CFR 93.204(b)(4).

5. Eligible Forms of Assistance

The HTF Program permits flexibility in the forms of assistance to housing, including grants, deferred payment loans (forgivable or repayable), interest-bearing or non-interest-bearing loans or advances; interest or principal reduction subsidies, equity investments, and loan guarantees (24 CFR 93.200(b)).

Under most project circumstances, the assistance will be provided to the project owner as a deferred loan. The County will determine the appropriate form of assistance based on the activity type, the underwriting determination of reasonable assistance, and the need to enforce Program requirements during the POA. For tax credit and other projects, interest will be required with cash flow loan terms appropriate to the project as determined by underwriting. For nonprofit projects, non-interest-bearing deferred loans will be considered. Loan terms will be determined during underwriting. Generally, loans will be for the longest compliance period applicable to the project, interest rates will be nominal, and payments during the term of the loan will be required only out of excess cash flow with the order of payment to be negotiated.

6. HTF Project Requirements

HTF rental projects must meet the requirements of 24 CFR 93.302 - .303. The following summarizes HTF rental housing requirements. However, Applicants are encouraged to read the section of the HTF regulation cited.

- Maximum Per Unit Subsidies (24 CFR 93.300(a))- HHFDC restricts the amount of HTF funds that can be invested on a per-assisted-unit basis. See Table 7 for most recent limits.
- Eligible Tenants (24 CFR 93.250) - HTF-Assisted Units must be occupied by income-eligible households that are extremely low-income, defined as 30 percent of AMI. See Table 6 for current income limits, subject to annual change.
- Rents (24 CFR 93.302(b)-(c)) – HTF rents include utilities and are set at 30 percent of the income of a household at 30 percent of AMI, adjusted for the number of bedrooms in the unit. If the rental unit receives Federal or State project-based rental subsidy, the maximum rent is the rent allowable under that rental subsidy program if the tenant pays no more than 30 percent of tenant's adjusted income. See Table 5 for current limits, subject to annual change.

The County will establish maximum monthly allowances for utilities and services and annually review and approve rents proposed by HTF-assisted project owners. If the tenant is paying the utilities, the County must ensure that the rents do not exceed the maximum rent minus the monthly utility allowance.

- Period of Affordability (24 CFR 93.302(d)) – HTF-Assisted Units must meet the affordability requirements for a period of not less than thirty years, which begins at project completion. The affordability requirements must be imposed by deed restriction recorded in accordance with State recordation laws.
- Fixed/Floating Units (24 CFR 93.302(g)) – In a project containing both HTF-assisted and other units, the County will designate fixed or floating HTF units at the time of project commitment. Fixed units remain the same throughout the POA while floating units may be changed to maintain compliance with the HTF requirements during the POA.
- Tenant Selection (24 CFR 93.303(d)) – An owner of HTF-assisted rental housing must comply with the affirmative marketing requirements established by the County pursuant to 24 CFR 93.350, and adopt and follow written tenant selection policies and that:
 - Limit the housing to income-eligible families;
 - Are reasonably related to the applicant's ability to perform the obligations

- of the lease;
 - Limit eligibility or give preference to a particular segment of the population if permitted in its written agreement with the County (and only if described in the County's Consolidated Plan) and preference is established in accordance with the requirements further detailed in this section;
 - Do not exclude applicants with vouchers under the Section 8 TBRA: Housing Choice Voucher Program;
 - Provide for the selection of tenants from a written waiting list in the chronological order of their application, to the extent practicable; and
 - Give prompt written notification to any rejected applicant describing the grounds for any rejection.
- Tenant Income Certification (24 CFR 93.302(e)) – Project owners must determine tenant eligibility by calculating the household's annual income using 24 CFR part 5.609. Income determinations are conducted at initial occupancy and must be re-examined each year during the POA. For HTF units that also receive project-based rental assistance, annual income must be re-examined based on the rules applicable to the project-based assistance.
 - Tenant Fees (24 CFR 93.204(b)(4)) – In addition, project owners may not charge fees to tenants unless they are approved by the County.
 - Tenant Lease Protections (24 CFR 93.303(a)-(b)) – There must be a written lease between the tenant and owner of HTF-assisted rental housing for a period of not less than 1 year, unless a shorter period is mutually agreed upon. The lease must incorporate the HTF and VAWA lease addendum.

