

AH Committee

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Aloha Affordable Housing Committee,

Please find the attached Maui County Comprehensive Affordable Housing Plan for your review and consideration.

Mahalo,

Jeff Gilbreath *he/him/his* ([what's this?](#))

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Maui County Comprehensive Affordable Housing Plan

June 2021

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EXECUTIVE SUMMARY

The purpose of this document is to respond to the Office of Council Services' (OCS) request for proposal issued August 2020 requesting a contractor to assess the availability of government and private lands for development of affordable housing and provide guidance on decision-making for specific projects and strategies to achieve the development of 5,000 units affordable to households below 120% area median income (AMI) in the next five years. The contents of this plan meet the specific scope of work required by OCS.

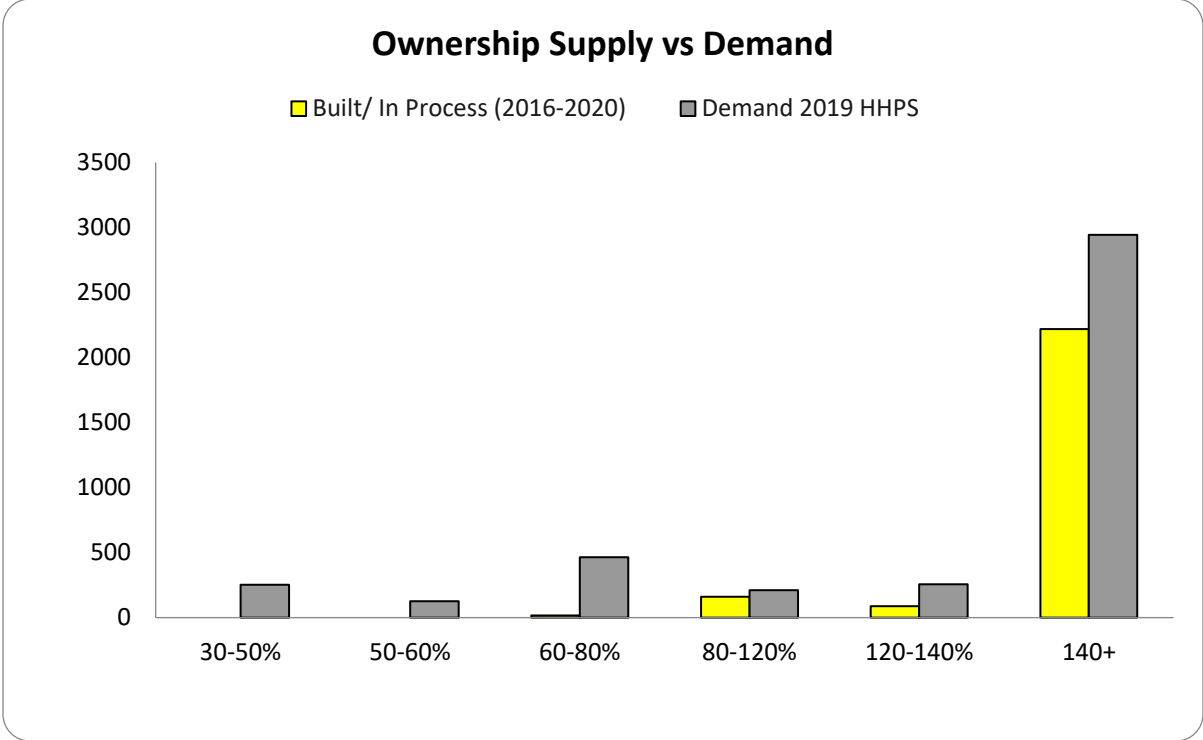
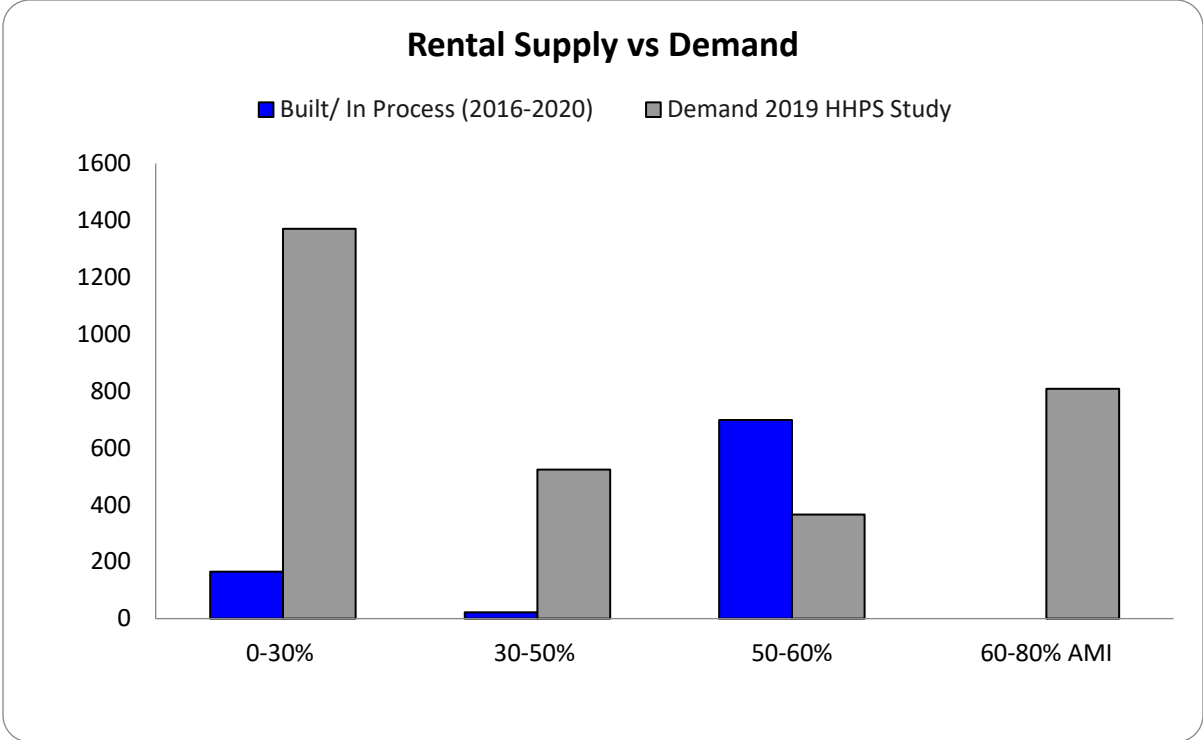
The goal of the Maui County Comprehensive Affordable Housing Plan is to provide a roadmap to create 5,000 affordable homes for local residents below 120% AMI over the next five years.

The plan has been guided by recommendations gathered from community through a robust public outreach program. The interactive process took place over eight months and involved public and private stakeholders, including aspiring and existing renters and homebuyers, housing providers and advocates, social service agencies, developers, development consultants, licensed contractors, financial institutions, county councilmembers, county department representatives, and community groups, including environmental, cultural, and formally or informally organized groups with expertise or interest in housing.

A landscape review of affordable housing research, community plans, and widely accepted, standardized data sets including the Hawaii Housing Planning Study and the Department of Housing and Urban Development area median income levels have been used to identify needs and assumptions. Available research and studies have been used to prioritize goals, targets, and policy priorities that would be most effective for Maui County to pursue. A review of affordable housing strategies used by other counties in Hawai'i and other high-cost communities in the United States has been completed to identify best practices and recommended action steps to update Maui County's current affordable housing system. Existing community plans and updates, access to services and infrastructure, future impacts of climate change, and best practices in planning and design have been incorporated into the comprehensive affordable housing plan recommended design guidelines for affordable housing developments.

The current affordable housing system is not meeting the needs of Maui County residents. From 2016 to 2020, only 20% of the housing needs for local residents below 140% AMI was met.

Of the homes built for households below 140% AMI, the majority of rentals were affordable at 50% to 60% AMI and for-sale units at 100% to 140% AMI. This is a result in how the current affordable housing system incentivizes new home construction. Households at 50% to 60% AMI obtain affordable rentals primarily by nonprofit developers using the State of Hawai'i's Low-Income Housing Tax Credit Program, Rental Housing Revolving Fund and limited Affordable Housing Funds from the county. Households at 100% to 140% AMI obtain affordable homeownership opportunities primarily by for-profit developers being required to build 20% of all units in market rate developments as affordable below 140% AMI under the county's existing workforce housing ordinance.

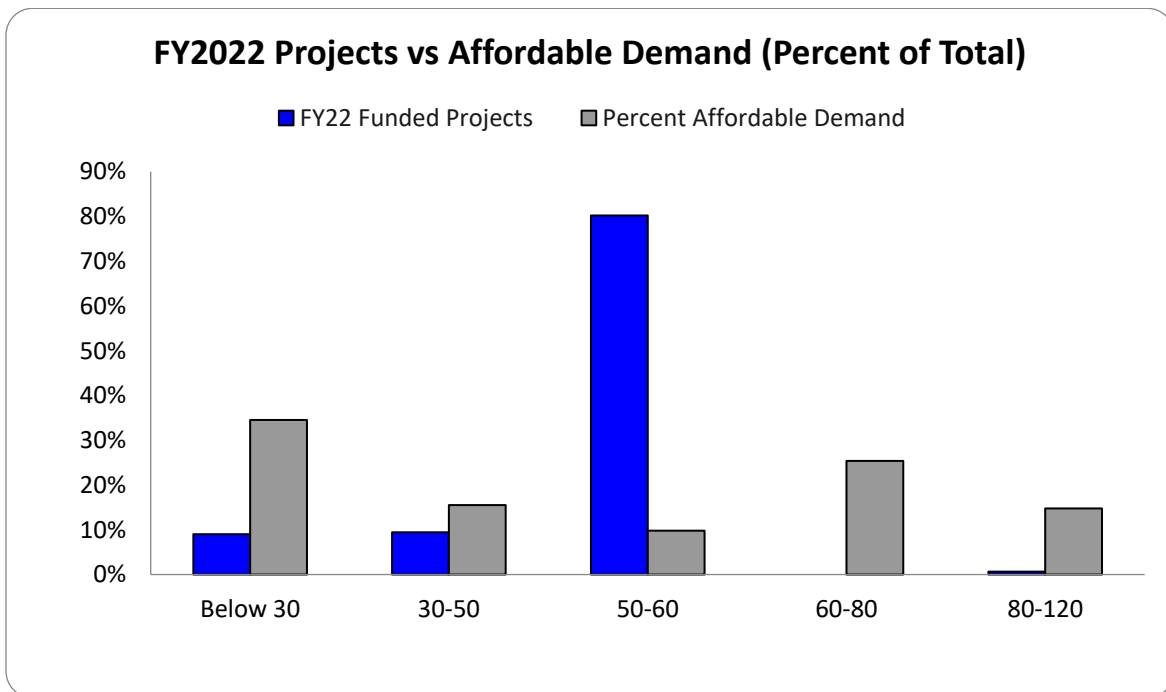


Under the current affordable housing system, there are few tools available to the county to meet the needs of extremely and very low-income households (below 50% AMI) and low- and moderate-income households (between 61% and 100% AMI). These gaps exist, in part, because of decades long lack of investment of federal funds in housing at these income levels and the narrow scope of existing resources made available through the State of Hawaii and the County’s Affordable Housing Fund.

A new affordable housing system must target the affordability needs of Maui County residents below 120% AMI.

The 2019 Hawaii Housing Planning Study shows that between 2020 and 2025, 50% of new homes under 120% AMI need to be affordable for extremely- and very low-income households (below 50% AMI), 35% for low-income households (51%-80% AMI), and 15% for moderate- and above-moderate income households (80%-120% AMI).

In comparison, the county has committed funding from the Affordable Housing Fund for Fiscal Year 2021-22 to support the building of 455 homes affordable below 120% AMI. Of those, 19% will be affordable below 50% AMI, 80% will be affordable 50% to 60% AMI, and 1% will be affordable 61% to 120% AMI. Based on this information, the county needs a new affordable housing system with additional resources, tools, and processes to target affordability to meet the real demand of its people.



A new affordable housing system must also invest in off-site infrastructure which stands a key impediment to affordable housing development in the county with costs of water, wastewater, and road improvements estimated at \$380 million for priority projects in Central, South, and West Maui alone. Without adequate investments in planning, managing, and developing this community serving infrastructure, the county will be unable to unlock the 5,000 affordable homes proposed in this plan.

The Maui County Comprehensive Affordable Housing Plan proposes five goals each with a set of targets the county can use to measure progress. The recommended five goals include the following:

- Goal 1. Build 5,000 affordable homes for local residents at or below 120% area median income.
- Goal 2. Provide sufficient funding to the Affordable Housing Fund to finance the development of needed affordable housing and community serving infrastructure.
- Goal 3. Require developers to dedicate 20% of their land to affordable housing development and build housing that meets the needs of local residents when seeking resources from the Affordable Housing Fund.
- Goal 4. Use county owned land to develop affordable housing.
- Goal 5. Make the development process more accessible, predictable and timely.

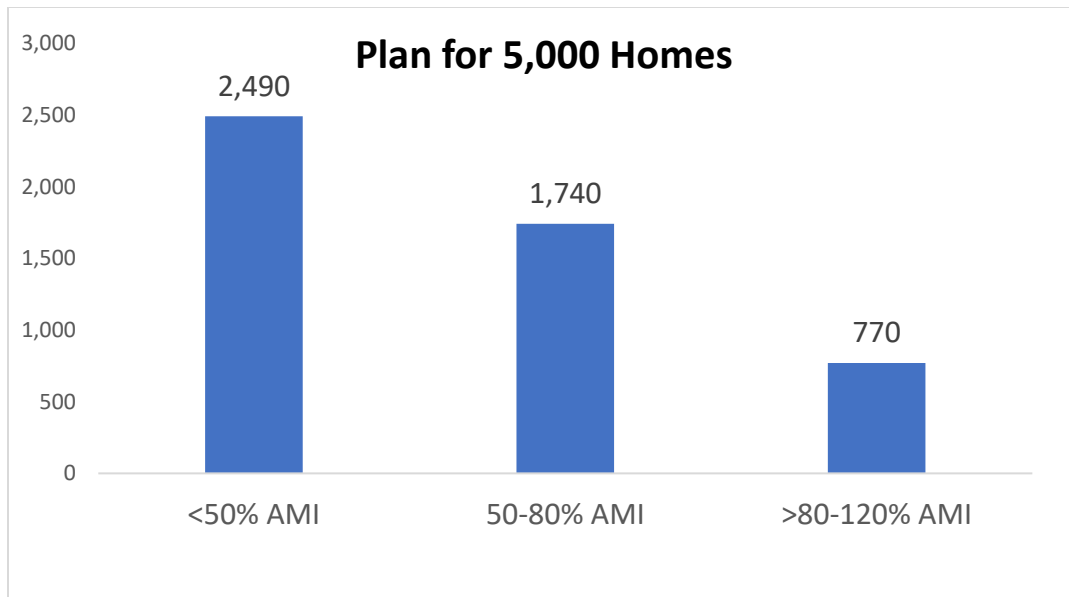
Nine policy priorities should be pursued that create certainty in the development process and increase the tools available to reach deeper levels of affordability for local residents. Recommended policy priorities include the following:

- Policy Priority 1. Update the county zoning code to lower housing costs and promote affordability by design.
- Policy Priority 2. Expand access and impact of Affordable Housing Fund with revisions to Maui County Code Chapter 3.35 that enable bond sales, increases eligible uses of funds for resource assessments on county-owned lands, and ensures investments in rental projects and in homebuyers to reduce monthly rent and home purchase prices, respectively.
- Policy Priority 3. Streamline planning and permitting processes in the Maui County Code Chapter 2.97 to promote community engagement and fast track administrative approval for priority projects that are 100% affordable and meet standard design guidelines.
- Policy Priority 4. Improve Maui County Code Chapter 2.96 to dedicate land to housing for low- and moderate-income residents so the demand for affordable housing in the Hawaii Housing Planning Study can be met through building with greater density.
- Policy Priority 5. Amend the county real property tax code to generate additional revenue for a total annual allocation of a recommended \$58 million into the Affordable Housing Fund and use the funds to repay bonds sold to implement the Affordable Housing Plan.
- Policy Priority 6. Establish local residency requirements for affordable housing subsidies and strengthen the definition of a Qualified Resident allowed to access county supported affordable housing units.
- Policy Priority 7. Enforce fair housing and fair lending laws to ensure tenants' and homebuyers' rights, including access to loan programs of their choice for mortgage prequalification and permanent financing and levy fines for violations of these federal laws with resources to support the Affordable Housing Fund.
- Policy Priority 8. Update the county's rent and sales price guidelines to promote equity and access to affordable mortgage financing for all its residents.
- Policy Priority 9. Ensure affordable homes supported with county funds are rented or bought by local households below 120% AMI in a timely manner and remain affordable long-term.

Five strategies are recommended to reach the plan’s goals, priorities, and targets. These strategies include:

- Expansion of the Affordable Housing Fund to provide sufficient funds for community serving infrastructure and housing supports for local renters and homebuyers;
- Updates to the workforce housing agreement and development of dedicated land to affordable housing at greater densities to meet real demand without increasing unit requirements on developers;
- By-right development of 100% affordable housing projects through community decision-making and design standards that balance affordable housing while preserving valuable public health, cultural, and environmental resources;
- Development of long-term affordable housing on county-owned lands and in partnership with the State of Hawaii and private landowners, and;
- Pilot and demonstration projects such as acquisition and redevelopment of existing properties, supportive housing for extremely low-income residents (below 30% AMI), individual development accounts paired with new renter and homebuyer programs to obtain existing homes, and financing of in-fill housing to include accessory dwelling units, ‘ohana units, and single-family homes.

Thirty-six priority projects have been identified using a tiered ranking system will provide an estimated 4,311 affordable rentals and for-sale homes for local residents in the next five years. This includes estimates for private- and county-owned lands and lands managed by the State of Hawaii that could begin construction in the next five years if the recommendations included in the plan are implemented. **Pilot and demonstration projects will be needed to address the remaining 689 affordable homes not provided by the priority projects (or approximately 14% of the total units).**



The following steps are recommended to implement plan as it relates to development of priority projects:

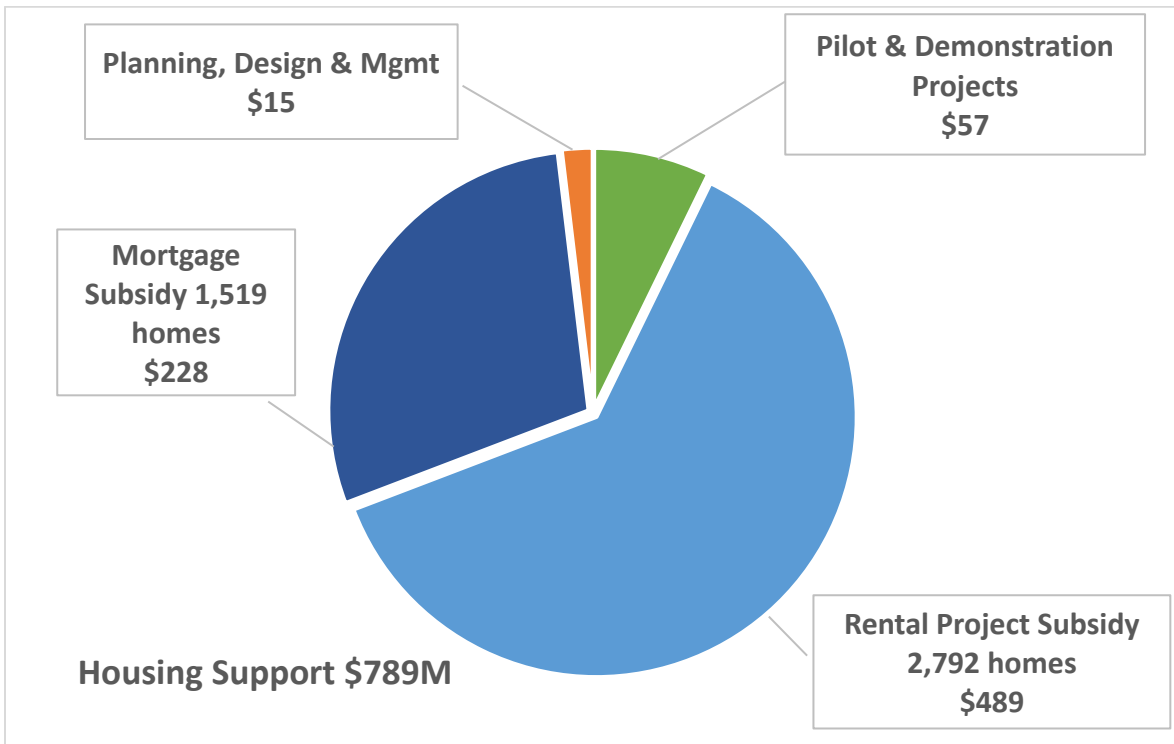
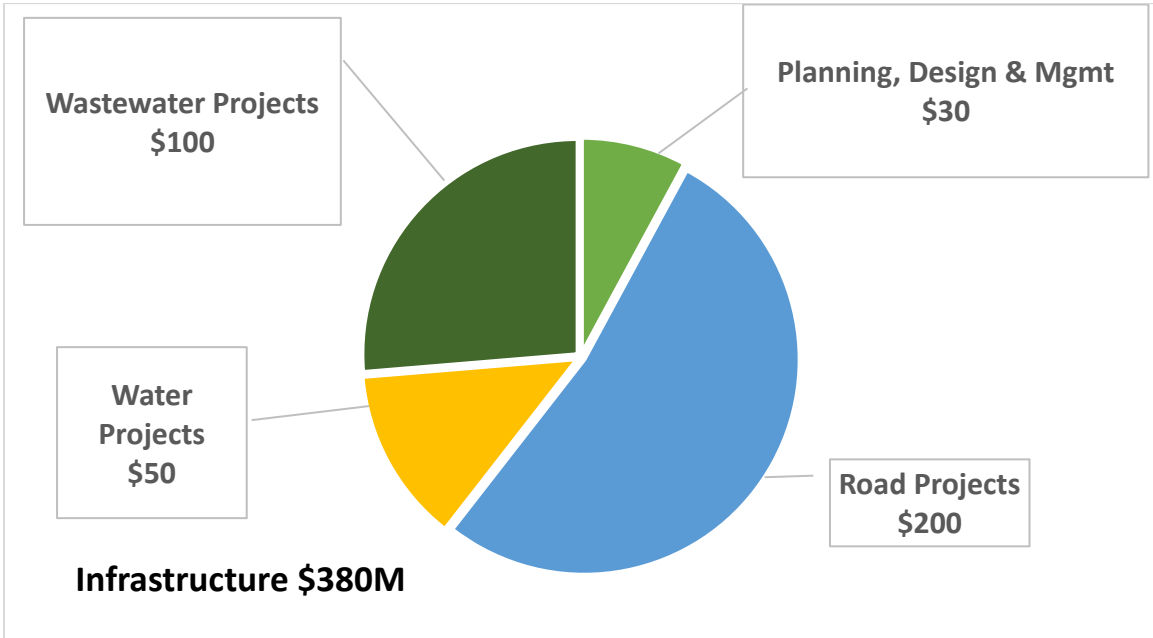
1. Appoint a cabinet-level affordable housing coordinator to serve in the mayor's office to oversee implementation of the plan.
2. Increase funding into the Affordable Housing Fund to \$58 million annually.
3. Sell bonds to fund the Affordable Housing Fund so the county has access to up to \$1.169 billion for implementing the plan over the next five years.
4. Create a community oversight board to target and monitor investments from the Affordable Housing Fund and manage the affordable housing coordinator.
5. Assess and invest in community serving infrastructure in all priority project areas.
6. Contract nonprofit community development corporations and other developers with expertise to build affordable rentals and for-sale homes on county-owned lands targeting affordability based on demand documented in the most recent Hawaii Housing Planning Study.
7. Update county processes to shorten the approval and development timeline and increase community-level decision-making for projects that will provide 100% affordable rentals and for-sale homes and adhere to approved design guidelines.
8. Contract government-certified nonprofit organizations to assist local residents in prequalifying for affordable rentals and mortgage financing, protecting their rights as tenants and homebuyers, and accessing grants, individual development accounts (IDAs), and loans to afford upfront costs and make homes affordable at their income levels.

Pilot and demonstration projects are recommended to address gaps in the new affordable housing system not met through the development of priority projects alone. These include:

1. Fund supportive housing to address the needs of extremely low-income residents below 30% AMI with a particular focus on kupuna, houseless families, and persons with disabilities.
2. Acquire and redevelop existing properties, when financially feasible, to create additional affordable housing opportunities.
3. Provide IDAs paired with HUD housing counseling through new Affordable Renter and First-Time Homebuyer Programs to reduce upfront costs on local renters and homebuyers to obtain existing homes.
4. Partner with a community development nonprofit to establish an accelerated home building program that increases the number of accessory dwelling units, 'ohana units, and single-family homes made available to households below 100% AMI.
5. Explore the development of a manufactured housing plant and locally sourced materials to increase the county's self-sufficiency and reduce the rising costs of building materials.

To move these priority and pilot projects forward, the plan proposes to invest \$1.169 billion toward addressing the two primary barriers standing in the way of affordable homes for local residents:

- \$380 million for improvements to community serving infrastructure in local community
- \$789 million for housing supports to local residents



The creation of an Affordable Housing Fund community oversight board, community advisory committees, and an affordable housing coordinator position within the mayor’s cabinet have been identified as critical to administer this plan. Partnerships with community development nonprofits and affordable housing developers will be necessary to implement plan activities. **These key partners are highly specialized to align existing county resources with hundreds of millions of dollars in new funds for affordable housing and engage community members to be part of building vibrant, healthy communities.**

Capacity building will be required for all sectors throughout the county in order to realize the plan’s ambitious goals and targets. Capacity building recommendations include, but are not limited to, the following:

1. Training, capacity building and relationship building for nonprofits and individual project managers who have or who may develop housing in Maui County.
2. Conduct large scale analyses.
3. Improved County communication regarding entitlement and funding approvals.
4. Advocacy and partnerships for increased funding from public and private sources.
5. Commitment to award of some project funding to nonprofits that are expanding capacity.
6. County endorsement of capital campaigns for nonprofits to build financial capacity.
7. Training and internship opportunities in the housing development and construction trades.

INTRODUCTION

The purpose of this document is to respond to the Office of Council Services' (OCS) request for proposal issued August 2020 requesting a contractor to assess the availability of government and private lands for development of affordable housing and provide guidance on decision-making for specific projects and strategies to develop 5,000 units affordable for local households below 120% area median income (AMI) in the next five years. The contents of this plan meet the specific scope of work required by OCS.

The Maui County Comprehensive Affordable Housing Plan was developed by a team of 19 planners, engineers, data and policy analysts, attorneys, and community development professionals possessing the experience to implement the tasks required by the Office of Council Service's scope of work, including experienced housing developers familiar with various state and federal programs that can be used to develop affordable housing and practiced in combining resources to optimize affordability.

Plan team members included:

- Jeff Gilbreath, Executive Director, Hawaiian Community Assets
- Rhonda Alexander-Monkres, Program Manager, Hawaiian Community Assets
- Blossom Feiteira, Contractor
- Stanley Keasling, Principal, Stanley Keasling Consulting
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- Eileen Peikarz, Rural Development Specialist II, Rural Community Assistance Corporation
- Alan Nazzaro, Rural Development Specialist – Housing, Rural Community Assistance Corporation
- Bonnie Craigie, Senior Project Developer – Housing, Rural Community Assistance Corporation
- Erika Holzhauer, Rural Development Specialist II, Rural Community Assistance Corporation
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- Adrienne W.L.H Wong, P.E., Vice President & Maui Branch Manager, Austin, Tsutsumi and Associates, Inc
- Tyler Fujiwara, Chief Transportation Manager – Maui, Austin, Tsutsumi and Associates, Inc
- Gavin Thornton, Executive Director, Hawaii Appleseed Center for Law and Economic Justice
- Kenna StormoGipson, Policy Analyst, Hawaii Appleseed Center for Law and Economic Justice

The plan has been organized to first provide the methods used to identify community needs and priorities as well as develop recommendations based on feedback, research and analysis. Promising and proven affordable housing strategies in other high-cost communities have been identified. An analysis of the current and new affordable housing systems along with key findings have been outlined.

Assumptions and community recommendations provide the background necessary to understand the link between this analysis and the plan. Goals and targets along with policy priorities will be achieved by implementing the plan's strategies and recommended actions which will lead to its impact in providing 5,000 affordable homes in five years. Finally, the capacity of the county, community, and partners to implement the plan has been identified along with clear roles and responsibilities and the resources necessary to create a new affordable housing system for Maui County. Year 1 action steps have been outlined. Appendices are provided for in-depth analysis of all content included in the plan.

METHODOLOGY

The Maui County Comprehensive Affordable Housing Plan has been developed through robust public outreach to county residents and key stakeholder interviews with aspiring and existing renters and homebuyers, housing providers and advocates, social service agencies, developers, development consultants, industry professionals, licensed contractors, financial institutions, community development nonprofits, representatives from county departments, and community groups, including environmental, cultural, and formally or informally organized groups with expertise or interest in housing.

Feedback sessions were conducted individually with county councilmembers throughout the contract period and study sessions with the full county council with the final study session planned for July 2021.

A landscape review of available research and studies has been conducted, and data used to prioritize which measures, strategies, and actions would be most effective for Maui County to pursue.

Finally, affordable housing solutions and policies in ten high-cost communities similar to Maui County have been analyzed and the most practical among them, brought forward as recommended actions.

Process

The following process was implemented to develop strategies, community recommendations, and policy priorities for the Maui County Comprehensive Affordable Housing Plan:

- Community needs and priorities were identified using available research, a landscape review, and existing community plans.
- Preliminary research was conducted on other high-cost communities similar to Maui County.
- Community meetings and key stakeholder interviews were conducted to identify potential affordable housing strategies, recommendations, and goals.
- Additional research on high-cost communities and affordable housing strategies was conducted and refined with analysis of alternatives in order to develop draft strategies, recommendations and goals.
- Additional community meetings and key stakeholder interviews were conducted to gather feedback on how to strengthen the plan's draft strategy, recommendations, and goals.
- Feedback and study sessions were conducted with county councilmembers to allow for dialogue and shared understanding of the plan and its elements.
- All information collected, research conducted, and analyses developed were integrated into this final plan with the goal of it reflecting the hopes, dreams, and the hard realities of moving toward a new affordable housing system.

Community Meetings

From December 2020 through February 2021, 11 community meetings were conducted, 1 for each Maui County community plan area and 1 additional workshop in 3 of the plan areas deemed most suitable for the development of 5,000 affordable homes (Central, South, and West Maui). Meetings were offered virtually to prevent the spread of COVID-19 and included discussion of development opportunities, recommendations for affordability, and changes to county's zoning code, tax policy, and workforce housing ordinance and other housing policies. An online survey was made available to ensure broader participation by local residents in sharing recommendations to address the county's affordable housing needs.

In April 2021, 4 additional community share back meetings were held to report out and gather feedback on the draft strategy, recommendations, and policy goals. Meetings were offered virtually to prevent the spread of COVID-19. An online survey was made available through June 2021 to ensure broader participation by local residents in sharing ways to strengthen the recommendations to meet the county's affordable housing needs. Results of the community meetings have been shared in the community profiles and appendices included in the plan.

Key Stakeholder Interviews

66 key stakeholder interviews have been conducted with a cross-section of community members, multi-sector and industry-specific groups, and county administration officials and department staff. Key stakeholder interviews were offered virtually to prevent the spread of COVID-19 and included discussion of development opportunities, recommendations for affordability, and changes to county's zoning code, tax policy, and workforce housing ordinance and other housing policies.

Councilmember Engagement

16 feedback sessions were held with individual county councilmembers and their staff. 2 study sessions with the full Council were completed in February and March 2021 and 1 additional study session is scheduled for July 2021. Engagement activities were conducted virtually to prevent the spread of COVID-19 and included discussion of development opportunities, recommendations for affordability, and changes to county's zoning code, tax policy, and workforce housing ordinance and other housing policies.

Landscape Review

A significant amount of research, studies, and working groups that have contributed to affordable housing recommendations in Hawai'i and, in particular, Maui County over the last several years. A landscape review of the following documents was conducted. Data from this landscape review has informed the strategy, community recommendations, and policy goals included in the plan.

- Orion Planning Design. *Title 19 Zoning Code Audit, Final Report*. March 2018
- Cochran, Elle. *Increasing Inventory of Available Housing*. Planning Committee Temporary Investigative Group. October 2016.
- SMS Consulting LLC. *Hawai'i Housing Planning Study, 2019*. December 2019
- Planning Department. *Kihei-Makena Community Plan, 1998*
- Planning Department. *Pa`ia-Ha`iku Community Plan, 1995*
- Planning Department. *Wailuku-Kahului Community Plan, 2002*
- Planning Department. *Makawao-Pukalani-Kula Community Plan, 1996*
- Planning Department. *Hana Community Plan, 1994*
- Planning Department. *West Maui Community Plan, 1996*
- Planning Department. *Lanai Community Plan, 2016*
- Planning Department. *Molokai Community Plan, 2018*
- Planning Department, *Maui County General Plan Update*, General Plan Advisory Committee, 2006-8
- SMS Consulting LLC. *County of Maui Affordable Housing Implementation Plan, Final Report*. August 2018
- Maui Metropolitan Planning Organization. *Hele Mai Maui 2040*.
- Department of Housing and Urban Development. *Housing Needs of Native Hawaiians, 2017*
- Department of Business, Economic Development, and Tourism. *Hawaii Consumer Data Report, 2019 Update*

Research on High-Cost Communities

Research on affordable housing strategies of ten other high-cost communities across the United States similar to Maui County was conducted. The research focused primarily on the Western continental region where the plan's subject matter experts' background was most pronounced. Best practices in affordable housing development and policy in counties throughout Hawaii have also been integrated into the analysis of community recommendations and policy priorities in the plan.