The lease may not contain any of the following provisions:

- Agreement to be sued;
 - Treatment of property;
 - Excuse owner from responsibility;
 - Waiver of notice;
 - Waiver of legal proceedings;
 - Waiver of jury trial;
 - Waiver of right to appeal court decision;
 - Tenant chargeable with cost of legal actions regardless of outcome; and
 - Mandatory supportive services.
- VAWA Protections (24 CFR 93.356) – HTF-assisted rental housing must meet the requirements set forth in 24 CFR Part 5 Subpart L for the protection of applicants or tenants who are victims of domestic violence, dating violence, sexual assault, or stalking.
 - Termination of Tenancy (24 CFR 93.303(c)) – An owner may not terminate the

tenancy or refuse to renew the lease of a tenant of HTF-assisted rental housing, except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State or local law; or for other good cause. Good cause does not include an increase in the tenant's income. To terminate or refuse to renew tenancy, the owner must provide written notice to the tenant specifying the grounds for the action and providing a specific period for vacating that is consistent with State or local law.

- Property Standards – Housing must meet the requirements of 24 CFR 93.301 as applicable: 93.301(a) for housing that is newly constructed or 93.301(b) for housing that is rehabilitated.

The ongoing standards at 93.301(e) apply throughout the POA.

7. Other Federal Requirements

The following regulations and requirements apply (subject to certain project thresholds) to projects financed by HTF funds. This list is not all-inclusive. Applicants must comply with all applicable federal regulations and requirements.

- Nondiscrimination: Affirmative Marketing (24 CFR 93.350) – The federal requirements in 24 CFR part 5, Subpart A, are applicable to participants of the HTF project. The requirements of this subpart include nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended, or ineligible contractors; and drug free workplace.
- Lead-Based Paint (24 CFR 93.351) – Housing assisted with HTF funds is required to be lead safe and subject to the Lead Safe Housing Regulation at 24 CFR part 35, subparts A, B, J, K, and R.
- Environmental Review (24 CFR 93.301(f)) – While HTF funds are not subject to 24 CFR Part 58, the standards at 93.301(f) apply.
- Displacement, Relocation, and Acquisition (24 CFR 93.352) – To the extent feasible, displaced residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling in the building/complex upon completion of the project. Applicants will take all reasonable steps to minimize displacement.
- Funding Accountability and Transparency Act (24 CFR 93.354) – The HTF grant to recipients will be considered a Federal award for purposes of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note).

- Eminent Domain (24 CFR 93.355) – HTF funds cannot be used in conjunction with property taken by eminent domain, unless eminent domain is employed for a public use, except that, public use will not be construed to include economic development that primarily benefits any private entity.
- Conflict of Interest (24 CFR 93.353) – No persons who exercise or have exercised any functions or responsibilities with respect to activities assisted with HTF funds, or who are in a position to participate in a decision-making process, or gain inside information with regard to these activities, may obtain a financial interest or financial benefit from an HTF-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to the HTF-assisted activity or the proceeds from such activity, either for themselves, or those with whom they have business or immediate family ties during their tenure or for one year thereafter. Immediate family ties include the spouse, parent, brother, sister, grandparent, grandchild, and in-laws of a covered person.

The conflict-of-interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the grantee (State) or subgrantee (County).

In compliance with 24 CFR 93.353(f), no owner, developer, or sponsor of a project assisted with HTF funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor) whether private, for-profit or nonprofit (including a CHDO when acting as an owner, developer, or sponsor) may occupy an HTF-assisted affordable housing unit in a project during the required POA. This provision does not apply to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

8. Additional HTF Submission Requirements

Applicants must meet all the following minimum threshold requirements to receive consideration for an allocation or award of HTF:

- Market Assessment - A market study or market assessment of the housing needs of extremely low-income individuals to be served by the project must be submitted as a part of the application. Independent market studies are preferred, but applicants may submit market assessments that address neighborhood and other relevant market data to determine that there is a current demand for the type and number of housing units being developed.
- Evidence of Site Control – Evidence of site control must be submitted with the

application for HTF funds. Site control must be substantiated by providing evidence in the form of an executed lease or sale option agreement, fee simple deed, executed land lease, or any other documentation acceptable to the County.

- Phase I Environmental Site Assessment – All proposed multifamily (more than four housing units) HTF projects require a Phase 1 Environmental Site Assessment. For acquisition/rehabilitation projects, the Phase 1 Environmental Site Assessment should address lead-based paint and asbestos.
- Compliance with Property Standards – Applicants must demonstrate understanding and certify compliance with HTF Property Standards at 24 CFR 93.301(a)-(d), as applicable.

For projects intending to preserve housing through rehabilitation (93.301(b)), HTF applicants must use County Rehabilitation Standards for health and safety, and for replacement of major systems including structural support, roofing, weatherproofing (e.g. windows, doors, siding), plumbing, electrical, and HVAC.