Key Findings

The following key findings were identified through the plan's community engagement, landscape review, and research processes:

- County residents need 5,000 homes to be affordable for households earning at or below 120% AMI by 2025 (Hawaii Housing Planning Study, 2019).
- There is demand for housing in Maui County across the income spectrum with 54% of the need below 140% AMI and 46% of the need above 140% AMI (Hawaii Housing Planning Study, 2019).
- The county's 2.96 ordinance requires 20% of units in each market rate development to be affordable for households at or below 140% AMI, but local residents need 54% to be affordable below this income level (Hawaii Housing Planning Study, 2019).
- Developers cannot provide more than 20% affordable homes in a project without adequate support as shown by the lack of development when the requirement was higher at 50% (County Building Permits, 2007-2020).
- An estimated \$150 million is needed for regional, off-site infrastructure improvements, including water and wastewater systems, to allow for the building of new affordable housing.
- An estimated \$200 million is needed for road improvements by 2040 for the building of new affordable housing (Maui Metropolitan Planning Office, Long-Range Transportation Plan 2040).
- An estimated \$789 million in housing subsidies and support services is needed to move local 5,000 residents into rentals and for-sale homes they can afford within a five year window.
- The county has a triple-A bond rating and a dedicated source of real property tax funds into the Affordable Housing Fund could allow for the sale of bonds to pay for off-site infrastructure, target affordability of homes with project-based grants and subsidies to individual renters and homebuyers, and bring certainty to the planning and development process.
- The price of lumber increased 200% from April 2020 to April 2021 (National Association of Home Builders, 2021).
- With these increases in building materials, the average market rate cost to build a single-family home in Maui County ranges from \$610,400 and \$621,300 (Appendix K. Homeownership Pro Forma).
- There is existing capacity in the development industry to build rentals affordable at 50% to 60% AMI, but county investments will be necessary to target affordability to local residents below 50% AMI which represents half of the total need under 120% AMI.
- There is existing capacity in the development industry to build for-sale homes at 100% to 140% AMI, but county investments will be necessary to target affordability to local residents 50% to 80% AMI which represent 35% of the total need under 120% AMI.
- Five existing county-owned properties could be master planned and moved forward for development of at least 1,300 affordable housing units (Appendix L. Projects Lists for Tier 1-3, Hiatus, and Removed Projects)
- Adaptive reuse may be a viable option for increasing affordable housing stock, but projects need to be assessed on a case-by-case basis to ensure economic viability for the county and affordability for local residents.

- 1 in 5 Maui County households report being overcrowded or “doubled up” (Hawaii Housing Planning Study, 2019).
- The county’s zoning code is 60 years old and needs to be updated to increase affordability for local residents and incorporate existing community plans, access to services and infrastructure, future impacts of climate change and best practices in planning and design (Orion, 2018).
- Community plans articulate community priorities for affordable housing and affordable communities, but are largely outdated ranging from completion as far back as 1994 up to the most recent in 2018 (Community Plans, 1994-2018).
- Hawai’i workers report the lowest annual average pay rates in the nation (Prosperity Now, 2020) and residents who do not own a home and have no college debt carry an average of \$1,540 in monthly debt payments (Department of Business, Economic Development, and Tourism, 2019).
- Residents on Hawaiian Home Lands, where government funds infrastructure and holds lands affordable in perpetuity, are fifty percent (50%) less cost burdened than all other residents in the State of Hawaii (Department of Housing and Urban Development, 2017).

Alignment with Other Affordable Housing Plan Efforts

The Maui County Comprehensive Affordable Housing Plan (CAHP) recommendations and goals align closely with some of the recommendations and goals from other affordable housing plan efforts including the Planning Committee Temporary Investigative Group (TIG 2016) and the SMS Research Affordable Housing Implementation Plan (AHIP 2018).

Community Recommendation or Policy Goal	CAHP (2021)	AHIP (2018)	TIG 2016
Identify demand for housing based on shared data metrics	X	X	
Help local residents build accessory dwelling/’ohana units	X		X
Pursue comprehensive rezoning	X	X	X
Expedite the building plan review process	X	X	X
Invest in creative solutions to homelessness	X		X
Identify properties to prioritize for multi-family/redevelopment	X	X	X
Invest in County development of off-site infrastructure	X	X	X
Dedicate position/third party to coordinate development of affordable housing	X	X	X
“One Stop Shop” for processing permits	X		X
Revise County housing policies to encourage development of affordable housing and reduce barriers/costs	X	X	X
Consider sale/dedication of County-owned properties	X		X
Consider acquisition of new properties suitable for housing development	X	X	
Amend ordinance 3.35 to increase annual allocation into affordable housing fund	X		X
Align public/private resources for affordable housing	X	X	
Investigate building affordable homes/rentals on County-owned properties in West and South Maui	X	X	X
Maintain affordable housing inventory database and monitor progress for data-informed decision making	X	X	

Research Results on High-Cost Communities

Ten high-cost communities of varying size and housing costs were surveyed. The following key findings were identified across the communities:

- 70% of high-cost communities researched offer density bonuses in their zoning codes.
- 8 of the 10 communities implement inclusionary zoning requirements that range from 15% to 30% of units in a market rate development.
- Only 3 high-cost communities require green building in inclusionary zoning or workforce housing units.
- 100% of high-cost communities with inclusionary zoning programs allow for in-lieu fees and all 10 communities have a housing development organization within their public government or as a partnership between the local government and private nonprofits to manage housing development through community land trusts and other models. None had a wholly dependent relationship with the local development organization.
- 8 of 10 high-cost communities have a local preference for their affordable housing subsidies or units.

See Appendix A. High-Cost Community Matrix and Appendix B. Survey of High-Cost Communities for more information.

ANALYSIS OF AFFORDABLE HOUSING SYSTEM

Current System

Maui County's affordable housing system is outdated and providing the type and price of homes exactly as it is setup to do.

Developers can satisfy the requirements of the current workforce housing requirement by building for-sale homes which are affordable to families with incomes over 100% AMI. When they "cannot" find low-income families able to afford to buy the homes, they are released from the affordability restrictions. After 10 years the homes that are sold with restrictions become market rate. Rental housing developers assess the availability of subsidy and the amount of funds they are likely to receive for their projects. Based on this calculation they design a level of affordability which ensures that the project can meet its targets for the long term. A small minority of units target county residents with incomes below 30% AMI. Local residents who are below 50% AMI and 61% to 100% AMI are left out of this current affordable housing system and are forced to live in overcrowded conditions, "doubled up", or compete for a few affordable homes even if it means living miles away from work and paying up to 23% of monthly income toward transportation¹.

Our current affordable housing system is outdated and providing the type and price of homes exactly as it is setup to do.

Developers have been required to expand and upgrade the community serving infrastructure before they can proceed with their development. Most of these projects are prohibitively expensive especially when there is no assurance if or when the expenditures will be reimbursed. All too often these infrastructure improvements completely stall projects.

The county once could rely on the federal government to play a proactive role in meeting the housing needs of the most vulnerable residents. However, over the past 30+ years that commitment has eroded to the point that for every 100 families there are less than 45 affordable rental units for households with incomes below 50% AMI². The federal government has not provided a significant increase in the housing vouchers that keep very low-income households housed in the past 20+ years, and in fact, the number of available vouchers has been on a steady decline. The result: 862 county residents have nowhere to go and are living houseless³, while 50.3% of all residents are paying more than 30% of their monthly income toward housing⁴.

In the 1990s, programs like the Rental Housing Revolving Fund were created by the State of Hawai'i to fill gaps in the low-income housing tax credit program, the principal federal support for affordable housing development. The program is narrow in scope and limited funding means it mostly serves those at 50% to 60% AMI.

The county council has largely responded to this current system with policies that increase regulation, and often conflict or undo previous decisions, leading to uncertainty in the development community generally. For-profit developers see the county always increasing the mandates that they are required to

¹ Hawai'i Housing Planning Study, 2019

² The GAP: A Shortage of Affordable Homes, National Low Income Housing Coalition, March 2021

³ Ibid 1

⁴ House Maui Initiative, 2021

follow while trying to lower costs to serve more families. The lack of development activity generally limits the supply of affordable housing, making their acquisition more competitive and expensive. Nonprofit housing developers, counseling agencies and community lenders are underfunded to meet the ever-growing needs of local families. Extremely low property tax rates have left the county little to no resources to fill the gap, leaving county departments with a lack of staffing and resources to create affordable opportunities for county residents who are most in-need. The entire system operates on an assumption of scarcity of resources, creates competition among various interests, dictates short-term council policy making, leads to developer uncertainty, and keeps the county from taking the lead on planning healthy, vibrant and affordable communities.

We are left with an affordable housing system in Maui County that is outdated and providing the type and price of homes exactly as it is setup to do.

New Affordable Housing System

This proposal for a new Maui County affordable housing system will provide homes and communities that are affordable for all residents, meet real needs and ensure long-term affordability.

Developers will work with the county to access land and develop affordable homes. Grants and no-cost loans will buy down the cost of homes so rentals are affordable for local residents below 50% AMI and for-sale homes are affordable at 61% to 100% AMI. Adopting a new zoning code will make it possible for developers to build mixed income and mixed-use communities that look like traditional Maui with a variety of housing types and densities reaching deeper levels of affordability and yielding a reasonable profit. Clear rules will protect the county's valuable health, cultural, and environmental resources and engage community members throughout the development process for housing affordability to be achieved now, and for future generations.

The new affordable housing system will create communities that are affordable for all local residents.

The plan recommends raising tax revenue on those who can afford it most so communities can be healthy, walkable, close to work, and desirable to live in. Resources are needed so the county can lead in providing safe drinking water and wastewater systems that do not threaten public health or environmental resources and the transportation system will facilitate residents getting to work, school, and home. Maui County will have the resources to reduce the cost of new housing developments so they meet the real needs of local residents and leverage other state and federal resources. Homebuyers receiving county subsidy will earn limited equity appreciation on their home and the county will preserve a right-of-first refusal so a new low-income buyer can move into every affordable home sold by the original buyer. Subsidized rental housing will be required to stay affordable in perpetuity.

The Maui County Comprehensive Affordable Housing Plan asserts that is our collective responsibility to ensure homes are affordable for all. It requires that units be affordable for everyone, even those with the lowest incomes. The plan suggests that the county build the capacity of community development nonprofits including counseling agencies, lending institutions, and developers, so they can do more, leverage other public and private funds, and help the county be a leader in Hawai'i on affordable housing. An adequate amount of resources will reduce division and competition, make council policy decisions that stay made, create certainty for developers, and allow the county to lead on planning and creating healthy, vibrant and affordable communities.

BACKGROUND

Assumptions

The Maui County Comprehensive Affordable Housing Plan has been developed based on three key assumptions:

1. **The housing provided by the plan must respond to the need as identified by the most recent Hawaii Housing Planning Study.** This study shows that 54% of the overall housing need is for families with incomes below 140% AMI. The plan proposes to target affordability with county subsidies from the Affordable Housing Fund to meet real demand under 120% AMI: 15% is for households above 80% to 120% AMI, 35% is for households earning 50% to 80% AMI, and 50% is for households with incomes below 50% AMI.
2. **The current workforce housing ordinance requiring 20% of the units produced in a development to be affordable will not meet the need when 54% of the units need to serve lower income households.** Rather than requiring developers to produce 20% of their total units in a development as affordable housing, the plan recommends that 20% of the land be set-aside for affordable housing development. It is recommended the county use that land to produce housing at a higher density than the underlying zoning by using the 2.97 process so many more units than the current 20% policy are developed.
3. **The county needs to remove the barriers to affordable housing development.** One of the biggest barriers to affordable housing is the need to expand and upgrade community serving infrastructure. Rather than expecting developers to provide this infrastructure, the plan recommends that funding from the Affordable Housing Fund be used to finance the planning, design and construction of this infrastructure and then fees be assessed on market rate housing to reimburse the fund for their share of the cost. In addition, the county zoning and project approval processes need to be streamlined and made more reliable so that community supported development projects can move expeditiously through the county approval process.

Community Recommendations

Recommendations included in this section were gathered from community members through meetings, key stakeholder interviews, and surveys. They form the foundation of the plan’s proposed goals, targets, policy priorities, strategies, and actions.

These recommendations have been organized into 4 categories: Family and Community Resource Management, Make Home Possible, Make Home Affordable, and Build Communities. They address issues and needs for affordable housing from two distinct perspectives: My ‘Ohana and My Community.

See Appendix C. Community Recommendations for more information and in-depth analysis.

Family and Community Resource Management	
My ‘Ohana	My Community
Establish Affordable Renter and Homebuyer Programs to pre-qualify County residents for affordable homes	Expand the Affordable Housing Fund eligible uses to include cultural, environmental, and health impact assessments on county-owned land
Invest in creative solutions to house community members below 30% AMI with a particular focus on kupuna, houseless residents, and persons with disabilities	Partner with community development nonprofits, education institutions, businesses, and unions to establish or expand professional certification trainings in cultural site monitoring, construction trades, and other housing professions
Increase community awareness and involvement in affordable housing projects before, during, and after the entitlement process	Conduct comprehensive infrastructure assessments for priority project areas and align investment in community serving infrastructure
Make Home Possible	
My ‘Ohana	My Community
Provide grants, individual development accounts, and loans to assist low-income renters and homebuyers with upfront costs of obtaining rentals or mortgage financing	Prioritize and streamline development timeline for projects dedicated to 100% affordable homes at or below 140% area median income including pre-approved accessory dwelling unit, ‘ohana units, and owner-builder homes
Enforce fair housing and fair lending laws	
Update Maui rental and sales price guidelines to conform to the mainstream mortgage marketplace and ensure equity for renters and homebuyers in Lanai, Molokai, and Hana	
Make Home Affordable	
My ‘Ohana	My Community
Invest Affordable Housing Fund resources into deferred payment mortgages for targeting affordability for local residents	Target Affordable Housing Fund subsidies to increase affordability for renters with incomes below 50% AMI and homebuyers between 61% to 100% AMI
Research and develop a manufactured housing plant and locally sourced building materials to reduce costs of home building and home purchases for local residents	Create a Community Oversight Board to prioritize and monitor Affordable Housing Fund investments and progress towards meeting goals and targets

Ensure long-term affordability for rental and for-sale homes supported with County resources	Prioritize planning and development of County-owned land and cost-share on infrastructure with Department of Hawaiian Home Lands
Build Communities	
My 'Ohana	My Community
Reduce the marketing period and use HUD housing counseling to ensure local residents buy affordable homes at the original prices proposed	Invest in capacity building for community members, public officials, agency staff, nonprofits, and developers and builders of affordable housing
Require developers to partner with HUD housing counseling agencies to access prequalified homebuyers in the county's First-Time Homebuyer Program for quicker home sales to local families	
Partner with realtors and property management companies and housing counseling agencies to reduce costs and time to secure a lease or purchase a home	Monitor and report progress on reaching workforce housing plan goals and targets

Community Share Back Meetings

Additional funding was raised outside of the county to conduct community share back meetings on the draft recommendations. The meetings were conducted virtually to prevent the spread of COVID-19.

Share backs were documented and used to strengthen the draft recommendations, goals, and strategies and integrated into the final plan to the greatest extent possible.

See Appendix D. Community Share Back Meeting Notes for specific ideas and recommendations from community members.

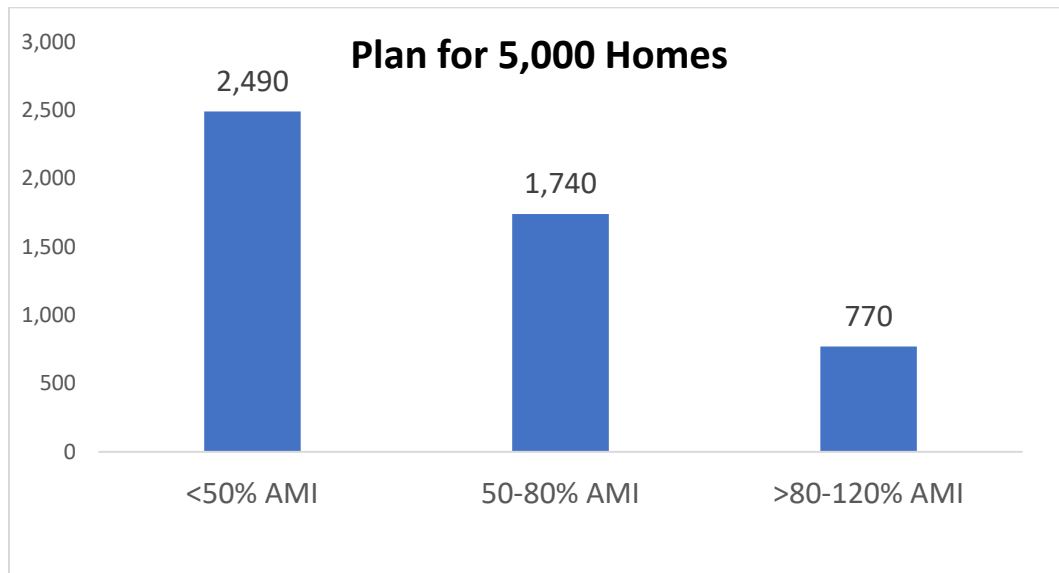
PLAN

Goals and Targets

The Maui County Comprehensive Affordable Housing Plan should be held accountable to the following goals and targets:

Goal 1. Build 5,000 affordable homes for local residents at or below 120% area median income.

- Reserve 50% of affordable homes for local residents below 50% AMI
- Reserve 35% of affordable homes for local residents at 50% to 80% AMI
- Reserve 15% of affordable homes for local residents above 80% to 120% AMI



Goal 2. Provide sufficient funding to the Affordable Housing Fund to finance the development of needed affordable housing and community serving infrastructure.

- Target \$789 million in housing subsidies for rental projects serving local residents below 50% AMI and homeownership opportunities for local residents 61% to 100% AMI
- Target \$380 million in community serving infrastructure investments for key projects that have delayed affordable housing development particularly in Central, South, and West Maui

Goal 3. Require developers to dedicate 20% of their land to affordable housing development and build housing that meets the needs of local residents when seeking Affordable Housing Fund funding.

- When land is dedicated through the workforce housing program, the county should use the 2.97 process to develop at densities and affordability levels that will meet residents' needs.
- When seeking Affordable Housing Fund funding, developers will be given affordability targets and work with the county to determine how much money they need to meet the targets.

Goal 4. Use county owned land to develop affordable housing.

- The plan identifies county-owned land which is either being or should be planned for affordable housing development.
- The county should fast track the zoning and entitlement process for these properties and then issue requests for proposals to develop the projects as identified.
- The county should size projects so that a range of affordable housing developers can successfully compete for opportunities.

Goal 5. Make the development process more accessible, predictable and timely.

- Appoint an affordable housing coordinator to the mayor's cabinet to oversee plan implementation.
- Establish a community oversight board to recommend investments from the Affordable Housing Fund and manage the developer selection process on county owned land, and land dedicated to the county under Section 2.96 and affordability covenants.
- Establish community advisory committees to convene community meetings to review and comment on development proposals.
- Establish project design standards which, if followed, could allow affordable housing projects to move forward as of right.
- Add affordable housing to exemption list from environmental review under HRS Chapter 343.

Policy Priorities

The following have been developed to address system changes and updates necessary to create certainty in the marketplace which in-turn will help establish the environment for Affordable Housing Plan investments:

1. Update County zoning code to lower housing costs and promote affordability by design.

Residential zoning districts restrict housing types and lot sizes and discourage the development of housing opportunities for a range of incomes. While the County's zoning ordinance is being revised with its third-party contractors, it is recommended that several changes be implemented immediately.

- Eliminate zoning districts.
- Establish minimum densities for all for-sale developments recommended at no lower than 5 units per acre.
- Require duplexes on all corner lots, and corner lots are limited in size to a 25% increase over the average lot size or 9,000 square feet, whichever is smaller.
- The county should initiate state land use boundary changes and county zoning changes for all county and state-owned property in community plan areas deemed suitable for residential development.
- Adopt project design standards for affordable housing projects of less than 150 units in Central, South, and West Maui so projects can be approved as of right rather than requiring council approval.
- Reduce parking requirements for projects on or near public transportation stops.

Recommended Actions

1. **County and its contractor, Orion, should facilitate conversations with building industry professionals, nonprofits, and community members to further identify zoning reforms.**
2. **Council should request a timeline, benchmarks, and reporting from County on completion of zoning reform by 2023.**

2. **Expand access and impact of Affordable Housing Fund by revising county ordinance 3.35 to enable bond sales, increase eligible uses of funds, and ensure investments in local renters and buyers as well as increases accountability through a community oversight committee.** Today the Affordable Housing Fund (AHF) operates from the perspective of limited resources. Developers request funding at levels that are competitive for the resources available, not to meet the needs of county residents. Selling bonds will provide resources that meet the housing need of local residents. It is estimated that 100-unit rental developments will need \$17.5 million to meet actual need based on demand data from the most recent Hawaii Housing Planning Study. Currently, no project receives this level of support from the AHF. To build the plan's proposed 3,481 rental units in five years, this will require \$520 million, or \$104 million per year. In addition, to provide the plan's proposed 1,519 homeownership opportunities for Maui residents with incomes at or below 100% AMI it will require an additional \$228 million, or approximately \$46 million per year. Currently, funding decisions are made by the Department of Housing and Human Concerns annually and without a public process. It is recommended the county establish a community oversight board to oversee this process and disburse funds as often as monthly as part of its negotiations with developers on the levels of subsidy that their developments will require to meet the income needs of county residents.

The following changes are recommended to Maui County Code Section 3.35 to meet the priorities of the AHF in providing sufficient funding for the plan:

- Expand eligible uses of funds to include:
 - First-time homebuyer gap financing, deferred payment mortgages
 - Rental housing gap financing
 - 'Ohana and ADU development, individual septic and wastewater systems, and long-term financing
 - Existing structure acquisition
 - Rehabilitation of existing structures
 - Planning, design, and construction of units and infrastructure needed to meet workforce housing needs
 - Provision of housing counseling services and the development of a pre-qualified list of eligible buyers and renters
 - Health, cultural, and environmental impact assessments on county-owned land
- The County may use this revenue to finance the sale of bonds
- Add "Qualified Resident" definition to be a person who has been a resident of Maui County or employed full time in Maui County for the last 2 years as defined by tax returns or documentation provided by an employer
- Change adopting fiscal years to 2022 through 2046
- Council shall adopt a special tax on nonowner-occupied properties and short-term rentals that will raise \$58.5 million annually into the fund
- Allow carry over of funds from fiscal year to fiscal year

- Limit administrative expense to 3% of the fund over and above program implementation and monitoring costs
- Eliminate Department of Housing and Human Concerns ability to adjust area median income for Hana, Lanai, and Molokai
- Under grant and loan requirements, assign responsibilities to the “County or its administrator” or “designee”
- Allow for distribution or redistribution of grant or loan funds to other organizations for the purposes of individual development accounts, deferred payment mortgages, and/or financing for accessory dwelling units and ‘ohana units including individual water and septic systems
- Secure loans from the fund with a deferred payment mortgage in the highest position achievable
- Generally, funds provided will not include interest. If interest is charged, the rate will not exceed two percent per annum for homeownership properties and three percent per annum for rental properties. All payments will be deferred until sale or refinance
- If the fund is used to pay for community serving infrastructure, the department shall establish a fair reimbursement for the market rate units benefitted by the infrastructure. Market rate units will reimburse the fund at building permit. Reimbursements will be permanently set aside in the affordable housing fund.
- Limit borrower default actions to forfeiting land or property to the county or full repayment of the principal balance without interest
- The Department of Housing and Human Concerns will be responsible for managing a community oversight board responsible for developing an affordable housing fund annual plan. The committee shall consist of nine members with one-third private sector representatives, one-third community members, and one-third public representatives including the chair of the council’s affordable housing committee. Committee members will serve five-year terms and be responsible for reviewing, scoring, and recommending grant and loan applications made to the fund. The department shall coordinate and conduct at least monthly committee meetings. The department shall propose an affordable housing fund annual plan based on committee member recommendations.
- Report annually to the council on targets and metrics for the Affordable Housing Plan.

Recommended Actions

1. Council amends Maui County Code Section 3.35 based on the recommendations above.

- 3. Streamline the planning and permitting processes in County ordinance 2.97 to as of right administrative approval and reduce development timelines for priority affordable housing projects that meet standard design guidelines.** It is recommended that developments of less than 150 units in Central, South, and West Maui that meet specific design guidelines adopted by the council, have gone through a community review and input process, and qualify for an exemption from the state environmental code (HRS Chapter 343), would be granted by-right approvals. It is also recommended that this approval be subject to appeal to the county council, without requiring litigation.

See Appendix E. Design Standards for more information on the requirements of affordable housing projects to fast track under the proposed by-right process.

The following changes are recommended to Maui County Code Chapter 2.97 to meet the priorities of the affordable housing fast track process for the plan:

- Add, including accessory dwelling units, 'ohana units and owner-builder units using pre-approved plans.
- 2.97.050 Community meetings. The council should ensure that community plan advisory committees are formed in all community plan areas. The committees should convene meetings to garner input on proposed projects from local citizens. The meeting records should show how the developer has met or tried to meet concerns raised in community meetings. The record with concerns/issues and developer responses should be provided to community members who participated in the meetings and in-advance of future meetings to discuss the project. If there are no community concerns raised, then the advisory committee only needs to hold one meeting. If concerns are raised, the developer must provide a response in writing and meet with the advisory committee and community members in at least one subsequent meeting to discuss the steps that will be taken to address the concerns raised. Developers are expected to participate in at least two community advisory committee meetings to discuss issues and concerns, or as long as meaningful dialogue continues.
- 2.97.080 Income Group Distribution. Developers will be required to develop units that meet the housing needs as defined by the latest Hawai'i Housing Planning Study. The county will provide Affordable Housing Funds in the amount necessary to achieve the desired affordability levels based on the affordable housing demand in the most recent Hawai'i Housing Planning Study, as negotiated between the county administrative agency and the developer.
- 2.97.090 Deed Restrictions. Shall conform to the restrictions found in 2.96.060
- 2.97.100 Deed Restrictions. Shall conform to the restrictions found in 2.96.070
- 2.97.140 Water Availability Exemption. Add south to the community plan areas where an exemption is available
- 2.97.160 Timing of Completion. The first phase of the project must start construction within two years of approval of the 2.97 agreement. The developer can request one-year extensions on this timeline.
- 2.97.170 Council Approval. The council shall adopt design guidelines for the development of affordable housing projects, both for sale and rental, of less than 150 units for Central, South, and West Maui. If met, the planning director shall, after receiving community input, approve developments without council approval. Any appeal of the director's approval will be required to show how the proposed development does not meet the adopted guidelines and the council hearing will be limited to these disputed items.
- 2.97.110 Residential workforce housing credits. Going forward, affordable housing credits will be limited to developers developing multiple phases or multiple properties in one community plan area where excess affordable housing units are developed in one phase and can be used to offset the requirement in a subsequent phase or development. Existing credits may only be sold to developers in the same community plan area, in accordance with 2.96.050.
- 2.97.180 Annual report. Until every proposed unit in the development is sold or initially rented, as applicable, the developer shall submit an annual report to the director of the department of housing and human concerns. The annual report shall contain information relating to the progress of the development and shall be due to the director within thirty

days of the annual anniversary of the fast-track housing approval. Failure to submit the annual report in a timely manner may result in forfeiture of the application fee.

Recommended Actions

1. Council amends Maui County Code Section 2.97 based on the recommendations above.

4. **Update the workforce housing ordinance 2.96 requiring developers to dedicate land to housing for low- and moderate-income Qualified Residents in Maui County and target affordability to underserved household income levels (i.e. <50% AMI and 61-100% AMI).** The current ordinance does not meet the housing needs of county residents in terms of the number of units and income targeting needed. By requiring residential developers of more than 10 acres to dedicate 20% of their land to affordable housing, the county can then proactively decide what types of housing should be built on this land and at what density. The decisions about what land would be dedicated including the size of the parcels dedicated would become part of the entitlement process. The workforce housing agreement will identify parcels of land that will be transferred to the county, its administrator or an affordable housing developer to meet the dedication requirement, and any parcels that the developer is committing to build as affordable housing to meet the land dedication requirement. It is recommended that the county contract a nonprofit community development corporation, with expertise in affordable housing, to develop the dedicated land at a density that is at least double the density of the overall development.

See Appendix F. Workforce Housing Ordinance Revisions for more information on recommended changes.

Recommended Actions

1. Council amends Maui County Code Section 2.96 based on the recommendations in Appendix F.

5. **Amend County real property tax code to generate additional revenue for a total annual allocation of at least \$58 million into the Affordable Housing Fund to repay bonds sold under the Affordable Housing Plan.** In addition to the funds needed to subsidize housing costs for local renters and homebuyers so that the units developed are affordable, the county needs to take a more active role in developing the community serving infrastructure needed to support housing development. There are major infrastructure needs in all community plan areas, and especially in the three plan areas with the most potential for residential development, Central, South and West Maui. Potable water is in short supply in all areas. Both Central and South Maui need major wastewater infrastructure. Traffic congestion is a major problem in all three plan areas, and there are significant roadway improvements identified by the Maui Metropolitan Planning Office in the Long-Range Transportation Plan 2040. It is recommended the county develop this infrastructure rather than making it a requirement of the developer. The county should develop a fee structure on market rate units that would recoup most, if not all, of the funds invested in infrastructure over time. Developers can pay these fees when they pull building permits, but they cannot finance infrastructure projects that cost tens of millions of dollars before building a single home.

Potential options for increased real property tax revenue to increase the Affordable Housing Fund to \$58 million annually could include:

- Increased taxes on nonowner-occupied homes over \$3 million and short-term vacation rentals.
- Phase out apartment district properties allowed to be used for short-term occupancy at resale and permit and tax them as short-term vacation rentals with revenue dedicated to the Affordable Housing Fund.

Recommended Actions

1. **Council amends Maui County real property tax code with additional revenues totaling \$58 million.**
2. **County sells bonds and uses annual tax revenue into the Affordable Housing Fund pay back the bonds.**

6. **Establish local residency requirement for affordable housing subsidies and definition of qualified resident for housing units.** The plan encourages a local residency requirement for for-sale programs only by amending ordinances 2.96, 2.97, 3.35, and all other application affordable housing policies by including an updated “Qualified Resident” definition. It is recommended a “Qualified Resident” be defined as “a person who currently resides or is employed within the County of Maui, for a period of at least 2 years prior to the filing of an Application for an Affordable Housing Unit, with documentation, including but not limited to, three years of filed income tax returns, W2s, or benefits statements confirming residency or employment within the County of Maui, with at least 75% of a residents income generated within the County.”

See Appendix G. Local Residency Requirement for more information and in-depth analysis.

Recommended Actions

1. **Council amends Maui County Code Sections 2.96, 2.97, 3.35 and all other applicable affordable housing policies by including the recommended definition for “Qualified Resident” above.**

7. **Enforce fair housing and fair lending laws to ensure tenants’ and homebuyers rights’, including access to loan programs of their choice for mortgage prequalification and permanent financing and levy fines for violations of these federal laws with resources to support the Affordable Housing Fund.** Mortgage steering is illegal. The Federal Real Estate Settlement Procedures Act forbids any variation of it. Real estate agents, HUD housing counselors, developers, and other housing professionals may offer their potential buyers information about mortgage companies and loans, but cannot push buyers toward any particular mortgage lender. When our local homebuyers are steered toward specific mortgage lenders, they are less likely to benefit from federally subsidized mortgage programs that the rest of the first-time homebuyers in the United States use to secure homeownership. Mortgage loans through the Federal Housing Administration (FHA) and USDA (United States Department of Agriculture) 502 programs offer low down payments and flexible credit requirements to help local homebuyers qualify for homeownership. The county needs to enforce fair housing and fair lending laws to prohibit discrimination and mortgage steering. By enforcing existing laws, our local homebuyers will have greater access to low and no down payment federal mortgage programs. This effort can be supported by HUD counseling agencies which are required to refer their homebuyer

clients to a variety of mortgage lenders with at least 1 of the options being a lender that offers FHA mortgages.

Recommended Actions

1. **Council passes legislation to levy fines on developers, real estate agents, or other housing professionals for violating fair housing or fair lending laws, including, but not limited to mortgage and mortgage prequalification steering, with fines going into the Affordable Housing Fund.**
2. **Affordable Housing Coordinator includes in contracts with HUD counseling agencies administering Affordable Renter and First-Time Homebuyer Programs to deliver education on fair housing and fair lending laws.**
3. **HUD housing counseling agencies refer renters to fair housing assistance if they have experienced fair housing discrimination and refer homebuyers to mortgage lenders with affordable mortgage financing programs including at least 1 lender that offers FHA mortgages for first-time homebuyers.**
4. **HUD housing counseling agencies report instances of fair housing and fair lending violations to the DHHC for action and issuance of fines.**
5. **DHHC collects fines by federal fair housing and fair lending violators and places funds in the Affordable Housing Fund.**

8. **Update the county's rent and sales price guidelines to promote equity and access to affordable mortgage financing for all its residents.** The county imposes sales price guidelines that do not conform to mainstream mortgage programs and have created separate sales guidelines for Hana, Molokai, and Lanai homebuyers which limit their maximum income amount by nearly 50%. Similarly, rent guidelines for these areas is also limited as compared to all other Maui County districts which can make it hard for nonprofit affordable housing developers to make their projects financially feasible. The current Maui County Sales Price Guidelines limit a homebuyer's monthly payment of principal and interest to 28% of their gross monthly income and do not account for typical monthly mortgage costs including taxes, insurance, mortgage insurance, and homeowner association fees. In the mainstream mortgage marketplace, USDA limits a homebuyer's monthly payment of principal, interest, taxes, insurance, and homeowner association fees to 29% of their gross monthly income (USDA loans do not charge mortgage insurance). For FHA financing, homebuyers are limited to a monthly payment of principal, interest, taxes, insurance, mortgage insurance, and homeowner association at 31% of their gross monthly income. Setting sales price guidelines that do not conform to mainstream mortgage standards limits our local families' ability to use Federal mortgage programs with low and no down payment requirements to purchase affordable homes. Furthermore, imposing separate guidelines for homebuyers in Lanai, Molokai, and Hana does not ensure they are treated equally and allowed the same maximum annual household incomes as homebuyers in all other districts.

The county should update its sales price guidelines so they conform with FHA and USDA mortgage financing programs with the maximum monthly payment of principal, interest, taxes, insurance, mortgage insurance, and homeowner association fees capped at 31% of the homebuyer's gross monthly income. Separate guidelines for renters and homebuyers in Lanai, Molokai, and Hana should be eliminated and Qualified Residents in these areas should be

provided increased subsidies to achieve equitable access to affordable homes as compared to renters and homebuyers in all other districts.

See Appendix H. Updated Maui Sales Price Guidelines for information on guidelines based on both HUD AMI levels and annual income levels.

Recommended Actions

- 1. Department of Housing and Human Concerns (DHHC) adopts proposed updated Maui Sales Price Guidelines which are updated annually.**
- 2. DHHC eliminates differential incomes for Hana, Lanai and Molokai.**
- 3. DHHC, affordable housing coordinator, and community oversight board for the Affordable Housing Fund ensure that affordable developments in Hana, Lanai, and Molokai receive up to \$200,000 in subsidy to reach lower income individuals as compared to \$175,000 for rental projects and \$150,000 for mortgage subsidies, in other districts.**

9. **Ensure affordable homes supported with county funds are rented or bought by local households below 120% AMI in a timely manner and remain affordable long-term.** The county requires developers to maintain waitlists of potential buyers. The county also imposes a marketing requirement for affordable for-sale homes that requires developers to market the home at a price that meets a specific income level for the first ninety days and the developer is allowed to offer the home to the next higher income level every ninety days thereafter until the units are sold or there are no more income groups available. Under this requirement, homes offered initially to homebuyers at 80% AMI could take as long as 360 days to sell to a local buyer if offered to every income level up to 140% AMI. If no qualified local buyer purchases the home, it can be sold to nonresidents on the developer waitlist for a final ninety-day period before the developer is allowed to sell the home at market rate to any buyer. This for-sale process can be long and drawn out. It creates financial hardship for the developer that carries interests on project loans, often fails at ensuring local residents buy affordable homes, and may result in higher closing costs to recoup increased project costs.

State consumer debt data reports Hawaii residents have more total and monthly debt than the average nonresident. The average Hawaii resident holds \$68,656 in total debt which is \$20,000 more than the United States consumer average of \$47,034. The average non-homeowner Hawaii resident without a student loan pays \$1,570 in monthly debt, while the average non-homeowner United States consumer without a student loan pays \$1,478, or nearly \$100 less than the average Hawaii resident. At the same time, Hawaii residents report the lowest average annual pay rates in the nation at \$43,019 as compared to the United States annual average pay rate of \$57,266 (Prosperity Now, 2020). High monthly debt combined with low monthly incomes increase the debt-to-income ratios of our local homebuyers. This creates challenges when trying to qualify for a mortgage to purchase an affordable home and when trying to compete with nonresidents who are not facing the same income and debt challenges.

Data from the Department of Housing and Human Concerns provided to the county council on February 8, 2021 reported that among three multi-family for-sale projects a total of 332 units were marketed to be affordable for households at or below 140% AMI under the 2.96 workforce housing ordinance (see Appendix I. DHHC Correspondence to Council). After as many as 360 days in the marketing period, only 117 units (or 35% of the total units) were purchased by

households at or below 140% area median income with 215 (or 65% of the total units) sold a market prices. Data was not provided as to whether or not the units were purchased by local residents or nonresidents. The data suggests individuals on developer managed waitlists for the referenced projects were less likely to qualify for mortgage financing than individuals not on the waitlist.

The current marketing requirement for affordable, for-sale homes is not effective at ensuring the homes are purchased by local homebuyers at or below 80% to 140% AMI and become part of the county's affordable housing inventory. Partnerships between developers and HUD housing counseling agencies, paired with housing subsidies through the Affordable Housing Fund, would increase the number of local homebuyers pre-qualified for mortgage financing and able to buy homes deemed affordable for households at or below 80% to 140% AMI when they are made available. More qualified local buyers would result in shorter time frames for home purchase, which would reduce the potentially lengthy sales period, decrease carrying costs on developers for their projects, and ensure homes built to be affordable for local residents are actually bought by local residents at prices they can afford.

Recommended Actions

- 1. Council amends Maui County code 2.96 to set the marketing period for for-sale homes at a maximum of 180 days, prohibit the sale of a home for non-Maui County residents nor at any income level other than that committed to by the developer, and, if the home is still available after 180 days, give the county first right of refusal to acquire the home and sell it to an approved buyer on the prequalified First-Time Homebuyer Program list.**
- 2. If the unit is still available after 180 days, Affordable Housing Coordinator, or a contracted Treasury certified CDFI administering the county's interim financing and buyback fund, to acquire the home and subsequently sell to an approved buyer.**
- 3. Affordable Housing Coordinator, or a contracted Treasury certified CDFI administering the county's interim financing and buyback fund, works with HUD housing counseling agencies that administer the county's First-Time Homebuyer Program to identified a prequalified local homebuyer and accesses homebuyer subsidies from the Affordable Housing Fund to assist with the home purchase.**

STRATEGIES

Five key strategies have been identified to achieve the plan's goals and targets. Each strategy has a series of recommended action steps for implementation.

Expand the Affordable Housing Fund

The plan estimates the county will need \$789 million to provide housing subsidies for new housing development, supportive services and pilot and demonstration projects that will create affordable home opportunities. An additional \$380 million in estimated funds will be needed to develop community serving infrastructure to support new housing development. It is recommended that the county dedicate additional resources to the Affordable Housing Fund (AHF) sufficient to support the sale of bonds in this amount.

Under this Comprehensive Affordable Housing Plan, Maui County will provide sufficient funding to the AHF for the development of community serving infrastructure, investments to target affordability for local residents' needs, and position the county to leverage other public and private funding for affordable housing to the greatest extent possible.

Infrastructure Financing

The county should move as quickly as possible to upgrade the wastewater treatment plant and eliminate disposal concerns in South Maui. The county should provide the developer financing for the water storage tank and wastewater lift station that is impeding the development of the Maui Research and Technology Park.

A new wastewater plant is needed in Central Maui and there is a serious need for new water supply storage. Interconnection in Central Maui is also impeding development of several major projects. The county should work with the developer to determine the optimal locations for both the water and wastewater systems and provide the developer with the financing necessary to complete development. The county needs to work with Department of Hawaiian Home Lands (DHHL) to bring new water supply to West Maui. DHHL has access to water, they need financial assistance to complete the improvements and connect them into the county water system.

The county also needs to collaborate with developers of Lanai projects to ensure that the water and wastewater systems meet the needs of all three potential housing developments there. The county should take the lead in financing the improvements needed and seek cost-sharing partnerships with the other entities.

The county should establish a fee structure on new developments that will recoup most, if not all, of the funds invested in this infrastructure. Affordable housing would continue to be exempt from these fees. The county should not allow new developments to provide for their own water and wastewater treatment facilities, but rather they should be required to connect to existing systems.

Recommended Action Steps

- 1. Council passes affordable housing omnibus bill to amend Maui County Code Chapter 3.35 and to increase annual revenue to \$58 million based on the recommendations in the policy priorities section.**

Workforce Housing Agreement and Development of Dedicated Land

Each developer will enter into a workforce housing agreement with the county. Under the agreement, the developer will identify how they will meet the requirements of 2.96. The workforce housing agreement will be a part of the entitlements approved for every development. When a developer decides that it will not build all of the affordable housing required under 2.96, the county will work with the developer to identify the size and location of parcel(s) that will be dedicated in compliance with the ordinance.

The community oversight board will convene meetings with the community advisory committee in the district where the development is located and with interested community members to get input on the development of dedicated parcels. Input will inform a final development plan. Once parcels have completed the 2.97 review process, the oversight board will solicit development proposals and negotiate AHF funding for the selected proposal.

Recommended Actions

- 1. Council and mayor appoint members of the community oversight board, COB.**
- 2. Affordable housing coordinator, with support from DHHC, establishes policies and procedures for the responsibilities and actions of the COB.**

By-Right Development of Affordable Housing Projects

The county needs to take actions to approve affordable housing developments more rapidly in order to achieve the goal of reaching 5,000 homes for local residents in five years. Developing design guidelines for 100% affordable housing projects of less than 150 units in Central, South and West Maui and up to 50 to 100 units in other community plan areas, and then allowing projects that meet the guidelines to proceed without council review will help in this regard. The county should also exempt such projects from the state's chapter 343 environmental review. Developers should be required to meet with community advisory committees as many as four times to resolve issues surfaced by the community, but the design guidelines should mitigate most concerns.

Recommendation Actions.

- 1. Council reviews alternative affordable housing approval methods in Appendix C. Community Recommendations under the recommendation to streamline approval of 100% affordable housing projects.**
- 2. Council agrees to use method 1 to coordinate among committee chairs and council chair for approval of all priority projects requesting 201H exemptions.**
- 3. Council passes legislation to establish design guidelines for affordable housing projects that are 100% affordable for households below 140% AMI.**
- 4. Council passes legislation to create Community Advisory Committees, in at least the Central, South, and West Maui districts, and reviews and processes project approvals under method 2.**
- 5. Council amends 2.97 ordinance for all priority projects that are 100% affordable for households below 140% AMI and meet established design guidelines to eliminate the requirement to go through current affordable housing review process and instead utilize methods 2 and 3.**

6. Council amends applicable ordinances to use method 4 for all accessory dwelling, ohana, and single-family owner-builder units serving renters or homebuyers below 100% AMI.
7. Affordable Housing Coordinator issues request for proposal to contract a CDFI to provide technical assistance, develop partnerships for creating a catalogue of pre-approved home plans, and offer financing out of the Affordable Housing Fund for owner-builders without the means to use home equity or other mainstream sources to finance construction.
8. Council conducts hearings to monitor effectiveness and efficiency of county's One-Time-Review processes.

Develop Affordable Housing on County-Owned Lands

The county owns land in several locations that is either currently planned for affordable housing development or should be in the planning process. Research and analysis of county owned land has resulted in five identified sites that should be developed for affordable housing:

- Central Maui—Baseyard
- West Maui—Kihei Fire Station and Police Station
- Paia—Soccer Field
- Lanai—5th Street Property

Together these properties could add more than 1,300 units to the affordable housing supply. The county needs to prioritize the planning to ready these properties for development and hire or contract with one or more project managers to secure the necessary approvals and entitlements to have the sites ready for construction in the next five years.

Recommended Actions

1. Affordable Housing Coordinator works with county departments to secure zoning and other entitlements for county owned properties.
2. Affordable Housing Coordinator works with the county departments and the Community Oversight Board to develop land use plans as appropriate to meet the housing needs of Maui residents.
3. Affordable Housing Coordinator and Community Oversight Board hold public meetings with residents in the community plan area to ensure that development plans, to the extent possible, conform to community priorities and to discuss concerns that specific development plans might raise.
4. Affordable Housing Coordinator and Community Oversight Board submit project plans to the county council for final approval.
5. Affordable Housing Coordinator issues request for proposal to solicit development proposals for the entire site or for specific parcels as appropriate to accommodate both for-sale and rental developers and to allow smaller developers to compete for portions of the site.
6. Awarded developer adheres to the proposed 2.97 fast track design standards.
7. Community Advisory Board recommends Affordable Housing Fund awards to ensure that the housing is targeted to the needs of Maui residents.

Pilot and Demonstration Projects

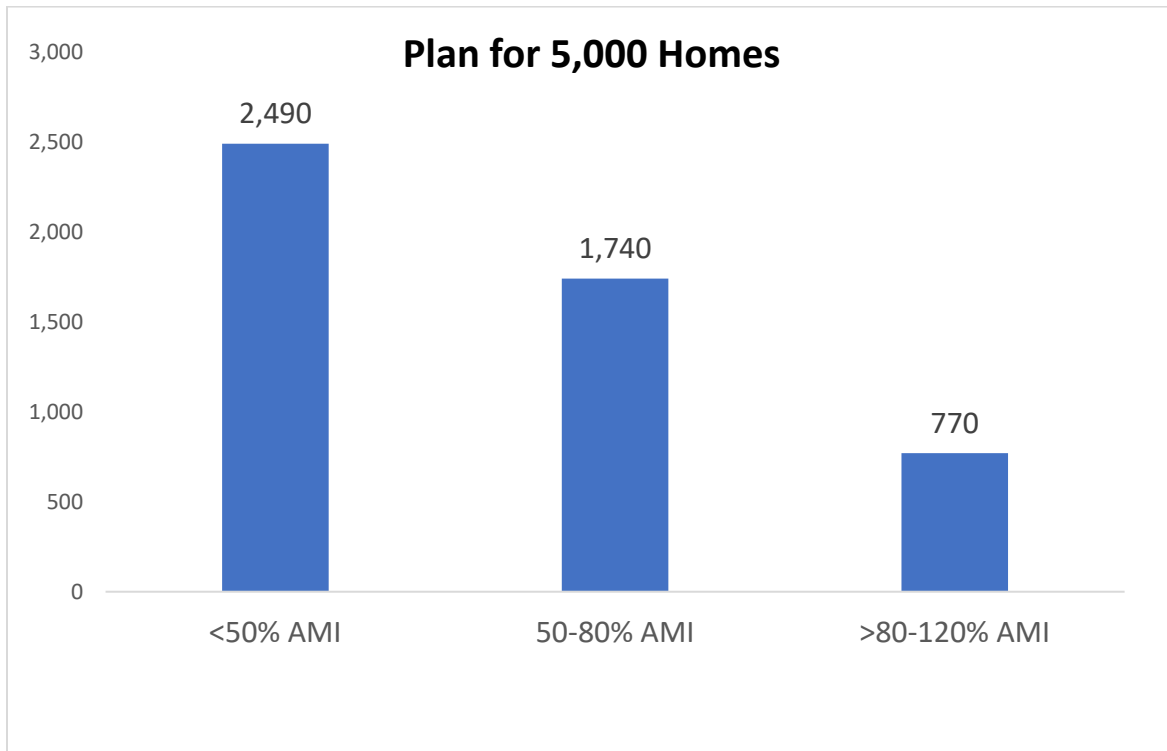
Thirty-six Tier 1 and Tier 2 priority projects identified in the plan will produce an estimated 4,311 affordable rentals and for-sale homes for local residents in the next five years. This includes estimates for private- and county-owned lands and lands managed by the State of Hawaii that could begin construction in the next five years if the recommendations included in the plan are implemented. Pilot and demonstration projects will be needed to address the remaining 689 affordable homes not provided by the priority projects.

These pilot and demonstration projects include acquisition and redevelopment, supportive housing for extremely low-income residents below 30% AMI, individual development accounts (IDAs) paired with renter and homebuyer programs for obtaining existing homes, and a Maui Home Accelerator program for increasing development of in-fill housing such as accessory dwelling units, ohana units, and single-family homes for households under 100% AMI.

See Development Strategies – Pilot and Demonstration Projects section for more information.

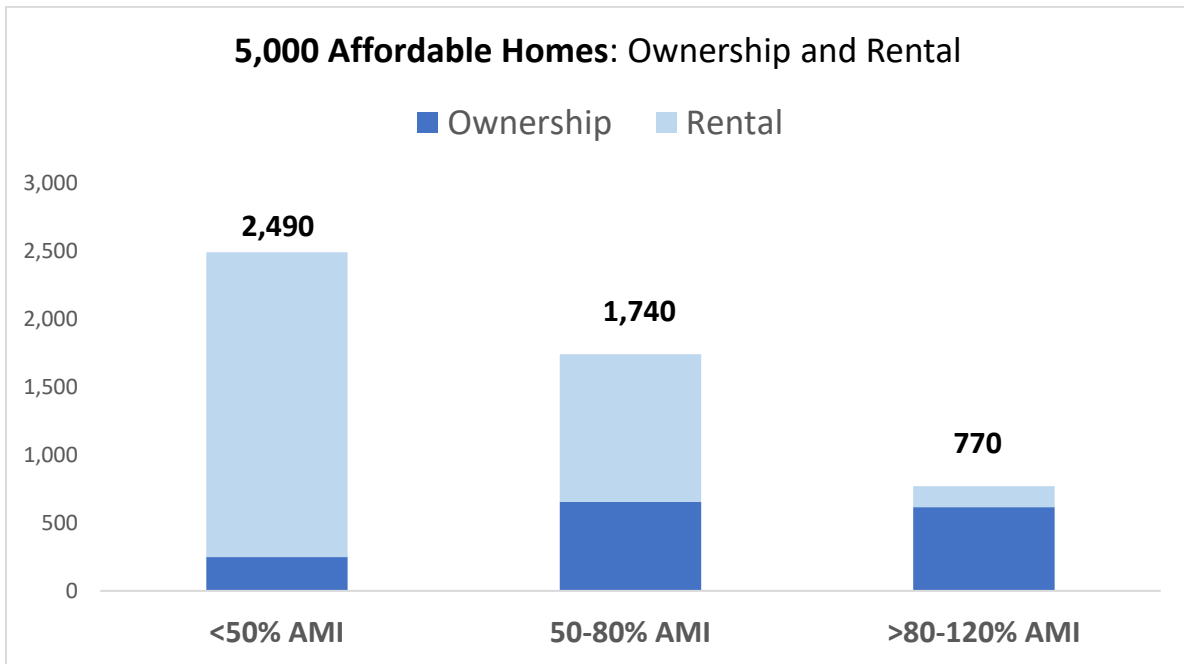
IMPACT

The plan estimates the total number of homes at each of the AMI levels below to meet demand in the most recent Hawaii Housing Planning Study.



It is estimated that 30% of need will be met by for-sale housing with the remaining 70% for rental housing. Priority projects should create the majority of homes under the plan. Additional strategies, including acquisition and redevelopment, supportive housing for extremely low-income residents, individual development accounts paired with HUD housing counseling to obtain existing rentals, and financing for in-fill accessory dwelling units, 'ohana units, and single-family homes will make up approximately 14% of the total units.

AMI	Goals	Priority Projects	Additional Strategies	Total	% of Total
Ownership					
>80-120%	616	616	0	616	12%
50-80%	654	654	0	654	13%
<50%	249	249	0	249	5%
Total	1,519	1,519	0	1,519	30%
Rentals					
>80-120%	154	123	31	154	3%
50-80%	1,086	871	215	1,086	22%
<50%	2,241	1,798	443	2,241	45%
Total	3,481	2,792	689	3,481	70%



Monthly rents of homes developed under the plan are estimated at 30% of household income from studios to 3-bedroom apartments.

3,481 Affordable Rentals		
# of Homes	AMI %	Est. Monthly Rent*
154	>80-120	\$1,846-\$2,637
1,086	50-80	\$961-\$2,132
2,241	<50	\$567-\$799

*Includes utilities

See Appendix J. Affordable Rental Pro Forma.

Home purchase prices and monthly mortgage payments are estimated as following using the 2021 HUD AMI guidelines and proposed sales price guidelines that conform with mainstream mortgage standards.

1,519 Affordable For-Sale Homes			
# of Homes	AMI %	Monthly Mortgage**	Est. Purchase Price
616	>80-120	\$1,725-\$2,697	\$361,300-\$565,000
654	50-80	\$1,319-\$1,725	\$276,300-\$361,300
249	<50	\$729-\$698***	\$276,300-\$326,300

**Includes principal, interest, taxes, insurance, and HOA fees

***Assumes use of USDA 502 Direct mortgage interest credit that reduces rate to 1%, 38-year term

See Appendix K. Homeownership Pro Forma.

PRIORITY PROJECTS

The Maui County Comprehensive Affordable Housing Plan will target its investments based on a list of priority projects that are most likely to begin construction in the next five years and to achieve the proposed plan goals and targets.

Background

Tier 1 and Tier 2 priority project lists were developed by first taking inventory of county-owned lands and lists of existing and pending projects provided by the Department of Housing and Human Concerns, Department of Planning, Hawaii Housing Finance and Development Corporation, the Department of Hawaiian Home Lands, and the Department of Education as well as through the County’s 2018 Affordable Housing Implementation Plan. In addition, new and potential project sites were identified in partnership with public and private sector stakeholders.

Tier Definitions

A following tiered ranking system was developed to prioritize projects from 1 to 3 with 1 and 2 tier projects having potential to contribute to the County’s affordable housing inventory and start construction in the next five years. Tier 3 projects are unlikely to contribute to the County’s affordable housing inventory in the next five years but should be reviewed and considered as potential sites of affordable housing after the initial 5-year period.

These projects include housing units that will be affordable for households up to 140% AMI with 5,000 units affordable for households below 120% AMI.

Tier	Definition	Criteria
1	Implementation phase. Strong potential to contribute to Affordable Housing inventory in next 5 years.	<ul style="list-style-type: none"> A. 2.97 projects (either proposed or approved) and other projects that offer 100% affordable housing at/below 140% AMI B. Approved 201H projects C. Approved market rate developments with no obvious barriers (will incur affordable housing requirements under Ch. 2.96) D. Proposed projects (affordable or market) with available infrastructure (i.e., zero cost or minimal upgrades, and/or readily available funding for improvements)
2	Concept/development phase, and/or requires barrier removal. Potential to contribute to Affordable Housing inventory in next 5 years.	<ul style="list-style-type: none"> A. County owned lands with no project proposed B. DHHL residential homesteads or agricultural lots where a home is allowed C. Potential 2.97 projects (anticipated 100% affordable housing, not formally proposed) D. Proposed 201H projects not in Tier 1 E. Proposed market rate developments without significant barriers
3	Further research needed. Unlikely to contribute to Affordable Housing inventory in next 5 years.	<ul style="list-style-type: none"> A. Non-County owned lands with no project proposed B. Approved market rate developments with significant development barriers of any kind C. Proposed market rate developments with significant barriers, including Stalled Projects

Hiatus

Projects have been identified that are considered in hiatus (delayed or stalled). It is recommended the council work with the county to appoint a working group to come to agreement on how to address the barriers and impediments to development for these projects. In instances where no agreement is found, it is recommended the projects be moved to the Removed Projects list.

Removed Projects

Projects have been identified that should be removed from all county affordable housing lists for a variety of reasons from project already being completed, under construction as of the drafting of this plan, or unsuitable for development.

See Appendix L. Projects List for Tier 1-3, Hiatus, and Removed Projects.

Tier 1. Implementation Phase. Strong potential to contribute to Affordable Housing inventory in next five years.

Project Name	District	Housing Type	Estimate # Affordable Units	Status	Anticipated Funding
Hale Pilina TMK 3-7-013:026	Central Maui	Rental	177	Draft Environmental Assessment submitted	LIHTC AHF
Kahului Civic Center and Mix-Use Complex (formerly Bus Hub) TMK 3-7-004:003 (por)	Central Maui	Rental	150	Construction to be completed by 2026. Dependent on funding	RHRF Hula Mae DURF
Kuikahi (Wailuku Affordable Housing Project) TMK 3-5-002-003 (por)	Central Maui	Sale	204	2.97 approved. Scheduled for completion by 2024. Estimated \$3.25M in infrastructure improvement	Private AHF
Waikapū East Subdivision No. 3 (FKA Waikapū Ventures) TMK 3-5-002:011	Central Maui	Sale	80	Pending final subdivision approval	No information available
Wailuku Apartments TMK 3-5-001:064	Central Maui	Rental	195	201H approved. Pending sewer improvements	LIHTC RHRF
SubTotal			806	Central Maui Homes	
Kawaipapa (aka Habitat for Humanity) TMK 1-3-004:001 (por)	East Maui	Sale	25	Storm drainage improvements	AHF State GIA USDA
SubTotal			25	East Maui Homes	
Hokuao Homes TMK 4-9-01:001 (por) TMK 4-9-002:061 (por)	Lanai	Rental	76	Proposed 201H, pending approval	Private
SubTotal			76	Lanai Homes	

Hökū'ula at Hāli'imaile TMK 2-5-003:029	Paia-Haiku	Sale	88	Construction begins 2021	Private
SubTotal			88	Paia-Haiku Homes	
East Waipulani Village (former Alakai Apartments) TMK 3-9-001:034 (por)	South Maui	Rental	31	Pending subdivision approval	No information available
Hale Kaiola TMK 3-9-029:049	South Maui	Sale	40	Council approved Sept 2020	No information available
Hale O Piikea – Phase I TMK 3-9-002:76	South Maui	Rental	90	Count approved funding for Phase. Future additional phases include 96 senior rentals and 32 townhomes	LIHTC Hula Mae RHRF AHF
Kaiaulu O Halelea TMK 2-2-024:033	South Maui	Rental	63	County approved funding from AH Fund	LIHTC RHRF AHF
Kilohana Makai TMK 3-9-004:141	South Maui	Sale	28	CIZ approved by Council with conditions. Pending subdivision approval	Private
Liloa Hale TMK 2-2-002:072 (por)	South Maui	Rental	149	Council approved budget. 2.97 scheduled August 2021	No information available
SubTotal			401	South Maui Homes	
Keawe Street Apartments TMK 4-5-021:003 (port)	West Maui	Rental	197	Pending final subdivision approval	LIHTC RHRF AHF
Makila Farms TMK 4-7-013:003 TMK 4-7-013:004 TMK 4-7-013:005	West Maui	Sale	19	Pending final subdivision approval	No information available
Pulelehua Phase I TMK 4-3-001:082 TMK 4-3-001:083 (por)	West Maui	Rental	90	State LUC approved for 500 AH units. Pending Maui Planning Comm review	No information available
SubTotal			306	West Maui Homes	
Total			1,702	Tier 1 Affordable Homes	
			484	Sale	
			1,218	Rentals	

Tier 2a. Concept/development phase, and/or requires barrier removal. Potential to contribute to Affordable Housing inventory in next five years.

Project Name	District	Housing Type	Estimate # Affordable Units	Status	Anticipated Funding
Waikapu Country Town (Maui Tropical Plantation) TMK 3-6-004:003 (por) TMK 3-6-004:006 TMK 3-6-006:036 TMK 3-6-005:007 TMK 3-6-002:003 (por)	Central Maui	Sale	287	County-initiated zoning. Early planning	No additional information available.
SubTotal			287	Central Maui Homes	
Fifth Street Lanai Property TMK 4-9-002:058	Lanai	Sale	50	County-owned land. Funding for early planning	AHF
		Rental	100		
SubTotal			150	Lanai Homes	
Hale O Piikea – Phases II and III TMK 2-3-9-002:076	South Maui	Rental	96	Land acquisition with AHF	AHF
		Sale	38		
Kamaole Pointe Condominiums TMK 3-9-020:010	South Maui	Sale	129	Pulling permits	No information available
SubTotal			263	South Maui Homes	
Total			700	Tier 2a. Affordable Homes	
			504	Sale	
			196	Rentals	

Tier 2b. Concept/development phase, and/or requires barrier removal. Potential to contribute to Affordable Housing inventory in next five years if plan recommendations followed.

The split of rental and for-sale ownership for these projects is unknown. For the purposes of the plan, it has been estimated that 66% of total units will be rental with the exception of Department of Hawaiian Home Lands properties that are estimated to be a majority ownership. Affordable developments at the county-owned Baseyard property and Kihei Police Station property have been limited to 500 units.

Finally, it has been estimated that 70% of DHHL projects will be affordable for households at or below 120% AMI. The county is encouraged to work with DHHL to try to expand rental housing development on trust land.

Project Name	District	Housing Type	Estimate # Affordable Units	Status	Anticipated Funding
First Assembly/MEO (A&B Sugar Museum) TMK 3-8-006:004 (por)	Central Maui	Rental	36	Potential for development	No information available
Kaahumanu Church TMK 3-4-014:002	Central Maui	Rental	15	Conceptual, seeking funding – planning/design	No information available
Maui County Baseyard Property (Kuihelani Highway property near Waiko Road) TMK 3-8-005:023	Central Maui	Sale	170	County-owned. Needs to be master planned. Potential to include WWTP	CIP AHF
		Rental	330		
Mission Grounds Development – Wailuku Union TMK 3-4-014:005	Central Maui	Rental	20	Conceptual, seeking funding – planning/design	No information available
Puunani Homestead Subdivision TMK 3-5-002:002 (por) TMK 3-5-001:064 (por)	Central Maui	Sale	113	DHHL property. Final Environmental Assessment published in 2020	NAHASDA DHHL
Waiko Road Property (Maalaea side) TMK 3-6-002:004	Central Maui	Sale		County-owned. Needs to be master planned. Anticipated county would develop either this property or the Baseyard property, not both	CIP AHF
		Rental			
SubTotal			684	Central Maui Homes	
Lanai Homestead Property TMK 4-9-024:051	Lanai	Sale	55	DHHL property. Environmental Assessment to be presented at Sept 2021 HHC meeting	NAHASDA DHHL
SubTotal			55	Lanai Homes	
Pā'ia Soccer Field TMK 2-5-005:060	Paia-Haiku	Sale	32	County-owned land	AHF
		Rental	48		
SubTotal			80	Paia-Haiku Homes	
Naiwa Homestead TMK	Molokai	Sale	40	Development plan. Begin construction 2022, dependent on	NAHASDA DHHL

				construction funding.	
Hoolehua Homestead TMK	Molokai	Sale	15	Development plan. Funds secured for water improvements. Begin construction 2022, dependent on construction funding.	NAHASDA USDA DHHL CIP
SubTotal			55	Molokai Homes	
Kihei Fire Station Property TMK 2-1-008:046 TMK 2-1-008:113 TMK 3-9-038:026	South Maui	Rental	75	County-owned land	No information available
Kihei Police Station Property TMK 2-2-002:070	South Maui	Sale	170	County-owned land. Road access and improvements needed	AHF CIP
		Rental	330		
Maui Research and Technology Park Residential TMK 2-2-024:017 (por) TMK 2-2-024:014 (por) TMK 2-2-002:085 (por)	South Maui	Sale	100	Planning. Phase 1 construction 2022-23. Partial infrastructure – need road improvements; regional storage tank	Private
		Rental	200		
SubTotal			875	South Maui Homes	
Honokawai Homestead Property TMK 4-4-001:015 TMK 4-4-002:003 (por.),008, 009, 011, 015, 018 (por.), 038	West Maui	Sale	500	DHHL property. State funding for water system. \$4 million gap funding needed.	NAHASDA DHHL CIP
		Rental	200		
Lealii Village 1B Homestead Property TMK 4-5-021:020	West Maui	Sale	150	DHHL property. Leg CIP appropriations for designs for road improvements. Offsite water improvements funded by DURF	NAHASDA DURF CIP
		Rental	100		

Waiola Church TMK 4-6-008:018	West Maui	Rental	24	Conceptual Phase 24-30 units, seeking funding - planning/design	No information available
SubTotal			974	West Maui Homes	
Total			2,723	Tier 2b. Affordable Homes	
			1,345	Sale	
			1,378	Rentals	
Combined Total			5,125	Tier 1+2a+2b Affordable Homes	
			2,333	Sale	
			2,792	Rentals	
Estimated Number Affordable Below 120% AMI*			4,437	Tier 1+2a+2b Affordable Homes	
			1,519	Sale	
			2,792	Rentals	

**Estimates that 814 for-sale units included in priority projects will be affordable for households between 120% and 140% AMI*

Anticipated Funding Key

- LIHTC = Low-Income Housing Tax Credits
- DURF = State Dwelling Unit Revolving Fund
- AHF = County Affordable Housing Fund
- State GIA = State Grant-in-Aid
- Private = 100% Privately Funded
- NAHASDA = Native American Housing and Self-Determination Act
- RHRF = Rental Housing Revolving Fund
- Hula Mae = Hula Mae Multi-Family Bond Program
- CIP = State Capital Improvement Project Funds
- USDA = United States Department of Agriculture
- DHHL = Department of Hawaiian Home Lands Trust

See Appendix M. Community Profiles for community priorities, recommendations, maps with infrastructure narratives, and more information on priority projects listed as Tier 1 and Tier 2a and 2b.

DEVELOPMENT STRATEGIES

General development strategies have been created for Tier 1 and Tier 2 projects as well as for County-owned land, Hawaiian Home Lands properties, and pilot and demonstration projects.

Tier 1 Development Strategy

The affordable housing coordinator will work with appropriate county departments to complete all of the development tasks outlined for Tier 1 projects.

1. Tier 1 projects that are 100% affordable will receive commitments for utilities from the various county departments. Those that are 201H projects, may have infrastructure issues for the market rate portions of their developments and the coordinator will work with the county departments to ensure that community serving infrastructure will be constructed so these projects can proceed.
2. Under the direction of the Community Oversight Board, issue requests for proposals to the Affordable Housing Fund:
 - a. Require developers meet housing affordability targets set by the Affordable Housing Plan.
 - b. Require that rental projects be affordable in perpetuity.
 - c. Require project developers adhere to the proposed 2.97 fast track design standards.
3. Review, score and submit funding recommendations to the Affordable Housing Fund's Community Oversight Board for concurrence and transmittal to the county council for final approval. Staff may negotiate award amounts with developers if there is disagreement on the amount necessary to achieve required affordability levels or specific items of development cost.
4. Negotiate final award amounts and terms.
5. Coordinate and conduct community engagement meetings to increase public awareness of housing opportunities.

On homeownership developments, the county will allocate funds sufficient to meet the targeted needs of Maui residents, but the actual funding will be determined by the incomes and financial need of the purchasers with incomes at or below 100% AMI. Developers will be required to work with approved HUD counseling agencies to determine the subsidy required by each household.

Tier 2 Development Strategy

The Affordable Housing Coordinator will work with appropriate county departments to complete all of the development tasks outlined for Tier 2 projects.

On county-owned parcels:

1. Work with county departments to secure zoning and other entitlements for county owned properties.
2. Work with the county departments and the Community Oversight Board to develop land use plans as appropriate to meet the housing needs of Maui residents.
3. Hold public meetings with community plan area residents to ensure to the extent possible development plans conform to community priorities and to discuss concerns that specific development plans might raise.
4. Submit project plans to the county council for final approval.

5. Solicit development proposals for the entire site or for specific parcels as appropriate to accommodate both for-sale and rental developers and to allow smaller developers to compete for portions of the site.
6. Require project developers adhere to the proposed 2.97 fast track design standards.
7. Recommend Affordable Housing Fund awards to ensure that the housing is targeted to the needs of Maui residents.

On land owned or controlled by the State, including on Hawaiian Home Lands:

1. Coordinate between the state agency and county departments to ensure that community serving infrastructure is developed efficiently and appropriately to meet the needs of the state lands and both county and privately held land suitable for development.
2. Help negotiate cost sharing agreements to finance the needed infrastructure for approval by the county council.
3. Encourage the state to develop their property targeting the needs of Maui residents.
4. Provide AHF funding to better target projects and to ensure long-term affordability of the subsidized units.
5. If requested manage the solicitation and funding of affordable housing on state lands.