For multifamily housing rehabilitation projects with twenty-six or more total units, the useful life of systems must be determined through a capital needs assessment, submitted with the application. A capital needs assessment must be completed by a competent third party who can render an opinion of a property's current physical condition and confirm that the proposed rehabilitation will have a useful life that exceeds the HTF POA. The capital needs assessment must also identify any work that must be completed immediately to address health and safety issues, violation of Federal and State law, violation of local code, or any work necessary to ensure that the building can continue to operate as affordable housing.

For rental housing, replacement reserves must be adequate to repair or replace systems as needed.

- Evidence of Sources – The Applicant is required to provide evidence of commitment of all sources of funds and support all hard debt service loans and terms with executed lenders' commitment letters, letters of interest, or term sheets.
- Rental Project Pro Forma Underwriting Metrics – For rental projects, the operating pro forma must demonstrate feasibility for at least the POA using the following metrics:
 - Debt Service Ratio (DSR) for Projects with Hard Debt: The Project is

required to evidence a DSR of no less than 1.15x on all hard debt service requirements for the thirty years of the POA.

- Debt Service Ratio for Projects without Hard Debt: The Project is required to evidence a positive NOI throughout the POA.
- Operating Pro Forma Requirements: Annual income inflation rate of 2 percent and annual expense inflation rate of 3 percent for the POA or term of the first mortgage, whichever is greater.
- Vacancy rate of no less than 5 percent.
- Annual replacement reserve of no less than \$300 per unit per year.
- The Project is required to evidence a positive NOI throughout the thirty-year POA, including operating deficit reserves if funded.

9. Current HTF Program Limits

The following HTF Program limits are imposed by HUD annually. The FY2025 limits are currently available and provided below.

When updated limits for FY2026 are published by HUD and HHFDC, the County may approve the use of the updated limits in selected projects, subject to underwriting review.

TABLE 5

**2025 Maui County HTF Rent Limits
(Subject to annual update by HUD)**

	0-BR	1-BR	2-BR	3-BR	4-BR
30% Median Limits	\$707	\$758	\$910	\$1,050	\$1,241

Assumes owner paid utilities. Adjustment to rent limits required for tenant-paid utilities

TABLE 6

**2025 Maui County HTF Income Limits
(Subject to annual update by HUD)**

Extremely Low-income (ELI) families mean families whose annual incomes do not exceed 30 percent of the median income of the area, as determined by HUD, with adjustments for smaller and larger families.

HTF funding must be used only for the benefit of ELI families or families with incomes at or below the income limits. The current income limits for Maui County:

	1 PERSON	2 PERSON	3 PERSON	4 PERSON
HTF Limit	\$28,300	\$32,350	\$36,400	\$40,400

	5 PERSON	6 PERSON	7 PERSON	8 PERSON
HTF Limit	\$43,650	\$49,640	\$55,970	\$62,300

TABLE 7

**2023 Maximum Per Unit HTF Subsidy Limit
(Subject to change by HHFDC)**

0-BR	1-BR	2-BR	3-BR	4+ BR
\$228,252	\$319,553	\$410,854	\$547,805	\$684,756

Part II. Application

A. UNIFIED APPLICATION PROCESS

The Application Form (Application) contains the forms to prepare an application. For your submittal, use the application checklist and applicable forms. Before you start, carefully review the application packet to become familiar with the HOME and HTF Program requirements.

Applicants are expected to have sufficient project development/program experience to carry out the proposed activity.

The following outlines the major steps to the application process:

- 1) Applicant submits completed application on or before October 31, 2025.
- 2) Staff score and rank applications, underwrite the highest-ranking projects until all funding has been used, and forward the results to the Housing Administrator. The Federal Housing Programs Administrator recommends project selection to the Director of Housing for their consideration.
- 3) The Director of Housing approves or rejects the Housing Administrator's project selection and awards recommendations.
- 4) Notice of Intent to Fund Award letter is sent to applicant. Award letter may contain conditions of approval to be satisfied prior to the release of Program funds, including completion of environmental review.
- 5) The HOME and/or HTF developer agreement (Agreement) is executed between the County and Applicant. The Agreement is a legal contract that sets forth the terms and conditions for the use of HOME and/or HTF funds.
- 6) Additional documents are executed at closing, including deed restriction and notes and mortgages, as applicable. Funds may be drawn only after closing.