Pilot and Demonstration Projects

Development of Tier 1 and Tier 2 priority projects is estimated to begin construction on 4,311 affordable homes for local residents at or below 120% AMI in the next five years. Pilot and demonstration projects will be needed to provide up to an additional 689 units. The proposed pilot and demonstration projects include acquisition and redevelopment, individual development accounts (IDAs) paired with affordable renter and first-time homebuyer programs that assist local residents in obtaining existing homes, supportive housing for extremely low-income residents, and financing for in-fill accessory dwelling units, ohana units, and single-family homes.

Acquisition and Redevelopment

Maui County should assess potential Tier 3 projects and other available properties for acquisition and redevelopment. Funding through the HUD 108 program could be used to leverage county funding to create mix-use opportunities. Assessments will need to be conducted by county departments, or third-party contractors, to determine the financial feasibility of the projects.

See Appendix N. HUD Section 108 for more information on federal resources that could support a mix-use acquisition and redevelopment project in Maui County.

Recommendation

1. County set a goal to purchase and redevelop at least two properties with up to 250 units of affordable housing targeting renters below 50% AMI.

IDAs with Renter and Homebuyer Programs

It is assumed that IDAs, paired with new affordable renter and first-time homebuyer programs administer by HUD counseling agencies will assist a limited number of local residents in obtaining existing homes in the market rather than through priority projects. IDAs and grants should be expanded to assist local residents pay first month's rent/deposit. The county should maintain its FY2021-22 budget for IDAs and grants throughout the plan's five-year term. Contracted administrators should be required

to provide a match to county funds in order to increase the amount of resources available to each homebuyer and, if uses of IDAs are expanded, each renter.

See Appendix O. Renter and Homebuyer Program Models for more information about IDAs paired with HUD housing counseling in other counties.

Recommendation

1. County set a goal to assist 100 local residents at or below 100% AMI in using these resources to obtain existing homes.

Supportive Housing for Extremely Low-Income Residents

Dedicated funding to the county's Experimental and Demonstration Housing Projects Fund should be increased to \$6 million annually. County-led projects like the University of Hawaii dorms and community-based projects like Aloha Ranch could utilize these funds to provide supportive housing to extremely low-income local residents at or below 30% AMI. These types of projects, when led by community-based organizations, have proven successful at securing significant private donations which could match county funding for gap needs and including on-site supportive services. Aloha Ranch is proposing a project that may not require significant funds from the county, but instead would benefit from assisting with obtaining a special use permit and moving through approval under an updated 2.97 fast track process.

See Appendix P. Supportive Housing Project Models for more information.

Recommendation

1. County set a goal of assisting at least two supportive housing projects that house 100 extremely low-income residents below 30% AMI.

Financing Accessory Dwelling, Ohana, and Owner-Builder Units

Maui County should partner with Treasury certified CDFIs and update its permitting and processing to streamline development of pre-approved accessory dwelling, ohana, and owner-builder units that are affordable for local residents below 100% AMI. CDFIs can provide technical assistance to owner-builders as well as deferred payment mortgages out of the Affordable Housing Fund up to \$150,000 (\$200,000 in Hana, Lanai, and Molokai) to finance development for homeowners without the means to use their home equity. The program could require owner-builders to make the units available for Housing Choice Voucher holders, which is projected to increase significantly with investments from the federal government and prioritize housing for kupuna, houseless residents, and persons with disabilities. CDFIs should coordinate with the building industry and the county's Department of Planning to develop a catalogue of pre-approved plans and a list of certified builders, architecture students at the university, and community development professionals to support owner builders.

See Appendix Q. ADU and Tiny Home Program Models for more information on a potential program for Maui County to contract out to a Treasury certified CDFI.

Recommendation

1. County set a goal to assist 250 homeowners in building these pre-approved units for local residents below 100% AMI over the next five years.

IMPLEMENTATION

Capacity

The plan recognizes the limited capacity and resources to implement this plan. The county should look assess the impacts of separating the Department of Housing and Human Concerns into two different departments, however, this would be a long-term goal that will not be achieved within the next five years.

For the short-term, it is recommended the administration and council work together toward common goals and create a cabinet-level affordable housing coordinator position in the mayor's office to manage plan implementation and together, appoint members to the Affordable Housing Fund community oversight board and community advisory committees. At the same time, it is important to note that research of other high-cost communities suggests that even if a Department of Housing and/or an affordable housing coordinator position is created, the county's affordable housing system will need to create partnerships with community development nonprofits and other key stakeholders to meet the needs of local residents, especially those who are extremely, very- and low-income (below 80% AMI).

Recommendations.

- 1. Mayor appoint affordable housing coordinator to cabinet-level position.**
- 2. Mayor and council appoint members to the Affordable Housing Fund community oversight board.**
- 3. Mayor and council appoint members to community advisory committees.**
- 4. County, through the affordable housing coordinator, partner with community development nonprofits to implement actions steps in the plan.**

Community Partnerships

There are three key groups of community-based organizations specializing on affordable housing and community development that should assist the county in the design and implementation of this affordable housing plan. They connect eligible households to affordable housing opportunities and have the sophistication to administer need-based assistance to ensure that housing is affordable. They understand housing policy and the impact of regulations on development, and they have connections in the community that help them understand the goals and aspirations of families needing housing assistance. Their missions go beyond affordable housing to create affordable communities.

HUD Housing Counseling Agencies

HUD housing counseling agencies are private, nonprofit organizations certified by the Department of Housing and Urban Development (HUD) to assist renters and homebuyers navigate local housing systems. Housing counselors are skilled and experienced professionals with knowledge of the federal, state and local programs in their market. Counselors provide assistance with budgeting, savings, credit, access to subsidies for down payment and rent deposits, education about rights and responsibilities of tenancy and homeownership, and prequalification for rental opportunities and affordable mortgage financing. Housing counselors have a duty to their clients to provide unbiased and objective information and safeguard against fraud, scams, and violations to fair housing and fair lending laws. HUD housing counseling is effective at improving the financial capacity of clients to rent or own homes and in reducing the likelihood of foreclosure. In 2018, approximately 1,089,333 households were served with HUD counseling across the United States with eighteen percent (18%) of households reporting improved financial capacity to rent or own homes by increasing income, increasing savings, reducing debt, or

improving credit⁵. A list of HUD certified housing counseling agencies serving Maui County residents has been included below.

- Council for Native Hawaiian Advancement
- Habitat for Humanity Maui
- Hale Mahaolu
- Hawaiian Community Assets
- Legal Aid Society

The county should fund these organizations to support implementation of the proposed plan by connecting project developers to eligible clients. Housing counseling services should be provided to all affordable housing eligible households. The counseling agencies should maintain prequalified lists of families that are approved for assistance. When a developer is establishing its wait list, counseling agencies can refer eligible clients to the developer. Based on the sales price and the family income, these agencies can certify the subsidy they will need to complete the purchase, or in the case of rentals, they can qualify families for assistance with deposits. Rather than providing developers with Affordable Housing Fund funding to write down costs, it is recommended the county use housing counseling agencies to qualify families for down payment assistance and Affordable Housing Fund funding for deferred payment second mortgages that write down housing costs to an affordable level.

Treasury Certified CDFIs

Treasury Certified CDFIs are private, nonprofit lending institutions that are certified by the United States Department of the Treasury as community development financial institutions (CDFIs). CDFIs provide critical financial products and services to economically disadvantaged people and communities throughout the United States. CDFIs respond to the gaps in the marketplace by administering loans and technical assistance to assist local families and developers in renting, purchasing, and building affordable homes. CDFIs pool public and private funds to address gaps in affordable housing systems with a particular focus on households at or below 100% AMI. A list of Hawaii-based Treasury certified CDFIs serving Maui County residents has been included below.

- Council for Native Hawaiian
- Hawaii Community Lending
- Hawaii Community Reinvestment Corporation
- Hawaii Habitat for Humanity
- HHOC Mortgage
- Molokai Federal Credit Union

The county should contract these organizations to support implementation of the proposed plan by administering the county's various funds for affordable housing and programs that assist with financing affordable units as well as renters and homebuyers. Treasury certified CDFIs should work with the county to identify other public and private funding sources to better align the county's existing resources with new resources for affordable housing. Contracted CDFIs will need to assist prequalified renters and homebuyers served by HUD housing counseling agencies so they have access to grants, individual development accounts, and deferred payment second mortgages to obtain affordable homes.

⁵ Department of Housing and Urban Development, 2018

Nonprofit CDCs

Nonprofit CDCs are private, nonprofit community development corporations (CDCs) created to support and revitalize low-income communities. These groups should be partners with the county in developing county-owned and land dedicated for affordable housing under the revisions to the workforce housing ordinance 2.96. In addition to nonprofit CDCs, there are other affordable housing developers that could further support the plan. Nonprofit CDCs and affordable housing developers are experienced in leveraging public and private resources including the Affordable Housing Fund. They understand housing policy and can assist in finalizing the details of plan design and implementation. A list of nonprofit CDCs is included below along with a complete list of affordable housing developers.

The ability to create 5,000 affordable homes in five years is critically dependent on the ability and the desire of nonprofit CDCs and other affordable housing developers to pursue development opportunities in Maui County and the ability of the county to respond and assist developers. The following is a comprehensive list of developers who have expressed interest in either affordable homeownership or rental housing development in Maui, statewide or only elsewhere in the state.

Developer	Contact	Where will they develop?
Nonprofit CDC		
EAH	Kevin Carney	Statewide
Habitat for Humanity Maui	Sherri Dodson	Maui
Hale Mahaolu	Grant Chun	Maui
Hawaiian Community Development Board	Kali Watson	Statewide
Ikaika Ohana	Doug Bigley	Statewide
Na Hale O Maui Community Land Trust	Cassandra Abdul	Maui
For-Profit		
AHE Development	Makani Maeva	Statewide
Alani Pacific	Howie Kihune	Maui
Alaula LLC	Lawrence Carcinelli	Maui
Alexander and Baldwin	Carol Reimann	Maui
Betsill Brothers Construction	Dwayne Betsill	Maui
Dowling Company Inc	Everett Dowling	Maui
F&W Land LLC	Dave Ward	Maui
GSF LLC	Gary Furuta	Statewide
Hokunui	Jim Hammett	Maui
Hope Builders	Kyle Ginoza	Maui
Michaels Development	Karen Seddon	Statewide
Pacific Rim Land	Leilani Pulmano	Maui
Savio Realty LTD	Peter Savio	Statewide
Schatz Collaborative	Linda Schatz	Statewide
Stanford Carr Development	Stanford Carr	Statewide
V. Bagoyo Development Consulting Group. LLC	Vince Bagoyo	Maui

Off-Island		
Nonprofit CDC		
Habitat for Humanity Hawaii Island	Patrick Hurney	Hawaii Island
HI Island Community Development Corporation	Jeremy McComber	Hawaii Island
Affordable Housing Kauai LLC	Steve Spears	Kauai
Habitat for Humanity Kauai	Milani Pimental	Kauai
Habitat for Humanity Honolulu	Jim Murphy	Oahu
Habitat for Humanity Leeward Oahu	Jo Bautista	Oahu
Self Help Corp of Hawaii	Claudia Shay	Oahu, Kauai
Catholic Charities of Hawaii	Rob Van Tassell	Oahu, Maui

All these organizations should be encouraged to break out of their silos and expand their development vision. County leadership will need to play a role in this, welcoming these efforts and listening to development concerns which might block developer interest.

The table (right) shows an estimate of the current capacity in each category is as follows.

AMI Level	Ownership	Rental
100%-120%	Strong	Average
80%-100%	Average	Weak
61%-80%	Weak	Weak
50%-60%	Average	Average
<50%	Weak	Weak

Although there are many nonprofit developers in the state, the majority are very small, lack desire to expand or limit themselves either geographically, by housing tenure (ownership vs. rental) or both.

In particular, the distributed network of Habitat for Humanity means that only one of their affiliates, Habitat for Humanity Maui, is willing to work on the island. Similarly, mutual self-help grantees (Hawaii Island Community Development Corporation, Kauai Habitat and Self-Help Corporation of Hawaii) either limit production to one island or are unwilling to work in Maui. Hawaii Island CDC has a promising model which might be able to be replicated elsewhere; they develop both rental and homeownership housing.

Another challenge is that one of the larger nonprofit housing developers, Catholic Charities, does not have internal development capacity. They rely on a for-profit developer to build their units under a 'turn-key' model. One successful nonprofit development model used in Washington state and Oregon is to split development expertise from ownership and asset management. In this model, nonprofit developers gain expertise and develop projects for other nonprofits. In this manner, the necessary skillsets and missions are divided in a more logical way. Many nonprofits are accustomed to partnerships and the common mission of affordable, low-income housing can drive success in the partnership.

Increasing nonprofit capacity can be a long-term solution for increased production, but it will not happen overnight. Creating internship or trades programs in partnership with developers and other stakeholders allows skills and experience to be taught but also to 'rub off' while evaluating development trainees' potential. The City and County of Honolulu has funded an entry-level development training series for community-based organizations and small nonprofits to increase their capacity to build affordable homes. Community-based organizations and nonprofits serving Maui County could benefit from this type of training as well as a higher-level training academy or series of classes targeted at nonprofit staff and leadership who want to expand their development activity.

Another method of increasing capacity is the partnership between for-profit market-rate developers and nonprofit developers through partnerships created when complying with the county's workforce housing ordinance. This would allow more development opportunities for nonprofits that already have some baseline skills and need economic opportunities to expand capacity. More projects = more capacity = more projects. In this situation, holding listening sessions between for-profits and nonprofits would allow for a matchmaking opportunity. The county should be involved in these sessions, which could be led by the Affordable Housing Coordinator, so that all parties are on the same page about the opportunities, the timelines, and the unknowns.

In addition to staffing, working capital will be an issue for many nonprofit developers. Raising risk operating capital for nonprofits will be necessary to expand capacity. Partnerships with Treasury certified CDFIs and philanthropy should be pursued in order to pool public and private resources to provide this type of capital along with technical assistance.

For-profit development capacity is likely not an issue, however, many for-profit developers have expressed concerns about the county's hard-to-navigate processes and unpredictable discretionary decisions. Clarity and predictability in county processes will encourage developers that have multiple development opportunities throughout the area to choose development in Maui County.

Very few of the for-profit developers have experience leveraging public financing. Increasing familiarity with sources of subsidy other than AHF and becoming familiar with overlap and conflicting regulations for various subsidy sources is particularly challenging. There are also opportunities for partnerships between for-profit and nonprofit developers and understanding what motivates the nonprofit can help to facilitate collaborations.

Capacity Building Recommendations

In priority order, the following are ways to increase developer responses to housing project solicitations and to expand the pool and capacity of nonprofit and for-profit developers, locally and headquartered outside of Maui County to produce more affordable housing.

- 1. Training, capacity building and relationship building for nonprofits and individual project managers who have or who may develop housing in Maui County.**
 - Program designed for nonprofit and for-profit developers that welcomes county officials, councilmember staff, and community members.
 - County sponsorship of 'matchmaking' between for-profit developers and nonprofits or between multiple nonprofits.
 - Create a learning community of staff from all counties in Hawaii to share best practices. Regular meetings could include representatives from all departments of Planning, Permitting, Water, Environmental Services, Public Works, and Housing to share best practices. The goal would be to build the collective capacity of county departments statewide that will lead to improved efficiency and effectiveness of affordable housing systems, while providing opportunities for troubleshooting issues.
 - Sharing best practices may include:
 - dedicating County land for affordable housing,
 - investing in community serving infrastructure,
 - streamlining building permits,
 - pre-approving home plans,
 - using technology for a more transparent permitting process,

- pursuing development strategies such as adaptive reuse
- facilitating ADU development
- manufactured housing issues
- administering subsidies for affordable rentals and deferred payment mortgages for home ownership
- issuing requests for proposal for affordable housing development and services.
- This learning community concept is a capacity building strategy that may be able to be funded by private philanthropic organizations and delivered in partnership with community development nonprofits with expertise in affordable housing development, funding, and financing.
 - Support of efforts to raise funds for capacity building work.
 - Partner with community groups, philanthropy, and university to fund and establish this work.

See Appendix R. Ho’owaiwai Network Capacity Building Model for more information about a learning community approach the builds resilience through interagency collaboration that could be replicated in Maui County specifically around affordable housing.

2. Conduct large scale analyses.

- County should fund or conduct comprehensive archaeological and environmental impact surveys and assessments and site monitoring for affordable housing projects, in particular those on county-owned lands.
- Projects on county-owned land could use health impact assessments to identify public health resources, community priorities, and engage community in planning affordable communities.

3. Improved County communication regarding entitlement and funding approvals.

- Clearly state the expectations of developers and county staff in development process.
- Create a consistent application process and timeline.
- Create a culture of partnership with developers in meeting the program goals and targets.
- Ongoing listening sessions with developers to share concerns, suggestions, and progress.
- Implementation of the county’s planned MAPS system.

4. Advocacy and partnerships for increased funding from public and private sources.

- Partner with community development nonprofits with expertise in leveraging public and private funding to deliver HUD counseling services, grants and loans through Treasury certified CDFIs, and develop affordable homes and communities in partnership with nonprofit CDCs.
- Use office of the mayor to bring together multi-sector representation with the goal of identifying opportunities for advocating for, or accessing, available resources that are not being used in the county’s current affordable housing system.

5. Commitment to award of some project funding to nonprofits that are expanding capacity.

- 10% minimum percentage of project funding to be awarded to ‘growing’ nonprofit developers despite lack of experience.

- 6. County endorsement of capital campaigns for nonprofits to build financial capacity.**
 - Affordable Housing Coordinator to receive updates from nonprofit developers on their financial needs for project implementation.
 - The office of the mayor should be used to coordinate meetings with federal and state officials and private funders to support investments in these nonprofits.
- 7. Training and internship opportunities in the housing development and construction trades.**
 - Partner with existing training and certification programs being delivered by nonprofits, educational institutions, unions, and businesses to build capacity of the industry to increase affordable housing development, conduct resource assessment, and provide cultural site monitoring.

See Appendix S. Trades Academy Model for more information about existing Hawaii-based training that is being implemented by a community development nonprofit.

Recommendations

- 1. Affordable Housing Coordinator reviews capacity building recommendations included in this plan.**
- 2. Mayor, with support from the Affordable Housing Coordinator, convenes community partners representing educational institutions, nonprofits, businesses, housing professionals, and unions to identify training and certification program opportunities.**
- 3. Mayor, and Affordable Housing Coordinator, meet with philanthropic organizations to share potential partnership in funding capacity building efforts.**
- 4. Philanthropic organizations match funding to pursue capacity building plan.**
- 5. Affordable Housing Coordinator issues requests for proposal for third-party facilitator with capacity building expertise based on recommendations.**

Roles and Responsibilities

Under the Maui County Comprehensive Affordable Housing Plan, the county will come together with the council, community development (CD) nonprofits, and community (includes affordable housing developers and all other key stakeholders) to implement on-the-ground efforts that will achieve the plan goals and targets. Each entity will play critical roles in this process. The table below outlines the plan’s broad activities and the recommended parties responsible for their implementation.

Plan Activities	Responsible Parties			
	County	Council	Community	CD Nonprofits
Update County Codes	X	X		
Allocate Funding		X		
Disburse Funding	X			X
Leverage Funding	X			X
Align New and Existing Resources	X			X
Plan Communities	X		X	X
Review and Approve Projects	X	X	X	
Build Communities			X	X
Prepare Families				X
Ensure Renter and Homebuyer Rights	X			X
Conduct Oversight Activities		X	X	
Monitor Progress	X	X	X	X

Recommendation

1. Council amends ordinance 3.35 to establish a Community Oversight Board to monitor and oversee investments out of the Affordable Housing Fund.
2. County appoints Affordable Housing Coordinator to the board.
3. Council appoints Affordable Housing Committee Chair to the board.
4. Council and county nominate additional members to the Community Oversight Board.
5. Community Oversight Board accepts, reviews, and disburses funds from the Affordable Housing Fund based on the Affordable Housing Plan goals and targets.
6. Community Oversight Board, with support from the Affordable Housing Coordinator, monitors development of affordable housing units and reports to the council at least annually on progress of the Affordable Housing Plan.

Financial Resources

The involvement of HUD housing counseling agencies, Treasury certified CDFIs, and Nonprofit CDCs will position Maui County for greater access to other public and private funding sources for affordable housing. These partners have expertise in aligning these sources of funds to create affordable opportunities for local residents and will be able to do so for the list of priority projects and additional development strategies included in this plan. The following shares the source and purpose of funds along with the county partner able to bring these financial resources to local communities.

Sources	Purpose	County Partner
Affordable Housing Fund Bond Sales	Community serving infrastructure, housing subsidies, support services	County
State Capital Improvement Projects	Road Improvements	State
State Revolving Fund	Water and wastewater improvements	State
Community Development Block Grant	Affordable housing development, support services	HUD housing counseling agencies, Nonprofit CDCs
HOME Investment Partnership	Affordable homeownership opportunities	Nonprofit CDCs
HUD 108 Program	Funding for mix use redevelopment projects	Treasury certified CDFIS
Low-Income Housing Tax Credits	Equity investments for low-income rentals and rent-to-own opportunities	Nonprofit CDCs
Rental Housing Revolving Fund	Housing subsidies for low-income rentals	Nonprofit CDCs
Hula Mae Multi-Family Bond	Funding for low-income rentals and multi-family homeownership opportunities	Nonprofit CDCs
US Department of Agriculture	Mortgage financing for homebuyers and rural infrastructure	HUD housing counseling agencies, Treasury certified CDFIS
Federal Housing Administration	Mortgage financing for homebuyers	HUD housing counseling agencies, Treasury certified CDFIS
US Department of Housing and Urban Development	Housing counseling	HUD housing counseling agencies
Banks and Credit Unions	Conventional and portfolio mortgage financing and construction financing; access to Federal Home Loan Bank down payment assistance and affordable housing grants	HUD housing counseling agencies, Treasury certified CDFIS
US Department of the Treasury	CDFI Fund for consumer and affordable housing loans	Treasury certified CDFIS

Proposed Year 1 Budget

Housing Programs	Year 1 Budget In \$Millions
Rental Housing Development 2,7925 units \$175,000 per unit	3
Deferred Payment Mortgage Subsidies for 1,686 owners \$150,000 each	
Pilot and Demonstration Projects	5.81
Planning, design, engineering, and construction management for affordable projects and administrative costs for Affordable Housing Plan	.07
Subtotal Housing	
Infrastructure Spending	
Planning, design, engineering, and construction management	2
Road Projects	
Water Projects	
Wastewater Projects	
Subtotal Infrastructure	
Total Funds	10.88

Year 1 Budget Narrative

The plan recommends the county utilize its allocated budget for Fiscal Year 2021-22 to hire an affordable housing coordinator, launch pilot and demonstration projects and begin investing in planning, design, and engineering work for county-owned lands. It is recommended the council increase the annual allocation in the Affordable Housing Fund up to \$58 million as soon as possible. The Year 1 budget assumes no additional funding will be allocated by the council in this fiscal year. If additional funding is available, it is recommended the county use it to pay for community serving infrastructure for one or more of the Tier 1 or 2 priority projects listed in the plan.

Administrative Costs - \$70,000

Hire an Affordable Housing Coordinator using the funds the county has budgeted to administer the Affordable Housing Fund. If possible, supplement with additional Department of Housing and Human Concerns funding to a fair market wage for the position.

Rental Housing Development - \$3,000,000

Issue request for proposal to target approximately 17 rental units so they are affordable to local renters below 50% AMI. This action step will be the first in the county using the Affordable Housing Fund to target affordability based on the goals and targets of the Affordable Housing Plan.

Pilot and Demonstration Projects - \$5,810,000

Contract HUD housing counseling agencies to administer affordable renter and first-time homebuyer programs with IDAs using funds budgeted for housing counseling through Hale Mahaolu (\$190,000) and Hawaii Community Foundation (\$250,000) with the expectation the funds pass through to a HUD housing counseling agency.

Provide \$250,000 in Home Acquisition and Ownership Fund monies for individual development account to provide to a HUD housing counseling agency, that has matching funds, so the county's reach can be expanded and the number of local residents through program and leverage its investment.

Contract a Treasury certified CDFI, that has matching funds, to administer the \$1.9 million Interim Financing and Buyback Fund with the goal of purchasing homes before expiration of marketing periods of current for-sale priority housing projects or other homes that are near their affordability end date, so the homes remain affordable for low-income buyers and the CDFI can facilitate permanent financing for the new owner to replenish the funds.

Issue a request for proposal from the Experimental and Demonstration Fund to contract a community-based organization, nonprofits, or both up to \$1 million to move forward with a supportive housing project that will serve extremely low-income residents with a focus on kupuna, homeless families, and persons with disabilities.

Disburse \$2,220,000 in First-Time Homebuyer grants for down payment to estimated 74 local homebuyers at or below 100% AMI served through HUD housing counseling agencies. This will be the second action taken by the county to use the Affordable Housing Fund to target affordability for homebuyers based on the goals and targets of the Affordable Housing Plan.

Planning, design, engineering, and construction management - \$2,000,000

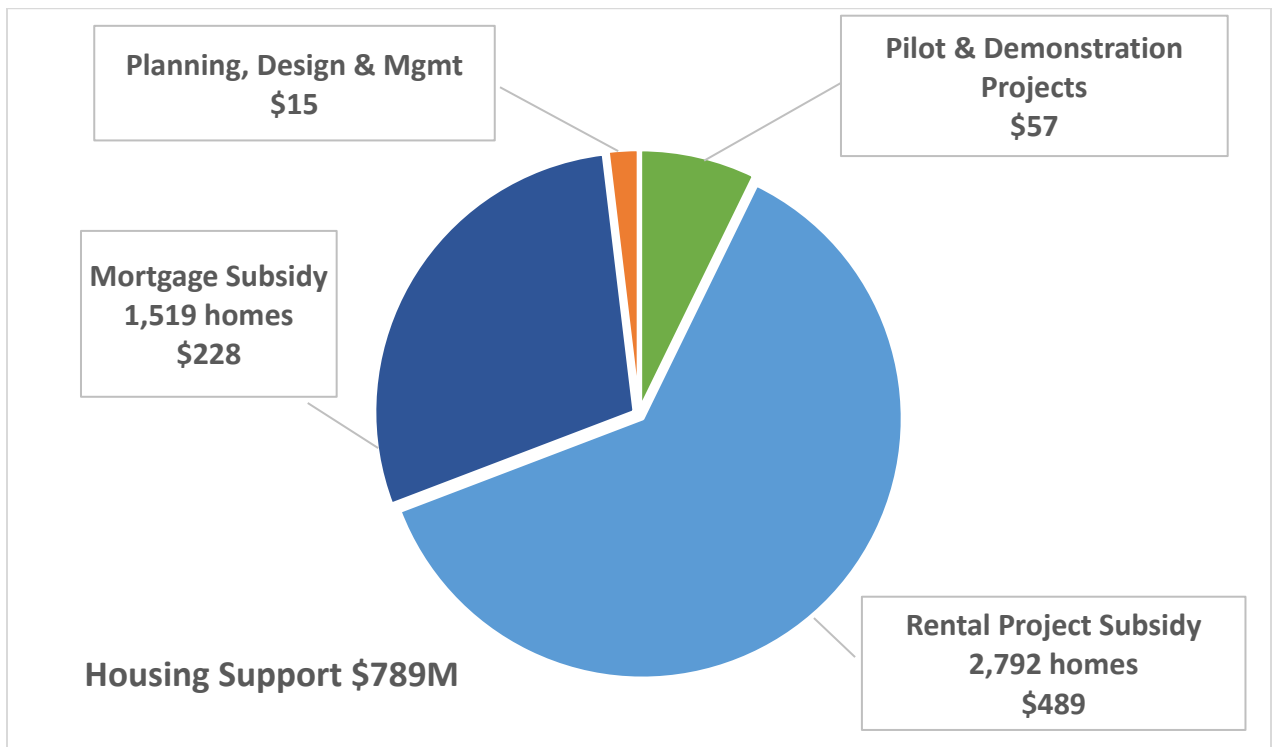
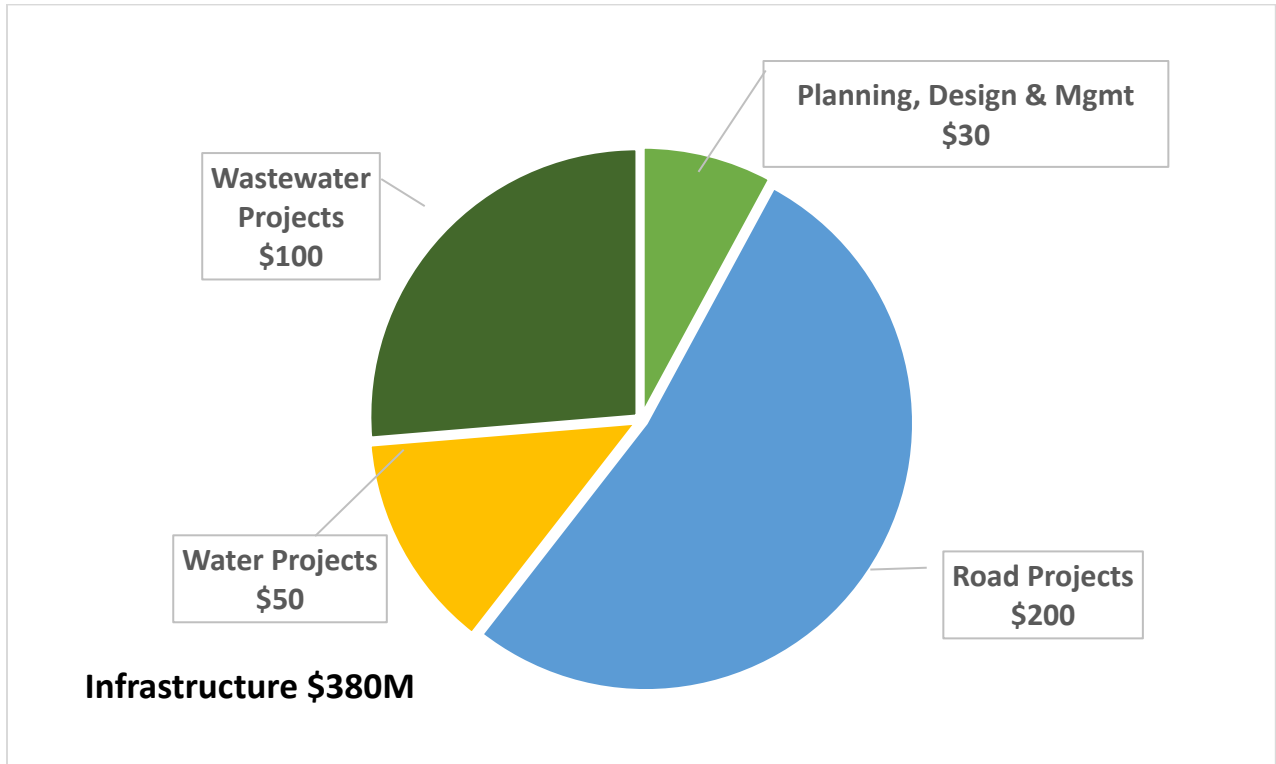
Expend \$2 million to coordinate county staff, or contract for third-party services, to begin master planning of the Lanai Fifth Street project.

Housing Programs	Year 1 Budget In \$Millions	Funds Needed 5 Years In \$Millions
Rental Housing Development 2,792 units \$175,000 per unit	3	489
Deferred Payment Mortgage Subsidies for 1,519 owners \$150,000 each	0	228
Pilot and Demonstration Projects	5.81	57
Planning, design, engineering, and construction management for affordable projects	.07	15
Subtotal Housing	8.88	789
Infrastructure Spending		
Planning, design, engineering, and construction management	2	30
Road Projects	0	200
Water Projects	0	50
Wastewater Projects	0	100
Subtotal Infrastructure	2	380
Total Funds	10.88	1,169

Year 2 – 5 Budget Narrative

Use of funds in future fiscal years will be wholly dependent the council’s decision on how much in funding to allocate to the county’s Affordable Housing Fund and whether or not the funds will be used to sell bonds to meet the plan’s goal of creating 5,000 affordable home opportunities for local residents in five years. It is recommended the council allocate \$58 million annually over the next five years and sell bonds out of the Affordable Housing Fund to fulfill the obligations listed in the budget above.

The following provides a breakout of budget line items covering the 5-year period of the Maui County Comprehensive Affordable Housing Plan.



YEAR 1 ACTION STEPS

The Maui County Comprehensive Affordable Housing Plan will be an exercise in trust building. There are differences of opinion and every stakeholder is passionate about their position, but these differences must not outweigh the common goal and commitment to the people of Maui, Molokai, and Lanai – to create 5,000 homes affordable for local residents at or below 120% AMI in the next five years.

It is recommended the county and council take decisive action steps over the next year that results in passage of enabling legislation within one year from the date of the notice to proceed for the development of the plan (November 2021). The timeline start date will begin on July 19 with the presentation of the plan to the county council’s affordable housing committee.

The recommended action steps below are intended promote transparency, accountability, and community engagement. As each action is completed, decisions will be made that stay made, greater certainty will be achieved in the marketplace and the feasibility of priority projects and development strategies that will utilize committed county funds for affordable housing will grow.