B. SCHEDULE

The following dates are approximate and subject to change:

	<u>Dates</u>
Applications Available	September 22, 2025
Application Deadline	October 31, 2025
Application Review	Nov. – Dec. 2025
Projects Selected	Est. January 2026
Funds Expected Available	Est. Fall 2026

Note: The funding available through this RFP is anticipated and has not been allocated by HUD to HHFDC. Funding schedule and awards will be contingent on receipt of an allocation to the County by HHFDC.

C. CONSULTATION/TECHNICAL ASSISTANCE

Applicants are encouraged to meet with Federal Housing Programs Division staff. Staff will advise prospective applicants as to the suitability of their project relative to County priorities, HOME/HTF requirements, and other potential funding sources. Technical assistance does not guarantee project selection or higher ranking versus applicants who do not receive technical assistance.

D. SUBMITTAL INSTRUCTIONS

The County will NOT pay for or provide reimbursement for the cost of preparing and submitting a proposal application.

- 1) Three sets of the completed proposal application is required. Of the three sets of the application, the original application must be unbound, and the other two sets are to be bound copies. All exhibits, attachments, and supplemental information must be clearly tabbed and indexed for easy reference. The County requests budgets be submitted electronically with the form provided to facilitate underwriting.

Thumb drives containing all project financial information and budgets is required.

- 2) Proposal applications are to be submitted in an unsealed envelope clearly and legibly showing the following information on the outside:

**Proposal for Development of
HOME/HTF Projects
PY2026**

- 3) Proposal applications will not be opened publicly.

- 4) Proposal applications that are hand delivered must be received by the Department of Housing, County of Maui, by 4:00 p.m. (Hawaii Standard Time) on October 31, 2025, at:

**2200 Main Street, Suite 205
Wailuku, Hawaii 96793**

- 5) Note: When hand-delivering, please ensure that the original proposal application is date stamped by a staff member of the Department.
- 6) Proposal applications that are mailed to the Department must be received no later than October 31, 2025, regardless of postmark date. Proposal applications received after the deadline will be reviewed after the initial round of applications are reviewed, subject to the availability of funds.
- 7) Entities submitting a proposal application are responsible for ensuring that all required supporting documents are included in the completed proposal application. Failure to comply with the requirements of this RFP will result in the rejection of the proposal application.
- 8) After all proposal applications have been reviewed, a determination will be made as to whether oral interviews will be conducted with selected entities or requests for additional information will be issued. The County may also choose to request clarifying or supplemental explanatory information from an applicant.
- 9) All questions concerning the proposal application should be directed to the Federal Housing Programs Division staff at 808-270-7351 or regina.freeman@co.maui.hi.us.
- 10) The entity/entities selected to receive the HOME/HTF Program funds to develop HOME/HTF eligible projects will be notified in writing of selection. The award will be contingent upon completion of environmental review and meeting other conditions specified in the award letter.
- 11) Entities that are not selected may request a debriefing or technical assistance.

E. SELECTION CRITERIA

The County reserves the right to accept or reject any or all proposal applications, or to request supplemental explanatory information. Staff will review, score and

underwrite the proposal applications and provide a recommendation to the Director of Housing for their consideration.

County will review and rate all project proposals in accordance with the State's Selection Criteria, and in addition, also review using the following County selection criteria, which considers additional factors. Selected projects will be highest rated meeting both the State's and County's selection criteria:

- 1) **Market Analysis (Max. 20 pts.)** – The extent to which the market study or assessment demonstrates sufficient current market demand in the market area in which the proposed project will be located to absorb and maintain stabilized occupancy, and the adequacy of marketing efforts to be used specifically for the assisted units.
- 2) **Timeliness and Readiness to Proceed (Max. 20 pts.)** – The extent to which the proposed project is feasible and will meet the required timelines to commit and expend HOME and/or HTF funds. Factors to be considered for timeliness and readiness are site control, financial commitments, environmental factors, zoning, utilities and site and neighborhood standards.
- 3) **Consolidated Plan Priorities (Max. 5 pts.)** – The extent to which the project proposes accomplishments that will meet the affordable housing objectives for the HHFDC and County. Other factors to be considered, such as where the project is in proximity to transit or employment centers, and housing that includes green building and sustainable building features or housing that serves special needs populations.
- 4) **Development Experience and Financial Capacity (Max 20 pts.)** – The extent to which the applicant has demonstrated the ability to obligate HOME and/or HTF dollars and undertake funded activities in a timely manner, including past performance using federal funds, evidence of experience in developing and managing projects of similar type and scope, staff qualifications, fiscal soundness, and qualifications of the proposed project team, including proven record of experience with comparable projects.
- 5) **Financially Feasible Project (Max. 25 pts.)** – The extent to which the Project budgets and operating pro forma cover the financial requirements for development and project viability for the affordability period with rents that are affordable to extremely low and low-income households, with priority to be given for projects with extended affordability periods and project-based rental assistance.