Time	Council	County
Within 30 days	<ol style="list-style-type: none"> 1. Meet to review the Comprehensive Affordable Housing Plan and identify areas of consensus. 2. Come to agreement on recommendations and policy priorities to move forward toward implementation. 3. Announce agreement to the public and begin drafting enabling legislation. 	
Within 60 days	<ol style="list-style-type: none"> 1. Schedule hearings for Tier 1 priority projects. If multiple committee assignments, coordinate to hear jointly at full council. 	<ol style="list-style-type: none"> 1. Appoint Affordable Housing Coordinator as a cabinet-level position. 2. Begin to develop affordable housing plan implementation timeline and benchmarks.
Within 120 days	<ol style="list-style-type: none"> 1. Pass a bill to amend ordinance 3.35 to commit to use of Affordable Housing Fund monies for the Affordable Housing Plan including community serving infrastructure, housing subsidies, and support services for Tier 1-2 projects and planning for County-owned Tier 1-2 projects 2. Pass an omnibus affordable housing bill that includes the proposed recommendations to county ordinances based on the plan’s policy goals agreed to by the council and county 	<ol style="list-style-type: none"> 1. Conduct infrastructure assessments for priority projects on county-owned lands using existing budget resources.
Within 150 days	<ol style="list-style-type: none"> 1. Schedule and conduct monitoring and oversight hearings for progress on county: <ul style="list-style-type: none"> • Zoning Code reforms • MAPS implementation 	<ol style="list-style-type: none"> 1. Present affordable housing implementation plan timeline and benchmarks to the Council 2. Establish internal and external reporting and monitoring tools

Within 180 days	<ol style="list-style-type: none"> 1. Nominate representatives to the Affordable Housing Fund’s Community Oversight Board 2. Nominate representatives to Community Advisory Committees 3. Establish a county-council working group to review and mediate on impediments of Tier 3, stalled and delayed projects listed in the plan and identify which projects to move forward and to remove from county housing lists 	
Within 210 days	<ol style="list-style-type: none"> 1. Appoint representatives to the Affordable Housing Fund’s Community Oversight Board 2. Appoint representatives to Community Advisory Committees 	
Within 240 days	<ol style="list-style-type: none"> 1. Establish Council-County representative working group to review and mediate on impediments of Tier 3, stalled and delayed projects listed in the plan 	
Within 360 days	<ol style="list-style-type: none"> 1. Schedule and conduct hearings on affordable housing implementation plan progress 2. Schedule and conduct monitoring and oversight hearings for progress on county: <ul style="list-style-type: none"> • Zoning reforms • MAPS implementation • Affordable housing developments 3. Schedule and conduct hearings on the county-council established working group to review and mediate on impediments of Tier 3, stalled and delayed projects listed in the plan 	<ol style="list-style-type: none"> 1. Contract for professional services to develop, implement, and/or administer: <ul style="list-style-type: none"> • Pre-Qualified Lists of Affordable Renters and Homebuyers (HUD counseling agencies) • Down payment assistance IDAs, grants, and deferred payment mortgages for pre-qualified homebuyers (CDFIs) • Affordable housing developments on county-owned land (CD nonprofits)

APPENDICES

The following are referenced in the document and listed as appendices in the following order:

- Appendix A. High-Cost Community Matrix
- Appendix B. Survey of High-Cost Communities
- Appendix C. Community Recommendations
- Appendix D. Maui Housing Plan Share Back Complete Feedback
- Appendix E. Design Standards
- Appendix F. Workforce Housing Ordinance Revisions
- Appendix G. Local Residency Requirement
- Appendix H. Maui Sales Price Guidelines
- Appendix I. DHHC Correspondence to Council
- Appendix J. Rental Housing Pro Forma
- Appendix K. Homeownership Pro Forma
- Appendix L. Projects Lists for Tier 1-3, Hiatus, and Removed Projects
- Appendix M. Community Profiles
- Appendix N. HUD Section 108 Program
- Appendix O. Renter and Homebuyer Program Models
- Appendix P. Supportive Housing Project Models
- Appendix Q. ADU and Tiny Home Program Models
- Appendix R. Hoowaiwai Network Capacity Building Model
- Appendix S. Trades Academy Model

Appendix A: High-Cost Community Matrix

June 16, 2021

	1	2	3	4	5	6	7	8	9	10	
	Maui County	Aspen, CO	Bend, OR	Burlington, VT	Hood River, OR	Jackson Hole, WY	Key West, FL	Mammoth Lakes, CA	Park City, UT	Truckee, CA	Vail, CO
Population (2010 census)	154,834	6,658	157,733	213,000	7,167	9,577	73,090	8,234	7,558	16,180	5,305
Home Price (Zillow, April 2021)	\$ 739,798	\$ 2,155,836	\$ 562,588	\$ 372,436	\$ 508,657	\$ 872,284	\$ 711,024	\$ 524,695	\$ 1,027,216	\$ 856,853	\$ 1,243,844
Median AMI (HUD, 2021)	\$ 95,900	\$ 106,400	\$ 83,000	\$ 95,900	\$ 76,800	\$ 115,600	\$ 84,400	\$ 78,900	\$ 120,800	\$ 89,800	\$ 98,300
Ratio Home Price/Median AMI	771%	2026%	678%	388%	662%	755%	842%	665%	850%	954%	1265%
Density Bonus?	Yes	Yes	Yes	No	Yes	Yes	Yes ¹	Yes	No ²	Yes	Yes
State DB?	No	No	No	No	No	No	Yes	No	Yes	No	No
Land donation?	Yes	No	No	N/A	Yes	No	No	Yes	Yes	Yes	Yes
Partnered commercial bonus	No	No	No	N/A	Yes	No	No	No	Yes	No	No
Inclusionary?	Yes	No	Yes	No	Yes	Yes ³	Yes	Yes	Yes	Yes	Yes
% units required	Linkage ratio	N/A	15% - 25%	N/A	Linkage ratio	30%	N/A ⁴	15%	15%	Linkage ratio	Linkage ratio
in lieu fee?	Yes	N/A	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Workforce Housing requirement?	Yes	No	No	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
WFH in-lieu fee?	Yes	No	No	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
ADUs qualify?	Yes	N/A	No	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Green building requirement for IZ/WF?	No	No	Yes ⁵	No	No	Yes	No	Yes	No	No	No
Dev. Organization?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
what type?	HA	H.A.	City/CLT	HA	NP	HA	Non profit	CLT	HA	Town/HA	Town/HA
Dependent/Independent	Ind	Ind	City	Ind	Ind	Ind	Ind	Ind	Ind	Ind	Dep
Site acquisition?	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
CLT?	No	No	Yes ⁶	No	Yes	Yes ⁷	No	Yes	No	No	No
ADU policy?	Yes	Yes	Yes	Yes	Yes	Yes	Creating	No	Yes	Yes	Yes
AH mitigation fee?	No	No	No	No	Yes	No	Yes, see IZ	No	No	No	No
AH special tax?	Yes ⁸	Const. Excise	Yes ⁹	Const. Excise	No	Yes ¹⁰	No ¹¹	No	No	No	No
Fee waivers?	Yes	Yes	No	Yes	Yes	No	No	Yes	No	Yes	Yes
Local preference?	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes

¹ Mammoth Lakes has a separate DB program from the State

² Truckee extends the State's DB program

³ Key West has Inclusionary Zoning on Residential Development only

⁴ Mammoth Lakes has fee only inclusionary

⁵ statewide requirement. Vermont passed Green Bldg requirements for entire state and updated them in 2

⁶ Burlington is included in the three county Champlain Housing Trust

⁷ Monroe County Community Land Trust and private NP, not specific to Key West but can work there.

⁸ 1% RE Transfer Tax

⁹ 0.5% of municipal property taxes. Municipal taxes are 0.9% of property value HTF collects about \$300k per year.

¹⁰ Key West uses revenues from parking meter fees to fund the Housing Trust Fund.

¹¹ Mammoth Lakes is preparing to put a 1% Transient Occupancy Tax on the ballot to use on housing.

CLT = Community Land Trust

HA = Housing Authority

Appendix B - Survey of High-Cost Communities

Ten communities of varying size and housing cost were surveyed. See the following table.

population = 2010 census

price = median home price, Zillow, April, 2021

income = County Household HUD Area Median Income, 2021

ratio = median home price to income

	Maui County, HI			
	Population	154,834 (County)		
	Price:	\$739,798		
	Income:	\$95,900		
	Ratio:	771%		
	Aspen, CO			Bend, OR
Population	6,658 (City)		Population	157,733 (County)
Price:	\$2,155,836		Price:	\$562,588
Income:	\$106,400		Income:	\$83,000
Ratio:	2,026%		Ratio:	678%
	Burlington, VT			Hood River, OR
Population	213,000 (County)		Population	7,167 (City)
Price:	\$372,436		Price:	\$508,657
Income:	\$95,900		Income:	\$76,800
Ratio:	388%		Ratio:	662%
	Jackson Hole, WY			Key West, FL
Population	9,577 (City)		Population	73,090 (County)
Price:	\$872,284		Price:	\$711,024
Income:	\$115,600		Income:	\$84,400
Ratio:	755%		Ratio:	842%
	Mammoth Lakes, CA			Park City, UT
Population	8,234 (City)		Population	7,558 (City)
Price:	\$524,695		Price:	\$1,027,216
Income:	\$78,900		Income:	\$120,800
Ratio:	665%		Ratio:	850%
	Truckee, CA			Vail, CO
Population	16,180 (City)		Population	5,305 (City)
Price:	\$837,111		Price:	\$1,243,844
Income:	\$89,800		Income:	\$98,300
Ratio:	954%		Ratio:	1,265%

See attached matrix of community efforts (Exhibit **A**)

1. City of Aspen, CO

1. Relevance of selected municipality:

Aspen was chosen because of the extreme unaffordability that exists within the community; the ratio of home prices to income was 2,026%.

2. Development Organization – Aspen Pitkin Housing Authority

- **Type:** Housing Authority- does not do housing development. The Aspen Pitkin County Housing Authority (APCHA) is the county's largest affordable housing program, it does not do any housing development work. From time to time, affordable housing developers, which includes the City of Aspen, Pitkin County, area nonprofits and private developers, will ask APCHA for input on new housing development.
- **Legislation Required:** Joint City & County legislation to form the authority. In 1982, the first Intergovernmental Agreement (IGA) between the City and County was signed creating the Aspen/Pitkin County Housing Authority (APCHA) as an independent multi-jurisdictional housing authority charged with overseeing affordable housing for persons of low, moderate, and middle incomes, who are also permanent residents and employed full-time in the City and County. Inclusionary Zoning with Commercial Development Linkage AH requirements & fee-in-lieu.
- **Governance, structure, relation to municipal government:** There have been several updated IGAs since the first. The HA is a political subdivision and a public corporation for the State of Colorado, separate from the City and County, governed by Colorado Revised Statutes pertaining to multi-jurisdictional housing authorities.
- **Primary function and power:** APCHA was established as a multi-jurisdictional housing authority to assist the City and County in effecting the planning, financing, acquisition, construction, development, reconstruction, or repair, maintenance, management and operation of housing projects pursuant to a multi-jurisdictional plan. They provide residential facilities and dwelling units at affordable rental or sale prices to LMI households, employed or reside in the City or County, and have identifiable needs for affordable housing as defined by Authority Guidelines. The Authority Board is advisory to the City Council and County Commissioners on all issues and projects related to affordable housing. Has the power and duty to enforce all deed restrictions; establish and enforce Affordable Housing Guidelines (as approved by the City & County); adopt civil penalties for violations of deed restrictions or guidelines; and establish the position of a hearing officer for such purposes. All APCHA employees are City of Aspen employees and take direction from the City Manager. The HA Board has no authority to assign work to the staff. The City Finance Department performs accounting, payroll, and audit services for the HA.
- **Budget and sources of funds:** APCHA's budget is approximately \$9.1 million. The budget directly relates to the annual workplan for APCHA. The revenue stream for APCHA comes from the revenues from the sale and rental of properties and then Pitkin County and the City of Aspen contribute, 50/50, from their respective

General Funds to make up the balance of the ACPHA budget. The Authority's net capital assets were \$6,568,590 at the end of 2019.

- **Access to development capital:** The HA is authorized to issue bonds, notes, or other obligations payable solely from the revenues derived or to be derived from the function, service, or facilities of the Authority or other funds available to it but has never used these powers (See finance section below for further details).
- **Housing inventory and assets:** APCHA manages the five rental properties having 40 long-term rental units with rental priority given to eligible seniors 65 or older; 94 dorm-style winter seasonal units available from September 1st through April 30th; 217 long-term rental units with rental priority to the longest proven full time consecutive employment in Pitkin County. In addition, they have the for-sale deed-restricted units, that must be listed through them when sold and for which they monitor compliance with the housing guidelines. All the units listed have different categories of affordability and a variety of deed restrictions, which APCHA monitors and enforces.
- **Demonstrated record of success:** APCHA's focus is on property management and compliance for over 3,000 deed and/or income restricted units throughout the county. Part of this portfolio includes five different APCHA managed rental properties totaling 360 units.

3. Zoning/Codes:

Growth Management restrictions to which Affordable Housing development is exempt.

Inclusionary Zoning - *Affordable Housing Mitigation:*

- For commercial development, sixty-five percent (65%) of the employees generated by the additional commercial net leasable space, according to Section 26.470.050(b), Employee generation rates, shall be mitigated through the provision of affordable housing.
- For lodge development, sixty-five percent (65%) of the employees generated by the additional lodge pillows, according to Section 26.470.050(b), Employee generation rates, shall be mitigated through the provision of affordable housing. For the redevelopment or expansion of existing lodge uses, see Section 26.470.100(h).
- For the redevelopment of existing commercial net leasable space that did not previously mitigate (see Section 26.470.070(e)), the mitigation requirements for affordable housing shall be phased at fifteen percent (15%) beginning in 2017, and by three percent (3%) each year thereafter until sixty-five percent (65%) is reached.
- For free-market residential development, affordable housing net livable area shall be provided in an amount equal to at least thirty percent (30%) of the additional free-market residential net livable area.
- For all affordable housing units that are being provided as mitigation pursuant to this Chapter or for the creation of a Certificate of Affordable Housing Credit pursuant to Chapter 26.540, or for any other reason:
 - a. The proposed units comply with the Guidelines of the Aspen/Pitkin County Housing Authority, as amended.
 - b. Required affordable housing may be provided through a mix of methods outlined in this Chapter, including newly built units, buy down units, certificates of affordable housing credit, or cash-in-lieu.
 - c. Affordable housing that is in the form of newly built units or buy-down units shall be located on the same parcel as the proposed development or

located off-site within the City limits. Units outside the City limits may be accepted as mitigation by the City Council, pursuant to Section 26.470.110(b). When off-site units within City limits are proposed, all requisite approvals shall be obtained prior to approval of the growth management application.

d. Affordable housing mitigation in the form of a Certificate of Affordable Housing Credit, pursuant to Chapter 26.540, shall be extinguished pursuant to Section 26.540.120, Extinguishment and Re-Issuance of a Certificate, utilizing the calculations in Section 26.470.050(f), Employee/Square Footage Conversion.

e. If the total mitigation requirement for a project is less than .25 FTEs, a cash-in-lieu payment may be made by right. If the total mitigation requirement for a project is .25 or more FTEs, a cash-in-lieu payment shall require City Council approval, pursuant to Section 26.470.110(c).

f. Affordable housing units shall be approved pursuant to Paragraph 26.470.100(d), Affordable housing, and be restricted to a Category 4 rate as defined in the Aspen/Pitkin County Housing Authority Guidelines, as amended. An applicant may choose to provide mitigation units at a lower category designation.

g. Each unit provided shall be designed such that the finished floor level of fifty percent (50%) or more of the unit's net livable area is at or above natural or finished grade, whichever is higher. This dimensional requirement may be varied through Special Review, Pursuant to Chapter 26.430. (The regs get even more complicated for certain types of redevelopment or market rate housing types, but this gives the essence of how detailed Aspen gets on IZ). Accessory Dwelling Units are sometimes an allowed bonus density on residential property, as long as they are deed restricted and follow APCA guidelines. Detached ADUs must be deed restricted for sale and meet affordable housing guidelines.

4. Finance:

The City of Aspen had an accumulated total of over \$53 million in its affordable housing "150 Fund" in 2020. The fund generates about \$10 million annually from a 1% RE transfer tax, a 0.45% sales tax, and development fees. Pitkin County has a much smaller Housing Fund appropriated from the general fund (\$9 Million in 2017). Both governmental entities have done housing projects with and without APCA.

2. City of Bend, OR

1. Relevance of selected municipality:

The Bend market region (Deschutes County) includes the cities of Bend, Redmond, La Pine and Sisters of which Bend is the largest City by far. This region has a similar population size to Maui County and was also selected because the ratio of home prices to income is similar and the predominant local industry is tourism in addition to agriculture.

2. Development Organization – Housing Works

Founded as the Central Oregon Regional Housing Authority in 1973, Housing Works is a multi-county/regional Housing Authority for Deschutes, Crook and Jefferson Counties in Central Oregon. They believe that dignity begins with quality affordable housing, and they foster that dignity by providing award-winning, affordable homes and services that help people build a better future. They began to develop housing in 1990 and are an integral partner in the success of Bend's affordable housing efforts.

- **Type:** Quasi-governmental agency, Independent Housing Authority
- **Legislation Required:** None
- **Governance, structure, relation to municipal government:** Housing Works is an independent local government entity, with a 10-member Board of Commissioners. Housing Works actively participates in the Housing Advisory Committee.
- **Primary function and power:** Administer Housing Choice Vouchers, develops and owns housing, operates other housing programs (e.g., HUD Household Self Sufficiency)
- **Budget and sources of funds:** \$18.8 M, rents, Federal grants, other grants, developer fees. Administers a Section 8 voucher budget of \$7.7 M (1,272 vouchers)
- **Access to development capital:** The same as any other housing developer and/or housing authority
- **Housing inventory and assets:** as of 2019, they owned 1,030 units at 34 properties with a value of \$98 million.
- **Demonstrated record of success:** Assists 4,000 people annually.

3. Zoning/Codes:

- Bonus of up to 50% density for affordable housing projects (sliding scale based on percentage of units restricted).
- A Cottage Code will provide a housing type that responds to changing household sizes and ages (e.g., retirees, small families, single-person households); provide opportunities for ownership of small, single family detached units within residential zoning districts; encourage creation of more usable space for residents of the development through flexibility in density and lot standards; and support growth management through efficient use of urban residential land. Small units (<1000 sq ft) sharing open space
- Parking reduced from 1.5/unit to 1.0/unit for MFH under 60% AMI and to 0.5/unit for senior and intellectually challenged.
- They regulate/tax VRBOs, but funding used for tourism (Statewide)

- They plan to remove maximum density limits in medium and high-density zones to encourage larger projects. Low density projects are likely to continue to use the density bonus.
- Design standards have been reduced and simplified to make the development process more streamlined and predictable.

4. Finance:

- Impact/system development fees are waived or subsidized
- Their Capital Improvement Plan (CIP) is aligned with their housing pipeline, including re-prioritizing for affordable housing projects. This also the case with prioritizing areas for annexation.
- Bend Urban Renewal Agency (BURA) tax increment financing for low-interest loans up to 20 years with deed restrictions. This is funded primarily by tax increment funding (TIF) Districts.
- Property tax exemption is available for up to 20 years (no distinction for non-profit vs for-profit, must pass through savings to residents via reduced rent)
- Market rate permit fee .33% of permit value, used for programs serving up to 80% AMI

5. Other:

- The city attempts to remove subjective review criteria to ensure consistency and dependability for developers.
- The city delegates much of hearings/decision-making responsibility to Advisory Committee
 - Committee uses consensus building for decision making to the extent possible.
- The city is active in securing sites, including surplus property

3. City of Burlington, VT

1. Relevance of selected municipality:

The Burlington, South Burlington, Vermont Metropolitan Statistical Area (MSA) includes Chittenden, Franklin, and Grand Isle Counties. The population of the MSA as of 3/27/20 was 220,411. Personal income has been on the rise but much slower in comparison to escalating home prices and construction costs. This region has a similar population size to Maui County and was also selected due to the innovative relationship between local government and the development organization, the Champlain Housing Trust.

2. Development Organization – Champlain Housing Trust

In 2006 the Burlington Community Land Trust and Lake Champlain Housing merged to form the Champlain Housing Trust (CHT): a non-profit organization. Both organizations were founded in 1984 and enjoyed financial support from the City of Burlington, and both were charged with producing and maintaining permanently affordable housing – be it rental or homeownership – for low-income individuals and families. By merging in 2006, they combined their strengths to comprehensively serve the affordable housing and community development needs of Chittenden, Franklin, and Grand Isle Counties.

- **Type:** Community Land Trust, 501 (c)(3)
- **Legislation Required:** None
- **Governance, structure, relation to municipal government:** Board of Directors are elected annually by the membership at the Annual Meeting in January. Any member living in Chittenden, Franklin and Grand Isle counties can be nominated and be elected to the Board. The Board is made up of one-third public members, one-third general members and one-third resident members.
- **Primary function and power:** They work in the areas of single- and multi-family housing development and advocacy, engaging on all levels of government, and support and work within the confines of inclusionary zoning. CHT is affiliated with the Vermont Affordable housing Coalition and the Vermont Housing and Conservation Coalition. Nationally CHT works through several networks to advance housing policy and funding programs to address the needs of people having trouble accessing the housing market. These networks include the National Neighbor Works Association, Housing Partnership Network, Grounded Solutions Network, and Rural LISC.
- CHT focuses on the shared equity homeownership model, which is a way to lower the cost of buying a home. Champlain Housing Trust's shared equity program enables people to buy a home without a down payment and with a reduced mortgage. The two biggest obstacles to buying a home are saving for a down payment and the high prices of homes on the open market. The CHT prices their homes to be affordable for people at 80% AMI and below, with most owners being below 60% AMI. Lower home prices for buyers empowers them to build personal wealth from the equity in their home. Lower home prices for buyers empowers them to build personal wealth from the equity in their home.
- CHT also provides the following services:
 - Homebuyer Education
 - Credit and Budget Counseling
 - Financial Assistance/Down Payment and Closing Cost Assistance

- Special Lender Programs
- Home Maintenance Education
- Home Rehab Planning and Loans
- Delinquency intervention
- **Budget and sources of funds:** The CHT Consolidated Statement of Activities for FYE 2020 demonstrates grants as the primary source of revenue at 46%, rents at 33%, Property Management Fees at 8%, and Developer Fees at 3%. Donations and miscellaneous fees round out the other revenue sources.
- **Access to development capital:** There is a very active business relationship between CHT and the Champlain Economic Development Office (CEDO) arm of the city. They share the responsibility of a program to help low and moderate-income homebuyers purchase duplexes in the city. CEDO provides organizational capacity funding to the CHT, and the CHT has access to the Housing Trust Fund through the City of Burlington.
- **Housing inventory and assets:** Net assets at the end of the year were \$350M with a substantial gain largely driven by property purchased with CARES Act funding to house people experiencing homelessness as a response to the public health emergency caused by Covid-19.
- **Demonstrated record of success:** In the past 25 years, CHT (combined efforts of both original organizations) has assisted 6,000 homeowners, developed and managed 2,500 apartments, and constructed and sold 600 affordable single-family homes on lands placed in trust.

3. Zoning/Codes:

- All projects with five or more units are required to set aside between 15-25% of the units for affordable housing, dependent on the cost of the market-rate homes.
- In certain 'less inclusive' parts of the City, they do not allow for in-lieu fees or land donations but will allow for off-site development to meet the requirement.
- Ownership projects target below 75% AMI and rental projects target below 65% AMI.
- All homes are price controlled for 99 years.
- From 1990 through 2019, they have created 235 affordable units.
- The City provides a 15-25% density and lot coverage bonus and an extra 12 feet of building height for additional 5% of inclusionary units.
- Unbundled parking on all mixed-use and transit corridor projects.
- If there is parking, priorities for bikes and carpool spots
- **One Stop Shop for entitlement.** 90 days from application submission to entitlement. Burlington has worked hard to ensure coordination between all the departments involved in entitlement and that each project is assigned to a staff member that shepherds the project through the process.

4. Finance:

- The City does not waive fees, they consider their inclusionary zoning program their 'method' of incentivizing affordable housing.
- Similarly, they do not acquire land for affordable housing.

- Burlington has an Affordable Housing Trust funded by 0.5% of all municipal property taxes. Generates approximately \$400,000 a year for affordable housing projects
- Capital improvement budget is aligned with affordable housing goals

5. Other:

- **Development Review Board** grants entitlement instead of the City Council. The Board is a separate entity that ensures buildings meet design and affordability standards.

4. City of Hood River, OR

1. Relevance of selected municipality:

The City of Hood River was selected due to the tourist and agricultural basis to its economy and the similarity in its housing ratio.

2. Development Organization – Mid-Columbia Housing Authority/Columbia Cascade Housing

- **Type:** Quasi-governmental agency, Independent Housing Authority with affiliated non-profit housing development corporation. Multi-County and multi-state.
- **Legislation Required:** None
- **Governance, structure, relation to municipal government:** Technically, the MCHA operates in Oregon and provides all services to Columbia Gorge Housing Authority, across the Columbia River in Washington. The non-profit Columbia Cascade Housing Corporation provides housing development services to both in both states. MCHA has a Board of Commissioners consisting of nine government appointees and one resident member. CCHC has an independent board consisting of appointed members from MCHA as well as elected members.
- **Primary function and power:** The Mid-Columbia Housing Authority and Columbia Gorge Housing Authority provide safe, decent, affordable housing to low-income families in Wasco, Sherman, and Hood River Counties in Oregon (Mid-Columbia HA) and Klickitat and Skamania counties in Washington (Columbia Gorge HA).
- **Budget and sources of funds:**
- **Access to development capital:** The same as any other housing developer and/or housing authority.
- **Housing inventory and assets:**
- **Demonstrated record of success:**

3. Zoning/Codes:

- The city maintains a progressive ADU policy which encourages development of units for long-term rental, and which are subject to the State's Short-Term Rental statute.
- Regulate/tax short-term rentals, but funding is used for tourism, which is regulated by State statute.
- The city exempts subsidized housing from its System Development Charges.

4. Finance:

- Construction Excise Tax 1% of permit value, used for programs serving up to 80% AMI
- The city has used CET funds to acquire a site which will be developed by a third-party as affordable housing, pending an upcoming RFP. It is intended to create at least 50 affordable units below 120% AMI and prioritize households below 80% AMI. The city used their balance of funds to leverage additional loan funds in order to secure the site.

5. City of Jackson Hole, WY

1. Relevance of selected municipality:

Jackson Hole has a tourism-based economy.

2. Development Organization – Jackson Hole Community Housing Trust

- **Type:** Housing Trust does housing development and Jackson/Teton County Housing Authority.
- **Legislations Required:** Joint Town and County legislation to form the authority and later a joint Housing Department.
- **Governance, structure, relation to municipal government:** Jackson Hole Housing Trust, a private nonprofit, governed by a Volunteer Board of Directors and is independent of government operations. Housing department – Joint Town of Jackson/Teton County Housing Authority does not do housing development and was superseded by a joint Town/County Housing department.
- **Primary function and power:** Jackson Hole Housing Trust, a private nonprofit, which develops and acquires housing and creates ground lease agreements to maintain affordability. Housing Trust tends to target families earning up to 120 percent of the median income. Activities of the Housing Authority include both oversight of existing inventory of deed restricted homes and facilitation of building new rental and ownership opportunities, but not development.
- **Budget and sources of funds:** Jackson/Teton Housing Department and Housing Authority have a combined operating budget of approximately \$700-\$800 thousand annually equally appropriated by the two jurisdictions, with about \$3-\$4 million from appropriations, housing revenue, and mitigation fees supporting acquisition & development, usually public/private partnerships). The Jackson Hole Community Housing Trust had an operating budget of approximately \$1.7 million in 2019 and net assets of \$10 million. Expenditures outpaced revenues and donations/fund raising made up the difference.
- **Access to development capital:** Only through auspices of the Town/County. Any development funding is allocated from the General Funds of Town/County and mitigation fees, excess rental revenues from the Housing Authority and grants. Other potential sources are Public/Private Partnerships with nonprofit developers and for-profit developers.
- **Housing inventory and assets:** The Joint Housing Department of Jackson/Teton manages 505 rental units, 359 ownership units, and 241 dorm beds. Teton Habitat manages 49 ownership units. Jackson Hole Housing Trust manages 115 ownership units and 28 rental units. There were 148 deed restricted units added in 2019-2020 and an additional 137 anticipated in 2021.
- **Demonstrated record of success:** repeated attempts to pass a sales tax dedicated to housing have failed. The affordability gap continues growing wider and wider annually and the supply of affordable housing can't keep up with demand under the status quo of the government's joint efforts.

3. Zoning/Codes:

- Joint Town/County Affordable Housing Requirements on New Development.

- Inclusionary Zoning requires developers to provide the amount affordable workforce housing equal to the housing needed for the employees generated by the development who cannot afford market housing:
 - Ensure the units provided are affordable the spectrum of household incomes based on the Census reported distribution of household incomes for households making between 0 and 200% of median income:
 - At least 34% must be affordable rentals for households making less than 50% of median income
 - At least 27% must be affordable rentals for households making 50% - 80% of median income
 - No more than 23% may be affordable (rental or ownership) for households making 80% - 120% of median income
 - No more than 15% may be workforce restricted (rental or ownership)
- Accessory Residential Units are attached or detached units that are less than 1000 square feet in the County (800 in the Town) and cannot be subdivided from primary residence. Allowable as rental for workforce housing up to 120% of AMI. In some commercial zones ADUs are allowed, if used to house employees, who work in Teton County.
- Short term rentals (less than 30-days) only allowed in Lodging Overlay Zones.
- Incentives/Density Bonus allow more square footage or units on a property for permanent restricted workforce housing. The applicant must exceed the deed restricted affordable and/or employee housing requirement by at least 20 percent. Bonus allows buildings to be 25 percent larger if the extra square footage is deed restricted affordable or employee housing. This floor area ratio, or FAR, increase pertains only to certain zoning districts.
- The Town/County accepts a variety of methods to mitigate the IZ requirement in the following order:
 1. Any new unit
 2. Land dedication
 3. Use of a banked credit
 4. Restriction of an existing unit
 5. Payment of a fee

4. Finance:

Affordable housing in Teton County is jointly funded by annual equal \$1 million general fund contributions from the Town and County and mitigation fees collected by each jurisdiction from developers for approximately \$3.9 million annually. This AH Development fund was augmented in 2021 with a \$13 Million one-time appropriation from the jurisdictions to “kick-start” the acquisition/development of more AH units. The Jackson Hole Housing Trust does joint development projects with the Town/County, fund raises and secures grants for development. They use land leases to maintain affordability of their projects.

6. City of Key West FL

1. Relevance of selected municipality:

Tourist based-economy and a slightly larger population than many of the other tourism-based communities. Also chosen to provide geographic diversity.

2. Development Organization –Housing Authority of the City of Key West

- **Type:** Housing Authority performs housing development, owns and manages all affordable housing complexes in the community.
- **Legislation Required:** None.
- **Governance, structure, relation to municipal government:** Created by the City of Key West in 1938, the Housing Authority of the City of Key West Florida is governed by an independent Board of Directors and operating autonomously from the City.
- **Primary function and power:** Owns, manages, develops, and administers federal, state, and local affordable workforce housing programs for very low income to moderate income families.
- **Budget and sources of funds:** Annual budget of \$21,195,035 for 2021 from Operating Income, Government Grants, Investment Income and other sources.
- **Access to development capital:** Access to public funding through the State & Federal Government, Key West Affordable Housing Fund, great bonding capacity: assets of the Authority exceeded its liabilities by \$25,334,565 in Dec. of 2019.
- **Housing inventory and assets:** consisting of five low-income communities with 590 units, 7 affordable housing communities with 371 units, 254 Housing Choice Vouchers (Section 8), in addition to operating 225 units and 200 Housing Choice Vouchers for the Monroe County, and one senior living community offering maintenance-free living with 60 fully supported independent living apartments and 46 licensed assisted living apartments for eligible seniors.
- **Demonstrated record of success:** In the more than 80-year history of the Housing Authority it has grown from one public housing community with only a handful of employees, to administering four non-profit entities with 80 employees managing an inventory of 1,746 units and administering several federal and state programs and grants for local governments throughout Monroe County totaling millions of dollars.

3. Zoning/Codes:

Inclusionary Zoning for Residential Development Minimum of 10% of units developed or redeveloped must be low-income (at or less than 80% AMI), 20% median income (at or less than 100% AMI). Accessory “workforce” units are an allowed bonus density on commercial and residential property, if they meet income and rent requirements.

4. Finance:

Key West uses revenues from parking meter fees to fund the Housing Trust Fund. Unlicensed Transient residential units for rent less than 28 days are prohibited in Key West.

7. Town of Mammoth Lakes, CA

1. Relevance of selected municipality:

High cost, remote community with tourist-based economy.

2. Development Organization – Mammoth Lakes Housing

- **Type:** Sponsored non-profit – Mammoth Lakes Housing – originally intended to develop, now only managing existing stock of rental and First Time Homebuyer loans. Originally used to implement services on behalf of the Town bypass-through of funds, now the Town primarily uses Town staff for this.
- **Legislations Required:** None
- **Governance, structure, relation to municipal government:** Acts independently with representation from the City and County government (one elected official, each, is appointed to the Board of Directors consisting of 6-9 total Directors). Due to appointment of Directors by public bodies, the organization behaves as a public body under State public meeting laws.
- **Primary function and power** The Corporation's stated purpose is to provide decent housing that is affordable to low-income and moderate-income persons in Mono (including Town of Mammoth Lakes), Inyo and Alpine Counties. The organization has no extraordinary powers beyond those available to any tax-exempt non-profit corporation.
- **Budget and sources of funds** Annual budget of \$423,245. Sources of funds include \$330,000 in funds from the Town of Mammoth Lakes, \$43,500 in grant administration funds and \$26,500 in property management fees.
- **Access to development capital** No special access to development capital
- **Housing inventory and assets:** Organization owns or two rental properties, is co-general partner on two tax credit properties and owns one property in development. They also retain notes receivable on First Time Homebuyer Loans made by the organization.
- **Demonstrated record of success:** Assisted 125 home purchases, developed 130 rental and ownership units, raised \$45 million in grants, bonds and tax credits since 2003.

3. Zoning/Codes:

The Town offers a Density Bonus, by ordinance, which exists side-by-side with a statewide version but offers more options. The following are features of the Town's DB program:

- Requires a Use Permit
- Excludes transient units from the DB calculation
- Allows for choices amongst:
 - Lot coverage %
 - Setback reductions
 - Guest parking reductions
 - Maximum height increase
 - Reductions or elimination of one of the Multi-Family Residential Project standards
 - Approval of mixed-use zoning otherwise not allowed
 - Allows for 'stacking' qualifying factors to create additional bonus by:

- Provision of greater number of deed-restricted units
- Greater or longer restrictions
- Meets other housing element goals
- Allows for an automatic conversion of unit from ownership to restricted rental if owner fails to occupy
- 55-year resale restriction
- Rental units given preference for workforce rental units given to residents employed in Mono or Inyo County
- Rental projects restricted for at least 55 years.

State DB Program:

- Qualify under the following, at least:
 - 5% Very-low-income units, or
 - 10% low-income units, or
 - 10% moderate income, common interest development units, or
 - Senior housing or mobile home park
- Bonus available is dependent on the type of development and percentage by category
- Developer may combine up to three bonuses by using three different qualifying categories
- Concessions include:
 - Reduction in site development standards
 - Approval of mixed-use zoning
 - Other concessions as approved by the Town
- Units must remain restricted for at least 30 years
- Equity sharing upon resale of ownership units

4. Finance:

Housing Impact Mitigation Fees are paid on all new development, in order to mitigate the impact of development on housing for employees within the community. The use of revenue generated by these fees is for the planning for, administering, subsidizing, or developing workforce housing within the town limits.

Mitigation may be accomplished through the on-site provision of affordable units within the development. Those units must be affordable as established by the Town and are intended to be primarily for-sale units. The units must meet the livability and design standards established by the Town. Units provided on-site are not included in calculating the density for the purpose of determining maximum density under certain conditions.

Mitigation through off-site and/or dedication of land may also take place through similar conditions as on-site mitigation. Certain conditions must take place for land to qualify such as proper zoning, infrastructure, and environmental approvals.

The Town has placed conditions the mitigation units such as on-site distribution, unit-size, and amenities.

The Town is required to certify buyer-eligibility on all affordable units and rental units are to remain affordable for at least 55 years, 60 years on ownership units.

8. Park City, UT

1. Relevance of selected municipality:

This another high cost, tourism-driven community with a partner/developer relationship that appears to add benefit.

2. Development Organization – Mountainlands Community Housing Trust

- **Type:** Non-profit organization
- **Legislation Required:** None
- **Governance, structure, relation to municipal government:** MCHT is an independent corporation governed by a 13-member volunteer, community-based board of trustees with two formal government liaisons.
- **Primary function and power:** Acquisition and new construction of affordable housing, direct assistance in securing housing and needed basic services, and education and advocacy to promote housing policy. They operate a USDA-funded mutual self-help housing program where families build their own homes.
- **Budget and sources of funds:** \$4.6M in revenues from donated land, grants and developer fees, management fees, etc.
- **Access to development capital:** The same as other non-profit developers
- **Housing inventory and assets:** They co-own nine affordable rental properties and have total assets of approximately \$20M.
- **Demonstrated record of success:** More than 200 homes and nearly 500 units of rental housing.

3. Zoning/Codes:

- 15% of all residential units developed must be affordable housing units. Commercial property development must mitigate the housing impact for 20% of the employees generated by the business occupying the development (Inclusionary). All inclusionary units must be affordable to households below 80% of AMI.
- The City is now emphasizing true integration of inclusionary units within projects instead of off-site. All rental affordable units created must be within the developed buildings. Alternative methods of meeting this requirement may be available upon negotiation with the City, including:
 - land donations in equivalent value compared to the mitigation fee
 - Seasonal occupancy units in dormitory or single room occupancy form
- The City recently adopted an ordinance which reduces open space and setback requirements for housing developments with more than 50% of the units restricted to affordable housing (density bonus).
- The City is examining modification to zoning codes to incentivize Accessory Apartment (ADU) development.

4. Finance:

- The City uses Redevelopment (RDA) bonds to fund a pipeline of homeownership and rental projects through direct development (HO) and partnerships with private developers. They also use a portion of their Resort Tax income for the same purpose.
- The City waives impact fees for affordable housing projects. The amount is dependent on certain qualifications.

9. Town of Truckee, CA

1. Relevance of selected municipality:

Truckee is another constrained community with a tourism-based economy.

2. Development Organization – Consolidated Housing Authority of Sutter and Nevada Counties

- **Type:** Housing Authority (regional) covering Sutter, Yuba, Colusa and Nevada Counties.
- **Legislation Required:** None
- **Governance, structure, relation to municipal government:** Independent 14-member Board of Commissioners, including two from Nevada County: both are County Supervisors, and neither is from Truckee
- **Primary function and power:** Administer Housing Choice Vouchers, co-develops and owns housing, operates other housing programs (e.g., housing rehabilitation)
- **Budget and sources of funds:** \$24M in revenues and \$19M in assets. Revenues from rents (\$3.5M) vouchers (\$11.5M) and approximately \$1.2M in other revenue sources. Additional revenues in subsidiary non-profits. All revenues are based outside of Truckee.
- **Access to development capital:** The same as any other housing developer and/or housing authority
- **Housing inventory and assets:** They have many units in multiple projects in either ownership, including public housing or in partnership with other developers. None of these units are in Nevada County or in Truckee.
- **Demonstrated record of success:** In a five-year period from 2015-2019, they added 173 units. They have only recently begun to explore development in Nevada County, particularly in Truckee. They only do development in partnership with other non-profit or for-profit developers.

3. Zoning/Codes:

- Their Workforce Housing Ordinance assesses either unit development requirement or impact fees upon development of non-residential properties, dependent upon impact (# of employees generated). Each development agreement is separately negotiated with the Town and the current emphasis is on employee housing, not AMI restricted housing.
- Inclusionary Zoning includes a requirement of 15% of units be affordable. Of those units, all affordable below 120% AMI or half affordable at 80% AMI. Units may be developed on-site or off-site. Developers may pay a fee in lieu of developing the units.
- The Town uses both the State's default Density Bonus statute and their own ordinance, which gives developers choices. The maximum density increase for any bonus is 35% and additional bonuses in the form of concessions and non-unit incentives are available, as a part of a proposal and negotiation process between the developer and the Town.
- The Town recently created a long-term rental grant program which incentivizes converting short-term rentals to long-term by the payment of \$3,000/year with occupancy restricted to full-time employees of local businesses.

- Accessory Dwelling Units (ADUs) are governed by the Town's ADU ordinance. ADUs are allowed in all residential development. The code allows for one full and one junior (<500 square foot) unit on all single-family parcels.

4. Finance:

Late in 2020, voters in the Town approved a 2% increase in the Transient Occupancy Tax (TOT). Affordable housing is one of the approved uses of funds, which will be budgeted annual by the Town Council.

In addition to Federal funds, the Town has used TOT and General Funds to pay for land acquisition, BMIR loans, and loans/grants for infrastructure.

10. Town of Vail, CO

1. Relevance of selected municipality:

Chosen because of tourist economy and the high ratio of housing cost.

2. Development Organization – Vail Local Housing Authority

- **Type:** Housing Authority has done some housing development, one LIHTC project, now purchases deed restrictions from existing homeowners through the Town Housing Department. Also, Housing Department has built (through third party development agreements) and now manages deed restricted units.
- **Legislations Required:** None.
- **Governance, structure, relation to municipal government:** Volunteer members, appointed by Town Council overlapping terms, one Council Member sits on Board of five.
- **Primary function and power:** Mostly advisory but can use HA status under Colorado State statutes to obtain grants and/or do LIHTC Projects.
- **Budget and sources of funds:** Budget comes from Town, no other funding sources, except small annual income from LIHTC Project. Town Housing Department staff is administrative staff.
- **Access to development capital:** Only through auspices of the Town. Any development funding is allocated from the General Funds of Town or from Reserves, which has been as much as \$20-\$30 million total, but never all used for housing. Considering a vote of citizens to allow Sales Tax Increase to fund Affordable Housing.
- **Housing inventory and assets:** One LIHTC Project of 142 units for LMI at or below 60% of AMI. Town regulates for-sale Deed Restricted affordable housing units that are sold via lottery thru the Housing Department, condos & townhomes. Proof of working a minimum of 30 hrs. for a local business or 75% of income generated from a local business is required to enter the lottery. The Town also owns a 198-unit Apartment Complex 159 are Master-leased by Vail Resorts, the others are leased by other local businesses, all units serve as affordable workforce housing with multiple employees per unit. Town also owns an apartment building on its headquarters and maintenance site of 100+ units, strictly for employees, as well as about a dozen or so scattered site condos purchased over the years and a few units built into some fire stations and one home used by the Town Manager.
- **Demonstrated record of success:** Marginal, only the one LIHTC Project has been done, currently endorsing and supporting Town of Vail's InDEED Program to buy deed restrictions from existing or new home purchasers in the town. Money comes from General Fund Reserve with no permanent source currently available. Goal to add 1,000 restricted units by 2027, so far 153 done. The total number of deed-restricted rental units in Vail to date is 729, the majority of which were developed over the years as part of the zoning ordinance, which allows additional Gross Residential Floor Area over prescribed limits when restricted units were added.

3. Zoning/Codes:

Inclusionary Zoning for Residential Development (10% of GRFA), & Commercial Linkage (20% of employees generated based upon Nexus Study Rates or alt. evidence). Only Density Bonus is the one mentioned above for Adding Deed-Restricted Units to residential properties, giving additional GRFA granting minimal site coverage % increase. Vail has a "Mitigation Bank" for workforce housing built in anticipation of fulfilling commercial or residential IZ requirements for future development. Vail accepts a variety of methods Employee Housing Units (EHU) to mitigate the IZ requirement in the following order:

1. On Site Units
2. Conveyance of Vacant Property On-Site
3. Off Site Units
4. Payment of Fees in Lieu
5. Conveyance of Vacant Property Off-Site

4. Finance:

N/A No Direct Impact fees or tax revenues set-aside. Only source is General Fund direct allocations (or from Reserves) at discretion of Town Council. They accessed LITHC for one project.

Family and Community Resource Management - My 'Ohana



MY 'OHANA



Current System. Low pay rates, mounting debt, and limited savings make it nearly impossible for our local families to financially qualify for a rental or mortgage financing in the current affordable housing system. The system is complicated, hard to navigate, and we often learn about affordable home opportunities too late in the process to have adequate time to qualify for rental housing or for-sale homes when they become available. Even with the appropriate tools and knowing about affordable housing projects early on, we have to recognize our most vulnerable residents, who are extremely low-income (below 30% AMI), deserve opportunities for an affordable home and that this will likely be achieved with creative, community-based solutions.

Hawai'i residents report the lowest average annual pay rates in the United States at \$43,019¹, while Maui County residents pay median monthly rents of \$2,248². Those of us who are houseless are facing median monthly rents nearly 4 times what is affordable for us. The homes being produced through the current system do not meet the needs of our lowest income, most vulnerable populations, including our kupuna, houseless residents, and persons with disabilities.

Living in this economic environment, we often rely on credit cards and loans to make ends meet. The average Hawai'i resident holds \$68,656 in total debt with the average non-homeowner Hawai'i resident without a student loan and a student loan paying \$1,478 and \$1,570 in monthly debt, respectively³.

Unfortunately, our reliance on debt to cover living expenses often leads to poor credit and high debt-to-income ratios which further reduce our chances to financially qualify for affordable rentals or mortgage financing under the current affordable housing system.

As affordable housing opportunities are made available for our local families, we are often unaware of projects with enough amount time to use our very limited incomes to improve our credit, reduce debt, and build savings to qualify when the homes are ready for move-in. If we do not know what affordable housing projects are becoming available, we are unable to know the income and credit rules required to get into affordable homes built by those projects.

Analysis. Maui County's current affordable housing system has limited capacity and few tools available to help our local renters and homebuyers to financially qualify for rental housing and mortgage financing, learn about affordable housing projects, and pursue creative housing solutions for extremely low-income residents (below 30% AMI).

1 Prosperity Now, 2020

2 Hawai'i Housing Planning Study, 2019

3 Hawai'i Department of Business, Economic Development, and Tourism, 2019

The Department of Housing and Human Concerns (DHHC) does not currently have staff capacity to help local renters and homebuyers become financially qualified for affordable homes, learn about projects, or pursue creative housing solutions for extremely low-income residents.

HUD certified housing counseling agencies offer services focused on increasing the financial capacity of Maui County residents to rent or own homes.

Other counties in Hawai'i have funded or administer programs that assist their renters and homebuyers financially qualify for affordable homes that could be modeled in Maui County.

Community engagement for affordable housing projects is the responsibility of developers. Some have been successful at engaging community early in the process, while others have not.

Maui County has completed the University of Hawai'i dorm project as an example of a county-led creative housing solutions that addresses the needs houseless residents below 30% AMI. Other community-led approaches have proven successful in other counties, at lower cost per unit, and funded entirely with private donations. These community-led projects have benefitted from the Governor's emergency proclamation and assistance from the counties with permitting and infrastructure. To remain affordable for extremely low-income households, these projects cannot carry any debt. Aloha Ranch is an example of a potential creative solution to addressing the housing needs of our extremely low-income residents that could be pursued and supported by the county.

The county's fiscal year 2022 budget has allocated funding for DHHC to contract for HUD housing counseling services and support the county's pilot and demonstration project fund.

Conclusion. There exist promising models in other Counties and within Maui County that are successful at assisting renters and homebuyers navigate the affordable housing system and become financially qualified for rental housing or mortgage financing.

DHHC will begin to support HUD housing counseling with dedicated funding for budget year 2021-22. With county funding, HUD housing counseling agencies could establish Affordable Renter and First-Time Homebuyer Programs that:

1. Provide education and counseling to assist local renters and homebuyers in financially qualifying for affordable rentals and mortgage financing;
2. Maintain lists of prequalified renters and homebuyers who meet a Qualified Resident requirement to access grants and loans through the Affordable Housing Fund to afford upfront housing costs and/or reduce home prices so they are affordable, and;
3. Partner with developers to increase community engagement and awareness of affordable housing opportunities as well as support community-led housing solutions for extremely low-income populations.

HUD housing counseling agencies should partner with the county and Treasury certified CDFIs to provide prequalified renters and homebuyers access to grants, individual development accounts, and loans that address the barriers to obtaining affordable housing. The following are recommended program services, products, and elements that should be based on promising practices in other Counties:

First-Time Homebuyer Program

- HUD workshops and counseling to learn the homebuying process, protect homebuyer rights, create household budgets, review credit, and establish action plans to increase income and savings, reduce expenses and debt, improve credit, and qualify for affordable mortgage financing
- Grants and individual development accounts to provide up to \$25,000 in assistance for down payment and closing costs
- Deferred payment mortgages administered by Treasury certified CDFIs up to \$150,000 (\$200,000 for residents in Lanai, Molokai, Hana) to buy down the sales price of homes
- Limit grants, individual development accounts, and deferred payment mortgages to prequalified homebuyers, at or below 100% AMI, who can demonstrate 3 years of residency and workforce or public benefit history with copies of State tax returns and W2s or public benefits statements
- Referrals and assistance applying to affordable mortgage financing programs including Federal mortgage programs with down payment requirements as low as 0% to 3%
- Partner with developers to serve their waitlist homebuyers
- Maintain a list of homebuyers who have obtained a mortgage prequalification
- Partner with DHHC and developers to inform prequalified homebuyers of upcoming affordable housing projects

Affordable Renter Program

- HUD workshops and counseling to learn the rental process, protect tenant rights, create household budgets, review credit, and establish action plans to increase income and savings, reduce expenses and debt, improve credit, and qualify for affordable rentals
- Grants and individual development accounts administered by Treasury certified CDFIs to provide up to \$4,000 for first month's rent and deposit
- Loans administered by Treasury certified CDFIs up to \$5,000 for first month's rent and deposit
- Limit grants, individual development accounts, and loans to prequalified renters, at or below 100% AMI, who can demonstrate 3 years of residency and workforce or public benefit history with copies of State tax returns and W2s or public benefits statements
- Partner with developers to serve their waitlist renters
- Maintain a list of renters who income and credit qualify for affordable housing projects
- Partner with DHHC and developers to inform prequalified renters of upcoming affordable housing projects

DHHC will begin to support pilot and demonstration projects with dedicated funding for budget year 2021-22. Funding should be increased to meet demand for housing among our extremely low-income residents who have few options available to them in the current affordable housing system. County funding should be prioritized for community-led solutions that meet the housing needs of houseless persons at or below 30% AMI. Dedication or donation of land and assistance with permitting and infrastructure are additional ways the county could support these projects in moving forward in the next five years.

Recommendations. The following community recommendations will update the current affordable housing system so it can better assist our local renters and homebuyers in becoming financially qualified for rental housing and mortgage financing, improve community engagement and public awareness of projects, and support cost-effective, community-led options for housing our most vulnerable, extremely low-income residents below 30% AMI.

Recommendation 1. Establish Affordable Renter and Homebuyer Programs that provide HUD housing counseling and maintain lists of prequalified county residents who can access grants, individual development accounts, and loans to obtain affordable homes.

Recommended Actions

1. Affordable Housing Coordinator develops contracts for HUD housing counseling agencies to administer Affordable Renter and First-Time Homebuyer Programs.
2. DHHC executes contracts with HUD certified housing counseling agencies to administer the Affordable Renter and Homebuyer Programs and deliver services to Qualified Residents.

Recommendation 2. Invest in creative solutions to house extremely low-income households with a particular focus on kupuna, houseless residents, and persons with disabilities.

Recommended Actions

1. County Council increases its 2021-22 budget allocation to the Pilot and Demonstration Project Fund from \$1 million to \$6 million and requires priority for projects supported that serve households at or below 30% AMI with a particular focus on kupuna, houseless residents, and persons with disabilities.
2. Affordable Housing Coordinator issues requests for proposal for a nonprofit to develop a pilot or demonstration project.
3. Community Oversight Board, with support from DHHC, reviews proposals and awards funds to support pilot or demonstration projects.

Recommendation 3. Increase community awareness of affordable housing projects before, during, and after the entitlement process.

Recommended Actions

1. Affordable Housing Coordinator includes in contract with HUD housing counseling agencies a requirement to conduct outreach to prequalified renter and homebuyer lists of upcoming affordable housing projects as a condition of administering the County’s Affordable Renter and Homebuyer Programs.
2. DHHC, HUD housing counseling agencies, and developers work together to increase community awareness of upcoming affordable housing projects for renters and homebuyers on prequalified and developer waitlists.

Recommendations	Issue Addressed	Responsible Parties		
		County	Council	Community
1. Establish Affordable Renter and Homebuyer Programs	Reduce local families’ financial barriers to income and credit qualify for rentals and mortgage financing	X		X
2. Invest in Creative Solutions	Increase affordable options for ELI households including kupuna, houseless residents, and persons with disabilities	X	X	X
3. Increase Community Awareness of Affordable Housing Projects	Build public awareness of affordable homes before they are available	X		X

Family and Community Resource Management – My Community



MY COMMUNITY



Current System. Our current affordable housing system and community serving infrastructure are outdated. Under the status quo, our community’s shared goals of funding off-site infrastructure, creating affordable homes, and ensuring public health and preservation of cultural and environmental resources unnecessarily become competing priorities.

There is broad agreement across our communities that we must protect our public health and identify and preserve cultural and environmental resources as we create affordable homes in our local communities. Due to the extensive nature of our health, cultural, and environmental resources on Maui, Molokai, and Lanai, housing developments must complete impact assessments to protect, identify and preserve these valuable resources. These assessments can be cost prohibitive, especially for affordable housing developers, as they increase dedicated staff and contractor time to projects before they get approved.

Due to our outdated water, sewer, and road systems, nearly every affordable housing developer must pay for improvements to this community serving infrastructure before homes can be built. Regional infrastructure needs, including road improvements, water and wastewater treatment facilities, and transmission lines are needed in Central, South, and West Maui as well as in other priority development areas across the County. Under our current system, developers bring projects to the county for review and are required to pay for improvements to water, sewer, and roads upfront as a condition of building affordable homes. However, the costs of community serving infrastructure has become so high that they now stand as the primary barrier to developing affordable homes in our local communities.

Analysis. Maui County’s current affordable housing system lacks the funding necessary to conduct critically important resource assessments and community serving infrastructure – both of which are needed for building affordable homes.

The county does not have the capacity to proactively coordinate community engagement activities which may result in proposed projects that have significant community opposition and lack community awareness. However, the county has expertise internally, or through third-party contractors, to conduct infrastructure and resource assessments for affordable housing projects and communities that could reduce projects timelines, ensure identification and preservation of valuable community resources, and decrease the cost of homes on our local families. The county has funded a health impact assessment as a tool that can help communities, decision makers, and practitioners make choices that improve public health through a community-led design process.

Community development nonprofits, education institutions, housing professionals, businesses, and unions have partnered to establish training and certification programs that provide a pathway for apprentices to gain expertise and entry-level jobs in the housing sector. Housing industry professionals

have offered and provided their expertise to the County in conducting third-party health, cultural, and environmental impact assessments for developments.

Conclusion. There are Tier 1 and Tier 2 priority projects that could add to our affordable housing stock in the next five years if the county planned improvements to off-site infrastructure within those communities. The county needs to invest in off-site infrastructure in our local communities where Tier 1 and Tier 2 priority projects have been identified.

To ensure sound investment of Affordable Housing Fund resources, appropriate County departments, or their contractors, will need to conduct infrastructure assessments as part of their planning process.

County Affordable Housing Fund resources can be used for infrastructure work. The county's investment in water, sewer, and road infrastructure in our local communities, where priority projects have been identified, would not only reduce overall monthly rents and home prices for our local people, but also position the county to align its resources with federal, state, and private investments and engage in partnerships with nonprofit developers to further target affordability of homes for local residents at or below 50% AMI and between 61-100% AMI – the two income ranges where the need for housing is the greatest.

There is a strong willingness and interest in community for cross-sector partnerships that could reduce development timelines, specifically for affordable housing projects on county-owned land, while at the same time ensure identification and preservation of valuable health, cultural, and environmental resource through comprehensive assessments. The county would benefit from an expanded uses of Affordable Housing Fund monies to invest in planning and resource assessments for county-owned lands so those costs can be absorbed rather than passed on to affordable housing developers and our local families once the development is completed.

Recommendations. The following community recommendations will update the current affordable housing system so the county can take the lead on conducting resource and infrastructure assessments for priority Tier 1 and Tier 2 projects, contract community development nonprofits to develop county-owned lands and community serving infrastructure, and partner with multi-sector stakeholders to increase capacity in the affordable housing planning process.

Recommendation 4. Expand Affordable Housing Fund eligible uses for cultural, environmental, and health impact assessments for county-owned lands.

Recommended Actions

1. Council expands eligible uses of the Affordable Housing Fund to include cultural, environmental, and health impact assessments for county-owned lands.
2. Affordable Housing Coordinator works collaboratively with DHHC and the Departments of Water, Environmental Services, Planning, Public Works, and Management Services to review Tier 1 and Tier 2 projects identified in the plan that are county-owned or other properties that could be acquired by the county.
3. Affordable Housing Coordinator issues requests for proposal for a community development nonprofit to develop affordable housing projects on county-owned land by using Affordable Housing Fund monies to pay for needed health, cultural, and environmental impact assessments.

Recommendation 5. Partner with educational institutions, nonprofits, businesses, housing professionals, and unions to establish or expand professional certification trainings in health, cultural, and environmental impact assessments, cultural site monitoring, and other professional opportunities to support affordable housing project planning.

Recommended Actions

1. Mayor, with support from the Affordable Housing Coordinator, convenes community partners representing educational institutions, nonprofits, businesses, housing professionals, and unions to identify training and certification program opportunities.
2. Community partners align existing resources to develop training and certification programs focusing on health, cultural, and environmental impact assessments, cultural site monitoring, and opportunities to support affordable housing project planning.
3. Mayor announces affordable housing certification and training initiative in partnership with community partners.
4. Community partners deliver certification and training programs to assist local residents in participating in affordable housing planning processes.

Recommendation 6. Conduct comprehensive infrastructure assessments for priority project areas to inform and align investments in community serving infrastructure according to the Affordable Housing Plan goals and targets.

Recommended Actions

1. Affordable Housing Coordinator works collaboratively with DHC and the Departments of Water, Environmental Services, Planning, Public Works, and Management Services to identify priority Tier 1 and Tier 2 projects in the plan that need off-site infrastructure.
2. Affordable Housing Coordinator works collaboratively with DHC and the Departments of Water, Environmental Services, Planning, Public Works, and Management Services to conduct infrastructure assessments in the identified priority project areas for determining actual costs and needs.
3. Affordable Housing Coordinator issues requests for proposal for a community development (CD) nonprofit to develop county-owned lands, including to identify public and private resources that can be aligned to pay for the infrastructure costs in order to remove as impediments to development.

Recommendations	Issue Addressed	Responsible Parties		
		County	Council	CD Nonprofit
4. Expand Affordable Housing Fund Eligible Uses	Reduce costs and timelines for affordable housing development; Identify and preserve health, cultural, and environmental resources	x	x	
5. Partner to Establish Training and Certification Programs	Reduce costs of resource assessments; Build cross-sector relationships to support affordable housing	X		x

6. Conduct Comprehensive Infrastructure Assessments	Increase infrastructure capacity for affordable homes; Increase access to new and existing resources	x		x
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Make Home Possible – My ‘Ohana



MY ‘OHANA



Current System. High upfront costs of first month’s rent and deposit or down payment and closing costs make it nearly impossible for our local families to secure an affordable home today. Our current affordable housing system is inefficient at aligning opportunities that reduce these upfront housing costs either through grants, loans, or affordable mortgage financing.

Even when home seems possible for us, there are sales price guidelines that do not conform to mainstream mortgage standards which leaves our local homebuyers unable to use affordable mortgage financing to purchase a home. A lack of enforcement of fair housing and fair lending laws further complicates the process for our local families as they are steered toward mortgage lenders that are either not affordable or have financial requirements that do not match our incomes.

The county imposes sales price guidelines that do not conform to mainstream mortgage programs and have created separate sales guidelines for Hana, Molokai, and Lanai homebuyers which limit their maximum income amount by nearly 50%. Similarly, rent guidelines for these areas is also limited as compared to all other Maui County districts which can make it hard for nonprofit affordable housing developers to make their projects financially feasible.

Fair housing and fair lending laws that prohibit practices such as mortgage steering are not enforced. Local families are not ensured access to education about their rights as tenants and homebuyers under these federal laws. HUD counseling agencies have expertise in knowing these laws and provide information to increase knowledge of these federal laws, but their efforts are underfunded and unable to reach all renters and homebuyers seeking affordable homes in Maui County.

Analysis. Maui County has limited tools and capacity available to assist local residents in affording upfront costs of obtaining rentals or mortgage financing and enforcement of fair housing and fair lending laws. Rent and sales price guidelines are outdated and do not conform to the realities of the housing market.

Maui County renters pay a median security deposit and first month rent of \$4,496⁴. A 5% down payment on a median sale price for a single-family home in Maui County in April 2021 would have cost close to \$50,000⁵. The county does not offer rental deposit assistance and only offers \$30,000 First-Time Homebuyer grants to help with down payment and closing costs, but funding is limited and available through a lottery system. The county has funding dedicated to these homebuyer grants as well as individual development accounts for down payment and closing costs for Fiscal Year 2021-22.

4 Hawai‘i Housing Planning Study, 2019

5 Realtors Association of Maui Report, April 2021

Treasury certified CDFIs try to fill the gaps in the current system by providing individual development accounts for first month's rent/deposit and down payment/closing costs up to \$4,000, but funds are unable to meet demand.

The only state funding for IDAs comes from the Office of Hawaiian Affairs (OHA). OHA has invested in IDAs for last decade through its community grants to nonprofit organizations. OHA-funded nonprofits have matched their grants with grants from foundations to increase the amount of IDA funds available to local renters and homebuyers for first month's rent and deposit or down payment and closing costs.

The Federal Home Loan Bank serves as a membership organization and offers its member banks and credit unions access to the HomeStart and Native American Housing Initiative (NAHI). HomeStart provides first-time, low-income homebuyers grants up to \$7,500 for down payment and NAHI provides first-time, low-income homebuyers who are native Hawaiian, Native American, or Alaska Native, \$15,000. As of June 2021, Hawai'i was the only state in the nation that did not have an FHLB member bank or credit union actively accessing these programs for local, low-income homebuyers.

Federal mortgage loan programs are critical to assist low-income homebuyers afford the upfront costs of homeownership. 46% of all first-time homebuyers in the United States used FHA mortgages to purchase homes in 2012⁶. The percentage of first-time homebuyers in the United State who use a USDA mortgage to purchase homes is unknown. These types of programs, coupled with public investments in infrastructure and grants and loans to low-income homebuyers, can reduce home sales prices to as low as \$169,600 which, with federal USDA subsidies and on county or trust land, can be affordable for households as low as 25% area median income⁷.

Mortgage steering is illegal. The Federal Real Estate Settlement Procedures Act forbids any variation of it. Real estate agents, HUD housing counselors, developers, and other housing professionals may offer their potential buyers information about mortgage companies and loans, but cannot push buyers toward any particular mortgage lender. When our local homebuyers are steered toward specific mortgage lenders, they are less likely to benefit from federally subsidized mortgage programs that the rest of the first-time homebuyers in the United States use to secure homeownership.

There have been instances in which local homebuyers have applied for affordable homeownership opportunities and been informed by the developer that they must seek financing from specific mortgage lenders. This limits our local homebuyers' right-to-choice and their ability to find an affordable mortgage loan that fits their financial situation. Local mortgage lending institutions, cited by developers as required lenders for past projects, often do not provide access to federal mortgage programs that allow for down payments ranging from 0% to 3%. Mortgage loans through the Federal Housing Administration (FHA) and USDA (United States Department of Agriculture) 502 programs offer low down payments and flexible credit requirements to help local homebuyers qualify for homeownership.

The current Maui County Sales Price Guidelines limit a homebuyer's monthly payment of principal and interest to 28% of their gross monthly income and do not account for typical monthly mortgage costs including taxes, insurance, mortgage insurance, and homeowner association fees. In the mainstream mortgage marketplace, USDA limits a homebuyer's monthly payment of principal, interest, taxes, insurance, and homeowner association fees to 29% of their gross monthly income (USDA loans do not

6 National Association of Realtors, 2012

7 Comprehensive Affordable Housing Plan, Appendix K. Homeownership pro forma

charge mortgage insurance). For FHA financing, homebuyers are limited to a monthly payment of principal, interest, taxes, insurance, mortgage insurance, and homeowner association at 31% of their gross monthly income. Setting sales price guidelines that do not conform to mainstream mortgage standards limits our local families' ability to use Federal mortgage programs with low and no down payment requirements to purchase affordable homes. Furthermore, imposing separate guidelines for homebuyers in Lanai, Molokai, and Hana does not ensure they are treated equally and allowed the same maximum annual household incomes as homebuyers in all other districts.

Conclusion. The County should work with HUD counseling agencies through the proposed Affordable Renter and First-Time Homebuyer Programs to align public and private resources for upfront housing costs and for help in accessing affordable mortgage financing for our local homebuyers. By working through HUD counseling agencies, the county will be assured our local renters and homebuyers receive education about fair Housing and fair Lending laws as well as referrals in the event they have been a victim of discrimination. County sales price and rent guidelines need to be standardized across all districts to ensure equitable access to affordable rentals and affordable mortgage financing.

The county needs to enforce fair housing and fair lending laws to prohibit discrimination and mortgage steering. By enforcing existing laws, our local homebuyers will have greater access to low and no down payment federal mortgage programs. This effort can be supported by HUD counseling agencies which are required to refer their homebuyer clients to a variety of mortgage lenders with at least 1 of the options being a lender that offers FHA mortgages.

The county should update its sales price guidelines so they conform with FHA and USDA mortgage financing programs with the maximum monthly payment of principal, interest, taxes, insurance, mortgage insurance, and homeowner association fees capped at 31% of the homebuyer's gross monthly income. Separate guidelines for renters and homebuyers in Lanai, Molokai, and Hana should be eliminated and Qualified Residents in these areas should be provided increased subsidies to achieve equitable access to affordable homes as compared to renters and homebuyers in all other districts.

Recommendations. The following community recommendations will update the current affordable housing system so local renters and homebuyers can afford high upfront costs of obtaining rentals and affordable mortgage financing as well as benefit from the increased awareness and enforcement of federal fair housing and fair lending laws.

Recommendation 7. Provide grants, individual development accounts, and loans that assist renters and homebuyers at or below 100% AMI with upfront costs of obtaining rentals or affordable mortgage financing.

Recommended Actions

1. Council maintains annual funding in Fiscal Year 2021-22 for first-time homebuyer grants and individual development accounts for renters and homebuyers for the next five years.
2. Affordable Housing Coordinator issues requests for proposal for Treasury certified CDFIs to administer first-time homebuyer grants and individual development accounts for Qualified Residents in the Affordable Renter and First-Time Homebuyer Programs.
3. CDFIs matches county funds with other public and private funding to increase the amount of resources available to Qualified Residents on the Affordable Renter and First-Time Homebuyer Program prequalification lists.

Recommendation 8. Enforce fair housing and fair lending laws to ensure local homebuyers gain access to loan programs of their choice for mortgage prequalification and permanent financing.

Recommended Actions

1. Council passes legislation to levy fines on developers, real estate agents, or other housing professionals for violating fair housing or fair lending laws, including, but not limited to mortgage and mortgage prequalification steering, with fines going into the Affordable Housing Fund.
2. Affordable Housing Coordinator includes in contracts with HUD counseling agencies administering Affordable Renter and First-Time Homebuyer Programs to deliver education on fair housing and fair lending laws.
3. HUD housing counseling agencies refer renters to fair housing assistance if they have experienced fair housing discrimination and refer homebuyers to mortgage lenders with affordable mortgage financing programs including at least 1 lender that offers FHA mortgages for first-time homebuyers.
4. HUD housing counseling agencies report instances of fair housing and fair lending violations to the DHHC for action and issuance of fines.
5. DHHC collects fines by federal fair housing and fair lending violators and places funds in the Affordable Housing Fund.

Recommendation 9. Update Maui rental and sales price guidelines to conform to the mainstream mortgage marketplace and ensure equity for renters and homebuyers in Lanai, Molokai, and Hana.

Recommended Actions

1. Council amends county statute requiring different rental and sales guidelines for renters and homebuyers in Lanai, Molokai, or Hana.
2. Council amends the Affordable Housing Fund to provide deferred payment mortgages and project-based rental subsidies at a maximum of \$150,000 per unit and a maximum rate of \$200,000 for renters and homebuyers in Lanai, Molokai, or Hana.
3. DHHC eliminates the lowering of maximum rental and for-sale annual household incomes for renters and homebuyers in Lanai, Molokai, and Hana.
4. DHHC adopts Maui sales price guidelines that conform with FHA mortgage financing which limits maximum front-end housing payments at 31% of homebuyers’ gross monthly income.

Recommendations	Issue Addressed	Responsible Parties		
		County	Council	CDFIs
7. Align County Resources with Other Public and Private Resources to Assist with Upfront Housing Costs	Reduce upfront costs of obtaining rentals and mortgage financing for renters and homebuyers at or below 100% AMI	X	X	X
8. Enforce Fair Housing and Fair Lending Laws	Increase homebuyer access to affordable mortgage programs; eliminate mortgage steering/housing discrimination; increase funding to the Affordable Housing Fund	X	X	X
9. Update Maui Sales Price Guidelines to Conform with Mainstream Mortgage Standards	Increase homebuyer access to affordable mortgage programs; increase equity Lanai, Molokai, and Hana renters and homebuyers	X	X	

Make Home Possible – My Community



MY COMMUNITY



Current System. Under the current affordable housing system, housing projects move through the county and multiple council committees before approval. This leads to redundancy and drawn out approval timelines that add costs to developers and ultimately result in higher priced rents and homes for our local families.