- 6) **Use of Non-Federal Funding Sources (Max. 10 pts.)** – The extent to which the applicant provides commitment for lower AMI’s, other funding sources compatible with HOME and/or HTF, with priority consideration to the extent program funds are leveraged against non-federal funding sources.

A minimum score of fifty points (out of the one hundred total points) must be scored to be considered for the award of funds. The County reserves the right to reject all proposals, or to require modifications to projects that don’t meet all program requirements.

The selected recipients will receive a Notice of Intent to Fund Award, which will state that the County’s intent to award Program funds is subject to approval of the applicable Allocation Plan and Annual Action Plan by the approving authorities of the County, HHFDC, and HUD.

F. ATTACHMENTS

Application Checklist

*Mark N/A if item does not apply but confirm with County.
Incomplete applications may be rejected.*

- 1) Letter of transmittal or cover letter
- 2) Application and Attachments (as applicable)
 - _____ Application Form
 - _____ Rental or Homebuyer Development Budget Excel Workbooks
- 3) Applicant Information (as applicable)
 - _____ Non-profit Articles of Incorporation
 - _____ Corporate Bylaws
 - _____ Most Current Year's Financial Audit
 - _____ Resolution Authorizing Individual(s) to Sign Application
 - _____ If CHDO, HHFDC CHDO Certification Application
- 4) Experience and Qualifications
 - _____ Resumes of Key Team Personnel
- 5) Site Information (if applicable)
 - _____ Preliminary Title Report
 - _____ Location Map
 - _____ Project Site Map/Plan
 - _____ Flood Insurance Rate Map
 - _____ Evidence of Site Control
 - _____ Phase 1 Environmental Site Assessment
- 6) Project Requirements (as applicable)
 - _____ Project Management Plan & Schedule
 - _____ Market Study or Assessment
 - _____ Property Standards Compliance
 - _____ Preliminary designs or scope (as available)
 - _____ Evidence of Sources
- 7) Supplemental Requirements (as applicable)
 - _____ Tenant Selection & Affirmative Marketing Plan (Rental)
 - _____ Property Management Plan (Rental)
 - _____ Homebuyer Underwriting & Counseling Guidelines
- 8) Letters of Community Support
- 9) HOME or HTF Certification
 - _____ Certification of Authorized Official

BFED Committee

From: Tiare P. Horner <Tiare.P.Horner@co.maui.hi.us>
Sent: Thursday, April 16, 2026 12:03 PM
To: BFED Committee
Subject: FW: PROPOSED FISCAL YEAR 2027 BUDGET FOR THE COUNTY OF MAUI (BFED-1) (HO-03)
Attachments: (BFED-1) (HO-03) reduced.pdf

Aloha,
Resending with version of reduced PDF due to size limitations.

Mahalo,

Tiare P. Horner
Budget Specialist
Phone: 808.270.7517

From: Tiare P. Horner
Sent: Thursday, April 16, 2026 11:59
To: 'BFED Committee' <BFED.Committee@mauicounty.us>; Richard E. Mitchell <Richard.E.Mitchell@co.maui.hi.us>
Cc: Ezekiel I. Kalua <Zeke.Kalua@co.maui.hi.us>; Lesley J. Milner <Lesley.J.Milner@co.maui.hi.us>; Saumalu S. Mataafa <Saumalu.Mataafa@co.maui.hi.us>; Amanda M. Martin <Amanda.M.Martin@co.maui.hi.us>; Jill M. Peterson <Jill.Peterson@co.maui.hi.us>; Kristina Angeline C. Cabbat <Kristina.Cabbat@co.maui.hi.us>; Shirley Blackburn <Shirley.Blackburn@co.maui.hi.us>; Janina E. Agapay <Janina.E.Agapay@co.maui.hi.us>
Subject: RE: PROPOSED FISCAL YEAR 2027 BUDGET FOR THE COUNTY OF MAUI (BFED-1) (HO-03)

Aloha,

Please see attached correspondence.

Mahalo,

Tiare P. Horner
Budget Specialist
Phone: 808.270.7517

From: BFED Committee <BFED.Committee@mauicounty.us>
Sent: Saturday, April 11, 2026 18:16
To: Richard E. Mitchell <richard.e.mitchell@co.maui.hi.us>
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Subject: PROPOSED FISCAL YEAR 2027 BUDGET FOR THE COUNTY OF MAUI (BFED-1) (HO-03)
Importance: High