A multi-step entitlement process that includes reviews by the county administration, planning commission, and county council leads to redundancy, does not promote community engagement, and results in protracted development timelines that keep affordable homes from coming online quickly to address our affordable housing crisis.

Developers under the Maui County Code 2.96 process are required to go through as many as 16 steps before project approval. Developers with projects that could contribute significantly to the County's affordable housing inventory, but with already tight budgets, may be unable to continue a project through to completion if faced with additional unforeseen delays encountered during this process. Delayed and stalled projects use the time of the county, planning commission, county council, and developer, while our local communities wait to see if affordable homes will be delivered.

The standard process for housing projects in Maui County is as follows:

1. Developer brings their project to the County for their initial feedback.
2. Pre-consultation reviews with County agencies and Council members are used to collect comments that will be incorporated into draft environmental assessments (EA) and final EA and Environmental Impact Statement (EIS).
3. Upon approved of the project EA/EIS by the State Office of Environmental Quality Control, the developer submits a formal application to the County, that may include exemptions pursuant to Chapter 201H or the County's 2.97 fast track ordinance, to the DHC.
4. DHC reviews the application and EA/EIS which determines to approve, approve with modifications, or disapprove.
5. Upon DHC approval or approval with modifications, the application is transmitted to the County Council for review process.
6. This process begins with the Affordable Housing Committee which holds a public hearing before committee vote.
7. Then, applications approved or approved with modifications, may be referred to other committees.
8. Once all referred committees have voted in approval or approved with modifications, the project application is sent to the full Council with recommendations from the County and various Council Committees.
9. The full Council conducts a hearing on the County and committee recommendations after which time the Council and staff review applications, conduct additional research, prepare questions, and determine any modifications they wish to include.
10. Modified applications are presented at a Council hearing.

11. The full Council votes on modified applications and determines approval, approval with modifications, or disapproval.

It is through this process that developers identify, or have imposed upon their projects, requirements to pay for off-site infrastructure. Additional conditions may be placed on the project during the county review, at each council committee hearing, and/or when the projects comes before the full council for hearing.

Analysis. According to the 2019 Hawai'i Housing Planning Study, the Maui County issued a total of 1,348 building permits in 2017 as compared to 2,943 by the Hawai'i County with 232 of the Maui County units affordable for households below 140% area median income. While Maui County implements a review process that includes ongoing involvement by the county administration, planning commission, and the county council, Hawai'i County utilizes an administrative review process that moves projects through a series of steps managed by the county that promotes community engagement throughout the process and ends with final approval/denial by the council reducing the maximum amount of steps in the process to 11.

In order to meet the demand for affordable housing among Maui County residents over the next 5 years, the County will need to increase the number of permits issued for affordable housing projects by 4.3 times its 2017 totals. This will not be achieved by funding community serving infrastructure, housing subsidies, and support services alone.

There are five potential methods that could be implemented by the county and council that would help eliminate redundancy, decrease approval timelines for affordable housing projects, and reduce costs of paying for off-site infrastructure, while still ensuring community engagement and a robust public review process.

Method 1

Currently, all Council members serve on the following committees:

- Affordable Housing
- Budget, Finance and Economic Development
- Planning and Sustainable Land Use

The Council could eliminate redundancy and decrease approval timelines for projects by eliminating 5 steps in the current process by:

1. Identifying the appropriate committees for which the project should be referred once the application has been approved by the DHHC and transmitted to the Council.
2. If the Council determines the need for projects to be referred to one, or all, of the above committees, committee chairs and the council chair could coordinate efforts for a joint hearing or at the full council rather than require hearings with the same council members in multiple committees.
3. The full council could review and issue approvals, approvals with modifications, or disapprovals.

This method would reduce project approval timelines by an estimated six months and would free up the full council and council committee calendars for other actions.

Method 2

Another method to eliminate redundancy and decrease approval timelines is by using an established process currently implemented through the Planning Department and the Hana Community Advisory Committee. Under this existing process, projects are reviewed for their adherence to established design standards and guidelines and implementing a public review process is led by an advisory committee with representatives from the community where the project proposes to be developed.

The following steps for the strategy are based on the existing Hana Community Advisory Committee process:

1. Developer submits application to Planning Department that includes:
 - a. Applicant name
 - b. Proof of ownership or if not property owner a notarized authorization from owner
 - c. Structural and landscape plans
 - d. Signage and graphics
 - e. Identification of building materials
2. Planning Department forwards to the Community Advisory Committee.
3. Committee reviews application using design standards and guidelines and sends recommendations to the Planning Director within 60 days.
4. Planning Director takes action to approve, approve with modifications, or disapprove within 30 days.
5. Appeals to the Planning Director's decision can be made to the Committee within 30 days of Director's action.
6. Commission must take action within 30 days to override the decision of the Planning Department.
7. Commission decision can be appealed with a lawsuit.

This method would reduce project approval timelines to an estimated 180 days, increases community engagement, and would free up the full council and council committee calendars for other actions.

Method 3

A third method to reduce approval timelines and costs on affordable housing projects could be to exempt projects that are 100% affordable for households below 140% AMI that meet standard design and guidelines from having to submit an EA/EIS with the project application. Under state chapter 343, projects considered to have a "significant effect on the environment" would still be held accountable public health, safety, and cultural and environmental resource standards.

This method would reduce project timelines by an estimated twelve to twenty-four months and decrease upfront costs on affordable housing developers at the application phase before their projects have been approved as long as they meet the Environmental Council's definition of having "minimal or no significant impact on the environment".

On the January 5, 2021, the State Environmental Council gave the Maui County Department of Planning the opportunity to amend the county's exemption list for Chapter 343 to comply with the newly approved Hawai'i Administrative Rules, which may provide opportunity for small affordable housing

projects to be included⁸. Until such time as the county submits their updated list, the current exemption list from 2007 is in place.

Method 4

A final method is related to the approval is specific for accessory dwelling, 'ohana, and single-family owner-builder units serving renters or homebuyers at or below 100% AMI.

The City and County of Honolulu has passed legislation that includes a 'One Time Review' (OTR) process for accessory dwelling and 'ohana units. The OTR process is meant to reduce the building permit processing time and is as follows:

1. Owner may complete pre-check form and submit to Department of Planning and Permitting to determine if their lot qualifies for an accessory dwelling unit or 'ohana unit.
2. During the pre-check process, owner is required to gather signatures from multiple agencies to confirm that the building site meets the code requirements and has access to sufficient utility infrastructure.
3. Once the pre-check form is signed by all appropriate departments, owner files a notarized declaration of restrictive covenants and description of the property, such as the deed or other conveyance document with the original to the State Bureau of Conveyances and a copy to the Department of Planning and Permitting.

The City and County has also partnered with community development nonprofits to develop an owner guidebook, building industry and design professionals to develop a range of options that can be pre-approved under a master permit, and financial institutions to offer lending options. Once the owner-builder obtains a master permit for a particular model, the model needs a site permit showing where and how it will be constructed on the lot. Finally, appropriate inspections occur during construction.

In addition, the City and County of Honolulu has passed legislation that implements a similar OTR process for single- and two-family home permits, shortening the process timeline to within two months. However, an audit of the program cited the Department of Planning and Permitting did not properly administer the OTR rules which resulted in delays and backlogs for owner-builder permits⁹.

This strategy could be implemented to reduce development timelines and costs on owner-builders in order to increase the number of in-fill affordable housing opportunities through the County. Technical assistance from community development nonprofits has been key for the success of similar programs, such as the LA ADU Accelerator program which also seeks to create units accepting Housing Choice Vouchers that in turn help make payments for mortgage financing obtained for their construction¹⁰.

Use of one, or all, of these methods would help make home possible in our local communities in a more streamlined manner and at prices that are affordable for our local families.

Conclusion. There are redundant steps in the county and council process for approving housing projects that may or may not include community engagement. A minimum of 13 steps are required for projects seeking exemptions with a minimum of 51% affordable units at or below 140% AMI.

Current processes exist and are being implemented by the county in partnership with community advisory committees that have eliminated redundancy and reduced development timelines while at the

⁸ Comprehensive Affordable Housing Plan, Appendix J. Rental Housing Pro Forma

⁹ City and County Honolulu, Department of Planning and Permitting Permit Processing Final Report, 2020

¹⁰ LA ADU Accelerator, 2021

same time ensuring community engagement and public review. There are other methods the county and council should consider and implement to meet the Comprehensive Affordable Housing Plan's goals and targets without compromising our public health or cultural and environmental resources.

No streamlined process exists for accessory dwelling, 'ohana, or single-family units serving renters and homebuyers at or below 100% AMI. The county should implement a pre-check and OTR process modeled after the City and County of Honolulu to increase development of these in-fill affordable housing options. Partnerships with CDFIs should be developed to provide technical assistance to owner-builder and ensure timely processing of owner-builder permits, gathering of plans to be pre-approved by the county, and financing for homeowners without the means to use their home equity to build the units. The council should receive regular updates from the Planning Department to monitor the success of the OTR processes in delivering affordable homes to renters and homebuyers at or below 100% AMI. This streamlined process will help provide an estimated 250 in-fill, affordable opportunities for local renters and homebuyers, in addition to the homes provided through Tier 1 and Tier 2 priority projects.

Recommendations. The following community recommendations will update the current affordable housing system streamline priority affordable housing projects for renters and homebuyers under 140% AMI, are approved and built over the next five years to meet existing demand.

Recommendation 10. Prioritize and streamline development timeline for projects dedicated to 100% affordable homes below 140% area median income including pre-approved accessory dwelling units, 'ohana units, and owner-builder homes.

Recommendation Actions.

1. Council agrees to use alternative 1 above to coordinate among committee chairs and council chair for approval of all priority projects requesting 201H exemptions.
2. Council passes legislation to establish design standards and guidelines for affordable housing projects that are 100% affordable for households below 140% AMI.
3. Council passes legislation to create Community Advisory Committees, in at least the Central, South, and West Maui districts, and reviews and processes project approvals under alternative 2.
4. Council amends 2.97 ordinance for all priority projects that are 100% affordable for households below 140% AMI and meet established design standards and guidelines to eliminate the requirement to go through current affordable housing review process and instead utilize methods 2 and 3 above.
5. Council amends applicable ordinances to use alternative 4 for all accessory dwelling, 'ohana, and single-family owner-builder units serving renters or homebuyers below 140% AMI.
6. Affordable Housing Coordinator issues request for proposal to contract a CDFI to provide technical assistance, develop partnerships for creating a catalogue of pre-approved home plans, and offer financing out of the Affordable Housing Fund for owner-builders without the means to use home equity or other mainstream sources to finance construction.
7. Council conducts hearings to monitor effectiveness and efficiency of county's OTR processes.

Recommendations	Issue Addressed	Responsible Parties			
		County	Council	Community	CDFIs
10. Prioritize and Streamline Development of Projects and Homes that are 100% Affordable for Households below 140% AMI	Reduce approval timelines for 100% affordable projects and owner-builder units; increase resources available to support development and financing of accessory dwelling, 'ohana, and owner-builder units	X	X	X	X

Make Home Affordable – My ‘Ohana



MY ‘OHANA



Current System. Under our current affordable housing system, extremely high and ever-rising housing costs are making homes further out of reach for our local renters and homebuyers. 42% of our renters are housing cost burdened, meaning they pay more than 30% of their monthly income toward housing payments¹¹. At the same time, our local homebuyers do not earn the incomes needed to afford the single-family and condominium home prices in the market or even when they are deemed “affordable”. Sixty-two percent (62%) of Maui County homebuyers are unable to buy because prices are too high and fifteen percent (15%) cannot afford monthly mortgage payments¹². Few affordable for-sale opportunities come available every year, but are often limited to households earning 100% to 140% AMI in large part due to the fact that no public subsidies are being invested in our local homebuyers to make homeownership affordable.

As a result of the high costs of homes and a lack of public investments in our local renters and homebuyers to make homes affordable, 862 of our local families are experiencing houselessness and 1 in 5 of our families are living overcrowded or “doubled up”¹³.

Rising costs of building materials over the last year threaten to increase home prices even further and to a level that eventually will guarantee local residents, except for the most wealthy, will be unable to realize affordable homeownership.

One opportunity available to local residents to obtain an affordable home is the Housing Choice Voucher Program which has long wait lists and few landlords willing to accept the vouchers. When applications open up there is far more need than Maui County can serve.

There are growing calls from community members for methods to be pursued and investments to be made in our local renters and homebuyers, but they are going largely unheard and acted upon. Community members with access to residential and agricultural properties and construction expertise have expressed interest in being a part of the solution to our affordable housing crisis by building accessory dwelling, ‘ohana, or owner-builder units for their family members or vulnerable populations. This type of in-fill housing is embraced widely as a housing density strategy among local residents in all of Maui County’s community plan areas. However, our local people often need support to fund the building of accessory dwelling, ‘ohana, or owner-builder units and affording the added infrastructure

11 Joint Center for Housing Studies of Harvard, 2021

12 Hawai‘i Housing Planning Study, 2019

13 Ibid 11

costs, find the permitting and planning process too long and cost prohibitive to complete, and may not have the technical support to manage the construction process.

Analysis. Our current affordable housing system does not invest in our local renters and homebuyers to make homes affordable. This is a result of decades long disinvestment by the federal, state, and county governments in affordable housing and a false narrative that has taken hold in which support to our local residents is viewed as a “give away” to those who are undeserving.

The Federal Housing Act of 1968 committed to providing housing subsidies, primarily through Section 8 (Housing Choice Vouchers), to produce 600,000 new homes annually for low-income households at or below 80% AMI. In 1983, under the Ronald Reagan administration, federal housing subsidies dropped below 100,000 units annually¹⁴. Today, there are 500,000 less Federal vouchers available than there were 40 years ago. Prior to the COVID-19 pandemic there were roughly 500,000 United States citizens sleeping on the street, in cars, and on beaches in any given night.

In the 1990s, programs like the Rental Housing Revolving Fund were created by the State of Hawai‘i to fill gaps by bringing resources to affordable housing. These programs are narrow in scope, mostly serving renters at 50% to 60% AMI. There are few nonprofit developers that use this money and apply every year for these funds. Nonprofit community lending institutions have pooled together federal and private funds to fill gaps in the current system but limited local and state resources have been invested in these organizations so they remain limited in their abilities. The result is that most of the new homes built in Maui County are priced for local renters 50% to 60% AMI and for local homebuyers above 100% AMI.

After nearly 40 years of divestment of federal funds in housing subsidies for our low-income families, the Biden administration has proposed historic investments totaling \$313 billion into the Low-Income Housing Tax Credit Program (\$55 billion), HOME Investment Partnership program (\$35 billion), Housing Trust Fund (\$45 billion), Capital Magnet Fund (\$12 billion), project-based rent assistance (\$2 billion), USDA 502 Direct Mortgage Program (\$2 billion), Mainstream Revitalization Program (\$250 million), and other programs¹⁵. These expanded programs are expected to become available to jurisdictions across the nation starting in October 2021. To be competitive for these funds, the County of Maui will need to position itself to align its resources and fill gaps in housing subsidies not covered with federal and state funds.

Off-shore building materials, such as lumber, have seen their prices increase by at least 200% from April 2020 to April 2021¹⁶. Factory-built and manufactured housing has proven to reduce costs of development in particular for low-income residents. The Pahoia Affordable Housing Project on Hawai‘i Island developed 12 homes for houseless kupuna in which the cost per 480 square foot unit with all development costs included came to \$181,092.

In addition to factory-built and manufactured housing as a more affordable option, Habitat for Humanity Molokai demonstrated in 2010 the ability of local families and builder to use locally sourced materials, such as bamboo, and renewable energy technologies to build affordable, off-grid homes.

¹⁴ New York Times, 1983

¹⁵ White House Fact Sheet, May 2021

¹⁶ National Association of Home Builders, April 2021

There is no manufactured or factory-built housing facility in Maui County and use of locally sourced building materials are not being researched. However, the county has included in its Fiscal Year 2021-22 budget a position to research the development of a manufactured housing plant and locally sourced building materials to address the drastic increase in off-shore building materials.

Finally, there are models on how local governments are responding to community members calling for more accessory dwelling units. One such model is the LA ADU Accelerator. It is a government funded program that was established to assist seniors in Los Angeles County obtain housing through affordable accessory dwelling unit rentals. Owner-builder landlords commit to accepting Housing Choice Vouchers and in exchange receive subsidies and exemptions in the planning, permitting, and construction process when building with pre-approved home plans. The City and County of Honolulu has created a streamlined permitting process for accessory dwelling units and individual single-family home developments. The County of Hawai'i developed a pre-approved home plan program in 2018 in response to the Kilauea lava eruptions that has resulted in low-income households displaced by the natural disaster moving out of homelessness into homeownership through an owner-builder methodology. US Department of Treasury certified CDFIs are offering financing programs with flexible underwriting criteria to assist with the building of tiny homes and accessory dwelling and 'ohana units. By partnering with community development nonprofits, the county may be able to increase its Housing Choice Voucher allocation – either by engaging Hawai'i's federal delegation or asking for unused vouchers from other counties in Hawai'i - to use such a program incentivize new program landlords.

Conclusion. The county must increase resources into the Affordable Housing Fund to direct housing subsidies to local residents to rent and buy affordable homes with a particular focus on households at or below 50% AMI and 61 to 100% AMI area median income where the need is the greatest and limited federal or state subsidies exist. County housing subsidies should go as grants to rental projects serving Qualified Resident renters or as deferred payment mortgages to Qualified Resident homebuyers to purchase homes in priority projects or the mainstream marketplace. Deferred payment mortgages help buy down the price of a home, do not have to be paid monthly, and stay as a lien on the property as long as the home is purchased by another Qualified Resident homebuyer at or below 100% AMI. Subsidies, either to rental projects or to our local homebuyers, should be viewed not as a “give away”, but as an investment in making home affordable for our local people and future generations.

The county should adopt best practices from other counties that would increase the production of accessory dwelling, 'ohana, and owner-builder units affordable for local residents at or below 50% AMI or 61% to 100% AMI where the need is the greatest. A Maui Home Accelerator Program could be administered by a contracted CDFI which would run a type of “one stop shop” for owner-builders of pre-approved accessory dwelling, 'ohana, and single-family homes with priorities for rental units to our most vulnerable populations. This approach would increase community involvement in providing housing solutions for our local people, in particular to address the gap in number of units needed in five years versus the amount of homes achieved through Tier 1 and Tier 2 priority projects. At the same time, it would reduce overcrowding, increase public health and safety, and address growing demand for housing among our most vulnerable populations.

The county should find partnerships with local building material providers, educational institutions, and other stakeholders to test factory-built housing and locally sourced building materials as strategies to reduce ever-increasing off-shore building material costs and increase housing affordability targeted at households most in-need.

Recommendations. The following community recommendations will update the current affordable housing system so county resources are used to investment in affordability for our local renters and homebuyers through deferred payment mortgages and research into developing a factory-built housing plant and locally-source building materials.

Recommendation 11. Invest Affordable Housing Fund resources into deferred payment mortgages for targeting affordability for Qualified Resident renters below 50% AMI and homebuyers at 61 to 100% AMI, including through the development of accessory dwelling units, ‘ohana units, and single-family homes.

Recommendation Actions.

1. Council amends ordinance 3.35 to expand eligible uses of the Affordable Housing Fund for deferred payment mortgages.
2. Council increases revenue into the Affordable Housing Fund for deferred payment mortgages up to \$150,000 to Qualified Residents to buy down home prices or fund the planning, infrastructure upgrades, and construction of homes with pre-approved plans (\$200,000 for Qualified Residents in Hana, Lanai, and Molokai)
3. Affordable Housing Coordinator issues request for proposal to a CDFI to administer deferred payment mortgages for Qualified Residents prequalified through the county’s First-Time Homebuyer Program run by contracted HUD counseling agencies.
4. CDFI raises other public and private funds to leverage county Affordable Housing Fund and expand the number of Qualified Residents without the financial means served with deferred payment mortgages.

Recommendation 12. Invest in a manufactured housing plant and locally sourced building materials to reduce costs of home for local residents.

Recommendation Actions.

1. Council conducts hearings and receives a report from the existing county staff member responsible for determining the viability and recommendations for establishing a manufactured housing plant in Maui County and the development of locally sourced building materials.
2. Affordable Housing Coordinator identifies county-owned land suitable for a manufactured housing plant and research and development of locally sourced building materials.
3. Affordable Housing Coordinator issues request for proposal for a Hawai’i-based building materials provider to establish a manufactured housing plant on county-owned land.
4. Affordable Housing Coordinator issues request for proposal for an education institution to conduct research and development of locally sourced building materials.
5. Affordable Housing Coordinator includes in contract for the manufactured housing plant that the contract awardee will be required to partner with labor unions to provide training opportunities for next generation carpenters, electrical workers, plumbers and affordable housing builders.

Recommendation 13. Ensure long-term affordability for rental and for-sale homes supported with county resources.

Recommendation Actions.

1. Council amends appropriate ordinances to establish long-term affordability restrictions for rentals and for-sale homes supported with county resources from the Affordable Housing Fund. See Policy Goals section for more information.
2. Affordable Housing Coordinator issues request for proposal for a CDFI to administer the county's Interim Financing and Buyback Fund.
3. CDFI buys back homes in the Maui County market and works with DHHC and HUD counseling agencies to sell the homes to Qualified Resident homebuyers on the First-Time Homebuyer Program prequalification list and administer deferred payment mortgages with long-term affordability restrictions to make the homes affordable.

Recommendations	Issue Addressed	Responsible Parties			
		County	Council	CDFI	Other Partners
11. Dedicate Affordable Housing Fund Resources for Deferred Payment Mortgages	Reduce home prices for homebuyers at or below 100% AMI	X	X	X	
12. Invest in Manufactured Housing Plant and Locally Sourced Building Materials	Reduces rising cost of offshore building materials; Increases self-sufficiency of Maui County	X	X		X
13. Ensure Long-Term Affordability	Increases long-term affordable housing stock available for local homebuyers	X	X	X	

Make Home Affordable – My Community



MY COMMUNITY



Current System. Our current affordable housing system is outdated and providing the type and price of homes exactly as it is setup to do. It fails at delivering homes that are affordable for two primary gap groups in Maui County - households at or below 50% AMI and those at 61-100% AMI¹⁷.

Since the federal government cut the number of Section 8 vouchers in 1983 and even further in subsequent years¹⁸, a specific narrative has become dominant. The dominant narrative is that publicly funded grants and loans, also known as subsidies, are “give aways” made to those of us who are undeserving. This false notion of the role public grants and loans play in assisting our local renters and homebuyers in accessing affordable homes is outdated and wrong.

This false narrative is challenged by the role of housing subsidies offered in the private marketplace. Private banks, credit unions, the mainstream mortgage lending industry overall, and low-income housing tax credit investors, offer grants for down payment and closing costs, reduced fees for first-time homebuyers, and mortgages and equity investments that are subsidized by our federal tax dollars. Our unwillingness to embrace the view that public grants and loans are “investments” that serve as a bridge to affordable homes for our low- and moderate-income renters and homebuyers is stifling our ability to align private and public resources. Without aligning these resources, our current affordable housing system is creating a sense of scarcity which leads to uncertainty. The system is unnecessarily limiting its potential in making more affordable opportunities possible for our families and to support broad-based economic activity and overall community development.

Our affordable housing crisis, made worse by the COVID-19 global pandemic, promises to get worse if the Maui County is unable or unwilling to make the investments in our local renters and homebuyer that are needed to achieve truly affordable housing.

Analysis. Local renters below 50% AMI and homebuyers 61% to 100% AMI need approximately \$150,000 to \$175,000^{19 20} in housing subsidies to overcome Maui County’s high monthly rents, mortgage payments, and home prices to make home affordable. In light of the low median income of residents in Lanai, Molokai, and Hana, renters and homebuyers in these areas are projected to need even more in housing subsidies (up to \$200,000) to make rental housing developments financially feasible in these hard-to-reach areas and make rents and homes affordable. These project-based investments when paired with other subsidies like the low-income housing tax credit program could not only help position Maui County’s affordable housing projects to be more competitive for federal tax

¹⁷ Maui County Permitting Data, 2007-2020

¹⁸ New York Times, 1981

¹⁹ Comprehensive Affordable Housing Plan, Appendix J. Rental Housing Pro Forma

²⁰ Comprehensive Affordable Housing Plan, Appendix K Homeownership Pro Forma

credits and the state's rental housing revolving fund, but also assist in targeting rental prices to meet incomes of households at or below 50% AMI where the need is the greatest. \$150,000 in deferred payment mortgages (up to \$200,000 in Lanai, Molokai, and Hana) will be a new tool in the county's new affordable housing system to ensure local homebuyers 61% to 100% AMI can purchase homes that are affordable and with monthly payments that meet their incomes. A similar product has been used by Kauai County to assist individuals on their affordable housing waitlist purchase homes²¹.

The Department of Housing and Human Concerns lacks the capacity to administer these subsidies. The Portland Municipal Affordable Housing Bond Program has demonstrated that a community oversight board can help ensure transparency, accountability, and provide capacity to target these types of investments through a comprehensive affordable housing approach.

To move to a broader vision of creating affordable communities and not just affordable housing, the county can prioritize the use of its land and partner with Department of Hawaiian Home Lands (DHHL). HUD research shows that DHHL's use of government resources for community serving infrastructure on state-managed trust lands is an effective way to reduce housing cost burdens for its residents. In fact, Hawaiian Home Lands residents are 50% less housing cost burdened than all other residents in the state of Hawai'i. Housing cost burdens for Hawaiian Home Lands residents and Hawai'i residents overall even further rest in implementing two additional strategies – 1) investment of housing subsidies to target affordability for lower income residents and 2) greater partnerships with nonprofit community development corporations (CDCs) that are experts in affordable community development.

The county does not have the capacity to develop land in its portfolio. There are nonprofit CDCs that do and could be contracted by the county for their expertise. With limited county land available to meet the housing needs of Maui County residents, DHHL is positioned to be a partner in increasing affordable housing opportunities for local homebuyers, in particular.

Conclusion. The county must reverse the narrative that has been dominant across the United States and Hawai'i for the last 40 years in which public funding for affordable housing is seen as a "give away" to those who are undeserving. This false narrative promotes an ineffective affordable housing system based on a scarcity of resources that contributes to division and uncertainty. The county will overcome this scarcity model by adopting a new narrative and new affordable housing system that significantly increases county resources and uses those resources to make necessary investments in its greatest assets – local residents and local communities. These affordable housing investments should be targeted and monitored by a Community Oversight Board that reports to the county, council, and community at-large.

The county should establish a deferred payment mortgage product in partnership with Treasury certified CDFIs modeled after the Kauai County deferred payment mortgage program as an investment tool for low-income homebuyers. Project-based grants are another investment tool that will assist nonprofit CDCs in increasing the number of rentals affordable for local residents at or below 50% AMI, while at the same time increase their ability to win other federal and state funding.

²¹ Kaua'i County Housing Agency

Partnerships with nonprofit CDCs and DHHL should be pursued and strengthened to move the vision beyond affordable housing to the creation of affordable communities using proven strategies that drive down housing cost burdens, even in a high-cost housing market like Hawai'i.

Recommendations. The following community recommendations will update the current affordable housing system so county has a public body to make investments in long-term affordability for our local renters and homebuyers, while the county establishes and strengthens key partnerships that can benefit from these investments to ultimately create affordable communities with low housing cost burdens.

Recommendation 14. Create a Community Oversight Board to prioritize and monitor Affordable Housing Fund investments to meet the Affordable Housing Plan goals and targets.

Recommended Actions

1. Council amends ordinance 3.35 to establish a Community Oversight Board to monitor and oversee investments out of the Affordable Housing Fund.
2. County appoints Affordable Housing Coordinator to the board.
3. Council appoints Affordable Housing Committee Chair to the board.
4. Council and county nominate additional members to the Community Oversight Board.
5. Community Oversight Board accepts, reviews,
6. Community Oversight Board, with support from the Affordable Housing Coordinator, reports to the council at least annually on progress of the Affordable Housing Plan.

Recommendation 15. Prioritize planning and development of county-owned land for affordable housing and affordable communities with nonprofit community development corporations.

Recommended Actions

1. Affordable Housing Coordinator works with county departments to secure zoning and other entitlements for county owned properties.
2. Affordable Housing Coordinator works with the county departments and the Community Oversight Board to develop land use plans as appropriate to meet the housing needs of Maui residents.
3. Affordable Housing Coordinator and Community Oversight Board hold public meetings with residents in the community plan area to ensure that development plans, to the extent possible, conform to community priorities and to discuss concerns that specific development plans might raise.
4. Affordable Housing Coordinator and Community Oversight Board submit project plans to the county council for final approval.
5. Affordable Housing Coordinator issues request for proposal to solicit development proposals for the entire site or for specific parcels as appropriate to accommodate both for-sale and rental developers and to allow smaller developers to compete for portions of the site.
6. Awarded developer adheres to the proposed 2.97 fast track design standards.
7. Community Advisory Board recommends Affordable Housing Fund awards to ensure that the housing is targeted to the needs of Maui residents.

Recommendation 16. Cost-share on infrastructure with Department of Hawaiian Home Lands and ensure renters and homebuyers on Hawaiian Home Lands are eligible for housing subsidies through the county’s Affordable Housing Fund.

Recommended Actions

1. Affordable Housing Coordinator coordinates between DHHL and county departments to ensure that community serving infrastructure is developed efficiently and appropriately to meet the needs of the state lands and both county and privately held land suitable for development.
2. Affordable Housing Coordinator helps p negotiate cost sharing agreements to finance the needed infrastructure for approval by the county council.
3. Affordable Housing Coordinator encourages DHHL to develop their property targeting the needs of Maui residents.
4. Affordable Housing Coordinator and Community Oversight Board provide Affordable Housing Funds to further target projects and to ensure long-term affordability of the subsidized units.
5. If requested, Affordable Housing Coordinator will manage the solicitation and funding of affordable housing on Hawaiian Home Lands.

Recommendations	Issue Addressed	Responsible Parties		
		County	Council	Community
14. Create Community Oversight Board for Affordable Housing Fund	Increase investments into affordable housing to meet goals and targets of the Affordable Housing Plan	X	X	X
15. Prioritize Planning and Development of County-Owned Lands with Nonprofit CDCs	Increase land dedicated to affordable housing and community development	X	X	X
16. Cost Share and Partner with DHHL	Increase opportunities for affordable housing and community development	X	X	

Build Community – My ‘Ohana



MY ‘OHANA



Current System. Under our current affordable housing system, our local homebuyers are often placed at a disadvantage as compared to nonresidents when purchasing affordable for-sale homes. This is due in part to the high cost of living for our local people, which impacts their ability to save for down payment and closing costs and leads to increased use of installment and revolving credit to make ends meet.

The county requires developers to maintain waitlists of potential buyers. The county also imposes a marketing requirement for affordable for-sale homes that requires developers to market the home at a price that meets a specific income level for the first ninety days and the developer is allowed to offer the home to the next higher income level every ninety days thereafter until the units are sold or there are no more income groups available. Under this requirement, homes offered initially to homebuyers at 80% AMI could take as long as 360 days to sell to a local buyer if offered to every income level up to 140% AMI. If no qualified local buyer purchases the home, it can be sold to nonresidents on the developer waitlist for a final ninety-day period before the developer is allowed to sell the home at market rate to any buyer.

This for-sale process can be long and drawn out. It creates financial hardship for the developer that carries interests on project loans, often fails at ensuring local residents buy affordable homes, and may result in higher closing costs to recoup increased project costs.

Lease up processes for affordable housing projects can also be lengthy if the development is not supported by a property management company.

Analysis. State consumer debt data reports Hawai‘i residents have more total and monthly debt than the average nonresident. The average Hawai‘i resident holds \$68,656 in total debt which is \$20,000 more than the United States consumer average of \$47,034. The average non-homeowner Hawai‘i resident without a student loan pays \$1,570 in monthly debt, while the average non-homeowner United States consumer without a student loan pays \$1,478, or nearly \$100 less than the average Hawai‘i resident. At the same time, Hawai‘i residents report the lowest average annual pay rates in the nation at \$43,019 as compared to the United States annual average pay rate of \$57,266 (Prosperity Now, 2020). High monthly debt combined with low monthly incomes increase the debt-to-income ratios of our local homebuyers. This creates challenges when trying to qualify for a mortgage to purchase an affordable home and when trying to compete with nonresidents who are not facing the same income and debt challenges.

Data from the Department of Housing and Human Concerns provided to the county council on February 8, 2021 reported that among three multi-family for-sale projects a total of 332 units were marketed to be affordable for households at or below 140% AMI under the 2.96 workforce housing ordinance. After as many as 360 days in the marketing period, only 117 units (or 35% of the total units) were purchased

by households at or below 140% area median income with 215 (or 65% of the total units) sold a market prices. Data was not provided as to whether or not the units were purchased by local residents or nonresidents. The data suggests individuals on developer managed waitlists for the referenced projects were less likely to qualify for mortgage financing than individuals not on the waitlist.

Realtors across the state have offered closing cost incentives that have benefited local homebuyers in becoming first-time homeowners. Property management companies are partners in assisting affordable housing projects in leasing up their units in quick order with local renters.

Conclusion. The current marketing requirement for affordable, for-sale homes is not effective at ensuring the homes are purchased by local homebuyers at or below 80% to 140% AMI and become part of the county's affordable housing inventory. The majority of persons on developer managed waitlists are not financially qualified to purchase affordable homes when opportunities are made available by the developer. Partnerships between developers and HUD housing counseling agencies, paired with housing subsidies through the Affordable Housing Fund, would increase the number of local homebuyers pre-qualified for mortgage financing and able to buy homes deemed affordable for households at or below 80% to 140% AMI when they are made available. More qualified local buyers would result in shorter time frames for home purchase, which would reduce the potentially lengthy sales period, decrease carrying costs on developers for their projects, and ensure homes built to be affordable for local residents are actually bought by local residents at prices they can afford.

Recommendations. The following community recommendations will update the current affordable housing system to reduce wait times and marketing periods and increase certainty of qualified homebuyers for developers selling affordable homes and local residents buying affordable homes.

Recommendation 17. Reduce wait time and marketing period to ensure homes stay affordable for local residents.

Recommended Actions

1. Council amends Maui County code 2.96 to set the marketing period for for-sale homes at a maximum of 180 days, prohibit the sale of a home for non-Maui County residents nor at any income level other than that committed to by the developer, and, if the home is still available after 180 days, give the county first right of refusal to acquire the home and sell it to an approved buyer on the prequalified First-Time Homebuyer Program list.
2. If the unit is still available after 180 days, Affordable Housing Coordinator, or a contracted Treasury certified CDFI administering the county's interim financing and buyback fund, to acquire the home and subsequently sell to an approved buyer.
3. Affordable Housing Coordinator, or a contracted Treasury certified CDFI administering the county's interim financing and buyback fund, works with HUD housing counseling agencies that administer the county's First-Time Homebuyer Program to identified a prequalified local homebuyer and accesses homebuyer subsidies from the Affordable Housing Fund to assist with the home purchase.

Recommendation 18. Require developers to partner with HUD housing counseling agencies to market for-sale homes to prequalified local homebuyers in the county’s First-Time Homebuyer Program.

Recommended Actions

1. Council amends Maui County code 2.96 to eliminate the requirement for developers to maintain waitlists.
2. Developer markets for-sale homes to prequalified local homebuyers in the county’s First-Time Homebuyer Program.
3. HUD housing counseling agencies assist prequalified local homebuyers in accessing housing subsidies from the Affordable Housing Fund to purchase a home in the development that is affordable at their income level.

Recommendation 19. Partner with realtors and property management companies to reduce costs and time for local families to secure a rental lease or purchase a home.

Recommended Actions

1. Affordable Housing Coordinator meets with realtors and property management companies (PMCs) willing to assist with rental leasing and sales contracts for county-supported affordable housing projects.
2. Realtors and PMCs offer discounted pricing for affordable rental lease up and closing cost incentives to reduce upfront housing costs for low- and moderate-income homebuyers up to 100% AMI.
3. HUD housing counseling agencies work with realtors and property management companies to receive referrals of local residents into the county’s Affordable Renter and First-Time Homebuyer Programs.

Recommendations	Issue Addressed	Responsible Parties				
		County	Council	Realtors PMCs	HUD Counselors	Developers
17. Reduce Wait Times and Marketing Periods for Affordable Home Purchases	Decrease sales timeline for affordable homes; Reduce developer’s carrying costs; Ensure purchase by local homebuyer; Increase affordable housing stock		X			
18. Require Developer Partnerships with HUD Counseling Agencies	Increase number of mortgage qualified local homebuyers for homes as they come up for sale		X		X	X
19. Partner with Realtors and Property Management Companies	Reduce closing costs for local homebuyers; Increase number of financially qualified renters and homebuyers	X		X	X	

Build Community – My Community



MY COMMUNITY



Current System. Under the current affordable housing system, a scarcity of resources has limited the capacity of county, councilmembers, community members, and other key stakeholders to contribute solutions to meet the demand for housing among local residents. Scarcity of resources has resulted in divisions within every part of the affordable housing system from public agencies to for-profit developers to community development nonprofits. Those with certain relationships and resources tend to benefit from the status quo, while at the same time more local renters and homebuyers find themselves in the affordable housing crisis.

The existing lack of capacity in affordable housing results communication and solutions that are dominated by the few over the many. One-side conversations or narrow solutions increase the deficit of trust between all parties, especially when data on the progress of the current affordable housing system is not managed by any single entity and is not readily available to the county, council, or community at-large.

There are representatives from every part of the Maui County affordable housing system that have expressed a willingness to partner, collaborate, and build capacity to achieve collective impact. Recently, the House Maui Initiative launched in Maui County to promote capacity building for implementing housing solutions among all stakeholders for both affordable and workforce housing.

Analysis. There are several models for capacity building across the state and regionally that could be effective at updating the county's current affordable housing system to provide more homes to our local residents.

Hawai'i County has implemented a learning community approach that increases the capacity of public officials and department staff to tackle economic issues in partnership with communities and nonprofit organizations. The Ho'owaiwai Network promotes active and open communication across multiple sectors and through deep partnership building in order to address major crises facing communities throughout Hawai'i Island, most recently responding to the Kilauea Lava Eruptions and COVID-19 pandemic.

The City and County of Honolulu has funded an entry-level affordable housing development training that built the capacity of nonprofits and community-based organizations to create affordable communities for extremely low, very low, and low-income persons. The training included local and regional affordable housing experts with the potential of expanding to a higher level training academy for staff and housing developers interested in expanding their reach and abilities.

Nonprofit and for-profit developers on Kauai have come together to form the Kauai Affordable Housing Alliance. They share best practices, troubleshoot issues together, and develop for-profit and nonprofit partnerships to build housing for all income levels for local residents.

Hawai'i Community Foundation is the convener of the House Maui Initiative which seeks to bring all levels of government, elected leaders, nonprofits, homebuilders and the community together to create 11,000 additional housing units for working families on Maui.

The Portland Metro Affordable Housing Bond Program has appointed a community oversight board that is responsible for working with several counties in the region to report on progress and monitor success of the program in achieving its stated goals and targets.

Community members have provided feedback on additional capacity building opportunities that would increase engagement of local residents in taking action on affordable housing solutions included in this plan.

Conclusion. The county should partner with philanthropy to invest in a multi-sector capacity building effort that promotes the sharing of best practices in affordable housing development among public and private sector stakeholders. A learning community approach would build relationships between different county departments and staff so impediments to development can be addressed in more timely manner, efficiencies built into public agencies, and the overall affordable housing systems in each county improved to meet the real demand for housing in Hawai'i's local communities.

The Community Oversight Board could be tasked with monitoring and reporting progress of the Affordable Housing Plan goals and targets. This data reporting would increase transparency, accountability, and help monitor progress of the Affordable Housing Fund. It would allow for more communication across a broader range of stakeholders than those currently engaged in housing development in Maui County, effectively developing a movement for affordable housing that serves our local residents and results in affordable communities now and in the future.

Recommendations. The following community recommendations will update the current affordable housing system to build the capacity of all stakeholders in Maui County and ensure transparency, accountability, and monitoring progress of the Affordable Housing Plan in meeting its proposed goals and targets.

Recommendation 20. Invest in capacity building for community members, public officials, agency staff, nonprofits, and developers and builders of affordable housing.

Recommended Actions

1. Affordable Housing Coordinator reviews capacity building recommendations included in this plan.
2. Affordable Housing Coordinator meets with philanthropic organizations to share potential partnership in funding capacity building efforts.
3. Affordable Housing Coordinator issues requests for proposal for capacity building expertise based on recommendations.
4. Affordable Housing Coordinator contacts department staff in other counties to coordinate partnerships and sharing among all counties for affordable housing.

Recommendation 21. Monitor and report progress on reaching Affordable Housing Plan goals and targets.

Recommended Actions

1. Council amends ordinance 3.35 to establish a Community Oversight Board to monitor and oversee investments out of the Affordable Housing Fund.
2. County appoints Affordable Housing Coordinator to the board.
3. Council appoints Affordable Housing Committee Chair to the board.
4. Council and county nominate additional members to the Community Oversight Board.
5. Community Oversight Board accepts, reviews, and disburses funds from the Affordable Housing Fund based on the Affordable Housing Plan goals and targets.
6. Community Oversight Board, with support from the Affordable Housing Coordinator, monitors development of affordable housing units and reports to the council at least annually on progress of the Affordable Housing Plan.

Recommendations	Issue Addressed	Responsible Parties		
		County	Council	Community
20. Invest in Capacity Building	Increase number of stakeholders engaged in and implementing affordable housing solutions; Break down silos and promote inter-department and public-private collaboration on affordable housing efforts	X		X
21. Monitor and Report Progress	Increase transparency, accountability, and communication about affordable housing needs and effectiveness of solutions; Increase data-driven decision making	X	X	X

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Building Community (April 26)

Live Q&A and Comments

Does the County provide support or incentives for homeowners to build ADUs (Accessory Dwelling Units) or ohana [units] to increase the rental housing market?

- *Not at this time. That is one of the recommendations that we put forth and is something that we are going to consider putting into final draft as well because it got a lot of support from the community in our meetings to see if this can be possible*

You can sign up for all Commissions and Land Use Commission (LUC), etc. How can we more widely disseminate this information?

- *One of the things I think we need to start doing is figure out a way to publicize this information. Maybe we can develop a flyer giving people the links to diff committees, commissions, so we get copies of their agendas. Another thing where the developers can come in on this is to be a little bit more proactive when they talk about developing parcels in a specific community is that they send a letter out to different community associations, different community groups, saying that we are looking at this parcel of land for development to do this and the other thing, we want to meet with you to talk about what our plans are. I think that will go a long way to helping the community gain some trust in the development community. And also have the opportunity to sit in a meeting face to face or with COVID still present among us, a remote meeting to ask their questions and to get their concerns addressed.*

Distilled Community Comments

Continually Changing Permitting Processes Creates Uncertainty for Developers -- the addition of specific conditions to projects that go to the County Council for review make it difficult to streamline development timelines. There is a need to more clearly define policies around permitting so that developers are not penalized for trying to build homes in Maui County.

Encourage Developers to be Courageous with Community Outreach -- developers have many ways to engage with the community they would like to do a project in, whether it is through associations, neighbors, friends, and others. Community members should be seen as valuable resources who possess unique insight on their neighborhood, its history, and other important information that could significantly improve a development project.

Waikapu Affordable Housing Project as an Example of Community Engagement -- the Waikapu Community Association is very active and was able to model an engagement process

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in which a developer introduced conceptual designs to the public for feedback, which resulted in improved walkability and additional parking for a particular project.

County Prioritization of 100% Affordable Housing Projects -- this is required by the Maui County Code, which helps to streamline the permitting process.

Learning from Other Islands -- although every County is different, affordable housing is an issue shared across the board, and the Maui community could look to neighboring islands for inspiration on how to develop creative solutions.

Recommendations -- participants shared their recommendations to the draft plan and actions associated with it:

- **Provide Financial Literacy Classes in Schools** -- this is a very important tool that could support youth through their entire lives. Incorporating financial education into existing curriculum is a way to better prepare young people for future success.
- **Increase Opportunities to Existing Housing Support** -- revisit and potentially revise existing housing support programs to be less cumbersome and easier to navigate. Particular programs, such as county-sponsored down payment assistance, should be more flexible, streamlined, and more accessible to increase effectiveness for all.
- **Streamline Development Processes** -- every phase of the affordable housing development process should be reviewed and streamlined to allow more accessibility for local families and potential homeowners. Below are specific recommendations:
 - **Establish Pre-Approved Building Plans** -- for various designs for families with different needs to simplify the permitting process. This has proven effective for other projects, such as Kahoma Village and Kahului Lani, who are able to use their registered building plans on future projects.
 - **Utilize Existing County Code Ordinances** -- section 2.96.160 of the Maui County Code is dedicated to fast-tracking the permitting process for 100% affordable projects, and has been proven to work. The County has 15 days to provide initial comments, and failure to do so will result in automatic approval of the project.
- **Revisit Property Tax Ordinances** -- to ensure long-term kama'āina families do not get taxed out of their homes, tax ordinances should be revisited and recommendations for amendments should be provided.
- **More Community Meetings with Developers** -- community engagement with developers before starting a project can benefit all parties. Developers should listen to suggestions and comments made by community members who are more familiar with their neighborhood to ensure successful and efficient projects are built. Providing community engagement guidelines to developers may also encourage them to get involved with the community.
- **Increase Support for Homebuilders** -- there are families who own property but cannot afford to build a home and would benefit from financing assistance alongside homebuilding education. An existing resource is Habitat for Humanity, who has worked

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favorably with the Hawaiian Homelands, but is limited to those at 80% Average Median Income (AMI) and below.

- **Create an Affordable Housing Website Based on the Office of Environmental Quality Control (OEQC)** -- OEQC publishes Environmental Assessments and Environmental Impact Statements for upcoming projects at the County and Island level on a bi-monthly basis. This website could become a model for a user-friendly version that is more easily accessible to the general public, and specific to affordable housing developments in Maui County. This would allow the community to support the County, learn about affordable housing developments in their community, and access financial and other educational materials specifically targeted to tenants and potential home buyers.

Make Home Affordable (April 20)

Live Q&A and Comments

- What about the 30% low income families and disabled?
 - *What we found is 50% of the homes would be affordable for 50% AMI (area median income) and below which is the bulk of the total rentals for this housing plan. The state housing plan study showed that the 50% AMI level had the highest need for housing. And what we see happening in the community is that that income level wasn't really being truly addressed. So we're trying to flip the script here to make those income levels more of a priority.*
- Aren't more people that are Hawaiians 30% or lower?
 - *The plan is what we call equal opportunity. It doesn't matter if you are Hawaiian or not, it's for the community at large. If you are looking at something like Hawaiian Home Lands, that's a different topic.*
- So I guess what I'm asking is not necessarily for people that are 50% or more Hawaiian but more like around my daughter where she is like 20% Hawaiian. Would this be more affordable for her and for the people that are originally from Maui and you know, need the housing because of the housing crisis that is below the 50% median?
 - *The strategy that we showed in the graphs is specifically for Maui County residents and it is irrespective of nationality or ethnic background. If you are a resident here and you fit within a certain AMI, then you would be able to access affordable housing based on that. Our policy makers are currently looking at different strategies to ensure that local residents get first crack at these homes, these projects. We hope to be ready to present that to the County Council because that has been clearly identified as a priority from all of the community meetings that we've had.*
 - *Comment: Thank you for addressing it, I really appreciate your time, very much.*

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- *Absolutely, it's been a long standing issue, we've heard it for years and that mana'o is also part of the community plans across the board, that they are looking, they want the county to look at ways to preserve housing for local residents.*
 - *Comment: I appreciate what you guys are doing, thank you.*
- Hawaiian Community Assets (HCA) is recommending that 25% of land being developed must be given to the County of Maui for building affordable homes. How does HCA see these 25% lands will be developed after being received?
 - *The strategy for that is the County will provide the lands to nonprofit or for-profit developers that would meet the affordable housing criteria established by the County. So essentially, County gets the land, they put out what's called a Request For Proposals to the developer community to build X number of units on these lands and how much it is going to cost. What happens with this is that you have a 100 acre parcel for example, and 25 acres of that is given over to the County for affordable housing. So 25 acres could be anywhere from 400 to 800 units depending on if you're going to do single family or you're going to do multi units. That's a lot of affordable opportunities for our community. And that's what we were looking at when that recommendation came down the pipe.*
- Are we going to require these developers only build within the urban core? Or will lands also be on the ag (agriculture)...you know, the cheapest lands are on the ag lands but of course it requires a lot more work permits and approvals for developing from ag to urban. So, our goal is to create 5,000 homes in a 5 year period, and I'm wondering how these 25% lands will help us meet that goal, since that's the goal. I'm just wondering how, what the vision is for HCA. Are they seeing like your example of 100 acre parcels would be developed, and 25 acres would be going to county, and county have to put out RFP for 25 acres? It's not one way or the other on this, I think it's the way of looking at how we can get the lands, I'm just not sure how it would work to be effective so that we can build a lot of houses within a short period of time. Like I said, 5,000 homes in 5 years.
 - *Yeah and the 25% land donation is not the only option that we're offering the County. The County actually does have some land available that can be used for affordable housing and they are looking at using their own lands to do that, but we are not really sure if that's a sufficient amount of lands to meet the 5,000 home goal. And so we are looking at other options, one of the things that the County has to do is to look at other lands that may be acquired by the County for affordable housing - so that's the thing that we're looking at right now.*
- When do you expect the recommendations to result in housing projects being offered to community members?
 - *That is going to depend on the County Council. We are charged with identifying those opportunities, a process in which they can achieve that, and we are presenting that plan to the County Council. They can adopt the whole thing, they can deny the whole thing, or they can take pieces of it and move that forward. So, one of the things that we do want to talk about a little bit more is the*

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community engagement process. If you believe that this plan has enough components in it to meet the need and to meet the goal then we are asking all of you to share your voices and your support with the County Council when the time comes. It's important that our county government hears from the communities in terms of this issue. We all know, and they all know as well, that affordable housing has been a crisis at a crisis level for too many years and they are willing to be very bold and take a look at all opportunities that we can offer them we just need to make sure that their community can offer their support to take that very bold and courageous step to move forward.

Distilled Community Comments

Concern Around Developer Preferences on Different Areas -- as the community may not align with where the developer chooses to build, such as on agricultural lands versus within the urban core.

Support for More County Involvement -- participants supported recommendations for the County controlling long-term affordability through land trust partnerships and being able to match the needs of the community to the types and areas of development.

Community Offers of Support -- participants offered their personal talents, such as photography, to help with marketing and research efforts associated with the Plan.

Providing Additional Feedback on Mauihousingplan.org -- a participant would like to provide feedback on the draft recommendations beyond the survey that is provided on the website. HCA will check the website functions and provide an update to the participant.

Recommendations -- participants shared their recommendations to the draft plan and actions associated with it:

- **Bring More Awareness to the Community to Increase Advocacy** -- getting more involved in the community through flyers, commercials, and other mediums to increase awareness of the severity of the housing crisis and to build empathy in those who have not personally experienced it. Having more people speak out and advocate for themselves is very important.
- **Support for Individual Development Accounts (IDA)** -- IDAs are a “must” included in the Plan. These types of match programs also have incentives attached, which encourages people to access them through different nonprofit organizations in their community, such as HCA, Hale Mahaolu, and Habitat for Humanity.
- **Developers Reaching Out to Community is Key** -- Mike Atherton is a good example of following a community engagement strategy that encourages community buy-in to development plans.

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- **Contact All Council Members** -- as they are all elected at large. Members that are closely associated with affordable housing are Gabe Johnson and Alice L. Lee. County Council contact information is available through the County Council website.

Make Home Possible (April 13)

Live Q&A and Comments

- Please differentiate between the Area Median Incomes (AMI) from different locales.
 - *800 of these are at or below \$350,000. Another 800 is at \$400,000, and the 900 are at \$450,000. [Participant] requested that we differentiate between the AMI amounts from the different locales. So, the AMI is established as a housing guideline from the United States Department of Housing & Urban Development (HUD). For the State of Hawai'i, we're kind of different from other states in the continent. Where the state has one AMI amount and each county has their own AMI amount. For Maui County, we're a different animal, we have separate islands that make up our county, every island has their different AMI based upon their income. So AMI is established for different percentages and depending on your percentage, for the State of Hawai'i I believe the 100% AMI is \$83,000. For Maui County, we are looking at a little under that, at 100%. Let's say you're making \$79,000 for a family of four that puts you at just below 80% AMI which gives you the opportunity to qualify for some of these units, whether it's a rental or a purchase.*
- Why can't OHA and DHHL work together to help the Hawaiian people?
 - *Good question, we've been asking that question for years, have yet to get an answer.*
- The last time that Maui County insisted that all subdivisions have a 50% affordable housing component, it was almost TWO years before any subdivisions were built! Why are they insisting on a 75% component, this is insanity, we know this didn't work last time, this will be even more bad!
 - *Right, that's why we are in a bit of a struggle because the county council went ahead and passed that new ordinance that will require developers to provide 75% of their project for affordable homes*
 - *Comment: That's for only 201H projects.*
 - *Yeah but they have to come to the county in order to be able to pass so 201H projects require a 50% affordable housing component, the county's one just ups that a little bit. Now it does give the developer an opportunity, based on council, to lower that to above 50%. We're gonna have to work a little bit harder to try and figure out how we can get that new ordinance into the mix*
 - *Comment: Not all affordable housing projects have that 75% requirement, only 201H*

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- *Correct, but most of the projects that have come forth to the council have been 201H permits which is why our community engagement process with these developers will play a very important role.*
- Please clarify the difference between 2.96 and 201H requirements.
 - *For those projects that are not 201H, the 2.96 ordinance provides for units at 50%, or they can pay a fee instead of building a unit, or they can donate the land instead of building the units. The developer has some discretion right. So 2.96 is a county ordinance, part of that is the administrative responsibility for 201H. 201H is a state rule that was developed under HHFDC and counties are responsible for the administration of 201H permitting process. Essentially if a developer wants to use 201H, they apply for the permit at the state level, if the state approves it, it comes to the County administration, and the County makes sure that the 201H permit plan meets the minimum requirements established by the County. So in the past it was 50%, they lowered it to 25, right? But the 201H process stayed the same. So if it's a 201H process requirement, now the county is saying that you gotta build, 75% or your project has to be affordable. That's under the new ordinance 201H. For those that are not 201H, they still remain at the 25%. 201H is a benefits package, which is why you can't compare the current new law to when 2.96 was 50%.*
- Peter Savio recommends that affordable homes have a deed restriction that homes purchased at a certain AMI with County support, on resale, that these homes be sold at the same AMI purchased. Would this be a possible approach for keeping homes affordable?
 - *Absolutely. Those deed restrictions are built into the purchase, and we have talked about different ways that we can do that, or whether the county can do it. The issue and challenge, and then it goes back to the building of the capacity of the county to be able to do that, is it's one thing to build into the deed, it's another thing to actually enforce it. So we don't have an enforcement arm that can follow up and manage and maintain those purchases, it's going to be really difficult to be able to keep them at a place where we want them to be. But Mr. Savio actually is correct, I mean, all of the nonprofit developers that we've talked to say the same thing, there needs to be deed restrictions, there needs to be a way to make the affordability of the unit in resale with some equity return. But you know, they got these benefits at the beginning of the process when they first bought and those benefits should be provided to the next person that is looking to buy that same property. So, that is a question we are looking at answering.*
- Is there anything in the Plan that looks at non-traditional housing? Container homes, micro homes, higher percentage of MF units for sale instead of the American Dream home-3 BR 2 BA, 2 car garage, 2000 sq ft, 8K sq ft lot.
 - *Yes, container homes came up, tiny homes came up, yurts, tentalows came up. And again, these recommendations actually came out of all the communities for alternative housing opportunities as well as self-help projects - Habitat for Humanity, Self-Help Housing Corporation, different types - FABMAC homes,*

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hemp homes, they all came up as nontraditional housing opportunities. So, again, it's where we need to go back into the zoning ordinances and see what kind of developments are allowed. And if we need to change those ordinances in order for these types of housing opportunities to happen, then we need to start doing research and making those recommendations. But yeah, the nontraditional housing opportunities was part of the discussion in every community.

- Are you making policy recommendations to the county council to reflect that discussion?
 - *Yes, so one of the things that we had come across is not necessarily a policy recommendation but more of about revising and reviewing the permitting process, right? And what we're doing is gathering the information from other counties and cities across the United States because they do have container homes, they have tiny homes, they have, another opportunity for nontraditional was a trailer home or a mobile home. And so, we're looking at what needs to be in place in order for those kinds of things to take place. While I think that policy is always a good thing, we also need to take a look at the existing permitting process and the rules that govern that and make recommendations for changes there as well.*
- I'm sure your group has researched other housing developments across the country and internationally - have you incorporated any of those ideas in your recommendations? Because I know Hawai'i Business Magazine has done several affordable housing articles, and they've referenced housing developments in different countries that they recommend may fit for the State of Hawai'i.
 - *Yes, we've taken a look at Singapore housing projects, we've taken a look at the Netherlands - they've got some really really good stuff up there. But one of the things we found that was common up there in all of these different housing projects and opportunities is that the government foots the bill for the infrastructure, right? And they do it through either property tax increases - they dedicate a significant portion of their property taxes to affordable housing. And you also have to know that when we took a look at how they were funding all of this stuff, it's, the State of Hawai'i as a whole has the lowest property tax rate in the nation. Maui County, of that statistic, Maui County has the lowest property tax rate in the nation, this is our county. So when we compare the revenue generated by our property tax process and looking at the property tax that they use in other areas within the United States as well as internationally, we're about like 40% the national norm.*
- You're preaching to the choir - so based on this tax information and your research on international housing projects, does your plan reflect recommendations coming out of this research?
 - *Yes it does, and one of the primary recommendations we already put in the draft recommendation is to increase property tax, right, particularly for non-residents and 2nd home owners with certain exemptions.*
- My question is about the permit process? Maybe it was addressed in a previous discussion but, I'd like to know what kinds of help there will be on the permitting side of

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things, for us to get building permits in a timely manner. Or, what kinds of help or resources will be available to organizations during the permitting process? (from email after the meeting)

Distilled Community Comments

Comparing the Benefits of 2.96 and 201H -- it is difficult to compare the two affordable housing development resolutions on the same plain as they have different parameters. For example, 2.96 is a requirement that does not give the developer help and requires them to pencil out a 50% affordable housing project on their own, while 201H is a benefits package that allows the developer to creatively use exemptions in order to make 75% of homes in a project affordable.

201H Speeds Up the Process of Development -- the exemptions for 201H include park fees, traffic impact fees, and include benefits such as allowing for higher density buildout. This helped to speed up the process of development and make a quicker return on the investment. As a result, 9 of the last 13 projects in the past couple of years have essentially paid for themselves.

Challenges Around Alternative Housing Options -- current challenges with many alternative housing options, such as tiny homes and FABMAC homes, are the cost of off-site infrastructure and shipping materials. If there was a County policy or budget in place that required the government to pay for infrastructure costs, there could be a \$150-\$200k reduction in the cost of homes. Additionally, FABMAC developers would need to establish a factory on-island in order to provide more efficient and cost-effective construction. Without these stipulations, many alternative housing solutions will remain unaffordable on Maui.

Enthusiasm for Individual Engagement Actions -- many participants expressed that they would share their support for the Plan by providing testimony at future County Council hearings, engaging in community partnerships and with other nonprofits, and sharing information within their communities.

Recommendations -- participants shared their recommendations to the draft plan and actions associated with it:

- **County Council Actions to Ease the Affordable Housing Development Process** -- the County Council should take steps to expand the individual development account (IDA) program or to help develop homes on land trust property. Bill 10 is a start in this direction as it will curb projects that take advantage of the 201H process. Additional supportive initiatives will follow, but will take a step by step process.
- **Encourage the County to Increase IDA Availability During This Fiscal Year** -- the County is currently in budget deliberations now, therefore if the community wants to see any kind of budget recommendations that can be deployed as of July 1st, there needs to

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be discussion with the County Council now. The Council budget deliberations began at the end of March, so there is still time to make a request for this.

- **Provide Land to Community Land Trusts for Affordable Housing Development** -- one consideration that was made to HCA, was to work with a land trust such as Nā Hale O Maui (NHOM) to build affordable housing, because their program keeps homes affordable in perpetuity. There are ongoing conversations happening to discuss this opportunity.
- **Support and Invest in Alternative Housing Options** -- the Plan should look at alternatives to disrupt the status quo of housing unaffordability, especially in housing development policies. Examples include container homes, mobile homes, and others.
- **Streamline the Current Permit Process** -- the permit process tends to be a challenge for many places, including Moloka'i, where significant infrastructure is needed. The County needs to build capacity to address delays created by COVID-19 and find ways to make the process more efficient post-pandemic.
- **Alternative Infrastructure Solutions** -- alternative utility options could be implemented to off-set housing costs if the County or other government entities agree to pay for them. Alternative infrastructure options such as solar energy and individual wastewater currently face significant restrictions and should be evaluated further as to not impede on already lengthy County processes.
- **More Inclusion of Moloka'i, Lāna'i and East Maui Communities** -- one suggestion to address the concerns of inclusion was the need for an increased presence of these communities at the County Council level to get this message across and demand more action for affordable housing for these communities.
- **Increase Government Capacity** -- more staff, enforcement capabilities, and expertise in areas such as Public Works, Development, Permitting, State level Department of Health, and all areas part of the larger process. There needs to be skilled people in these positions that can help move projects along in a timely manner. There also needs to be an enforcement arm to follow up, manage, and maintain any restrictions that are introduced on behalf of affordable housing.
- **Future Communication of Plan Updates** -- information provided through different mediums such as the newspaper and social media would be helpful.

Family and Community (April 6)

Live Q&A and Comments

- What percentage of the 5550 units proposed is for Lāna'i?
 - *So for right now, nothing yet. The strategy developed focused on West Maui, South Maui, and Central Maui simply because development in those areas is going to be a lot cheaper than anywhere else. I do know however that the County is talking about developing a project on Lāna'i, on their County lands. Where that conversation is right now, I'm not sure, but it's a way in that we should be talking*

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to the County about bringing that conversation to your island, so let's work on that. That's going to be a good project for us.

- What is this study proposing for Lānaʻi in the comprehensive plan?
 - *I know that the County has a plan for affordable housing on Lānaʻi, but according to them, they're not ready yet to launch.*
- Who specifically gave you that information for the affordable housing plan on Lānaʻi?
 - *That came out of the Department of Housing and Human Concerns, this was years ago though.*
- Have you spoke to Lori Tshako since you started your study?
 - *We have talked to her but we have not gotten information regarding Lānaʻi. We know that there is a plan for it but that's about it.*
- I'd be very interested to know who [the Department of Hawaiian Home Lands (DHHL) staff that have been in contact with the County for Lānaʻi] is, and what kind of representations they are making because historically they have not participated in cost-sharing discussions with the County and the DOE.
 - *Just to give some background, I worked on the first project with the Department on Lānaʻi. And there was conversation between the County and the Department of Education (DOE) with DHHL. We got a "we're not interested right now" response from the County of Maui and the DOE. The original plan was 80 units. That was the response we got and the Department went ahead and moved forward because there was a commitment to your beneficiaries on the island to start Hawaiian homes so they moved forward with that. The Department is planning on coming back to Lānaʻi to fulfill the obligation there. And I do know they restarted the conversation with the County. I'm not sure if they restarted the conversation with the DOE. I can send you the contact information of the name and his contact information and I'll have him work directly with you on Lānaʻi.*
- The issue of credit score is a big obstacle. Having a low credit score can be an overwhelming hill to climb.
 - *It could be but the reason the recommendation is for the homebuyer education and housing counseling is because that kind of support system can actually help families overcome that issue of low scores or not having enough credit to be able to qualify either for rental or a purchase. It is a hill, takes some commitment but if you can get the assistance you need to kind of identify things you need to do, and help guide you through that process, that hill is actually not that bad.*
- If someone has paid their rent on time for three years that should carry a lot of weight in credit worthiness.
 - *Stuff like non-traditional credit history can be put on that. Again, families need to be able to document that stuff so there's just some of tips they can learn by getting some of these assistance available to them.*
- Does the study differentiate between 201H projects and non-201H projects? And what stakeholder groups were interviewed or participated (realtors, trade unions, developers, first time buyers, urban planners, County personnel, etc)?

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- *The plan was based upon current affordable housing policies, particularly 296 and 297. And yes, they do provide some qualifications for 201H but we are not looking to address 201H project processes specifically. Stakeholder groups besides the community was other nonprofit organizations, the community land trust, we talked to realtors, developers, construction companies, we did not talk to union I don't think. We talked to first-time buyers, we talked to planners, and County personnel.*
- Are the slides here linear?
 - *Yes they are. We did that on purpose so we could see a step by step process.*
- Is there a way to connect people to the developer through community associations?
 - *Kinda yes, kinda no. All depends on the developer making an effort of letting the community know they're planning on doing a project in their community. If the developer doesn't even notify community associations, nobody's gonna know they're doing something until it pops up in a newspaper. What we're saying is developers need to be ahead of that game. If there is a plan in the community for any kind of housing project, they should begin to engage members in that community for that project. Can do through community association. Can do through other groups they're familiar with. The issue and challenge that came out of communities was that they don't hear from the developer until after the fact. Includes some community associations. So, how do we work on structuring a plan like that, that provides the community with more, or have the ability to be able to be engaged in that process right.*
- I hear this a lot and people who have opinions of what is acceptable and not acceptable at no cost to them but cost potentially lots of money to build what the people want are a wide card. The County plans and Zoning is the framework of what can be built, what is planned in the area. There are many opportunities for people to follow what is planned and give their input. When someone does not want someone to build because it impacts their home or lifestyle but it complies with community plans. Then saying they were not told about this development is where we have been and seem stuck in.
 - *I think that's why this recommendation came forward, to establish some kind of community engagement process for the developer and in taking others recommendations also is to have the County and the developers conduct community engagement meetings on projects that are coming forward so the community can actually weigh in. As a result of that, we actually came up with some recommendations. So when we talk about engaging on affordable housing, what we're talking about is a developer comes into your community and says he wants to build 100 units on the hillside - would you attend that mtg? Right? The other way is that some of these examples we found: DHHL has beneficiary consultation process in which department is required by the rules to make contact with their beneficiaries in a certain area to inform them of an upcoming land use disposition for any kind of meetings, could be homestead development, homestead lots, commercial property, farm lot. The other recommendation, on O'ahu you have what is called neighborhood board in different districts. They are*

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elected by people in their community. Anything going down pipe that would impact their community, they get notified. There's another coalition, Affordable Hawai'i for all Fellows is established by a few very strong, very intelligent women that takes a look at all issues impacting Hawai'i in terms of affordability factor. They have established an engagement process where they'll go out into the community and talk story about these issues and get recommendations and move recommendations forward.

Distilled Community Comments

Moloka'i and Lāna'i Excluded From Comprehensive Plan -- community members felt this is unfair as both communities have affordable housing needs to be addressed. The only reference to Lāna'i is one line having to do with the Department of Hawaiian Home Lands (DHHL). DHHL is currently in conversation with the County regarding shared costs for infrastructure, as they are entering their second phase, which is an update that could follow this meeting.

Contact With Department of Hawaiian Home Lands -- would be very helpful as the Lāna'i community has not had a DHHL staff member who interacts with the County to participate in cost sharing discussions between the County and the DOE. The DHHL contact information was provided as such: **Stewart Matsunaga, email: stewart.matsunaga@hawaii.gov**

Delineating Community vs. County Specific Data -- the Average Median Income (AMI) slides on the presentation could be misleading as they do not specify if it is applicable to a county-wide level or to a specific community. A notable difference is that Lāna'i's AMI is about \$54,000, which differs from Maui island and specific Maui island communities.

Responsive Solutions to Different Housing Needs -- a recommendation for the plan to consider solutions for the houseless, such as developing kauhale, a model being demonstrated by two current projects on O'ahu that could be replicated on Maui. Land parcels where there are existing houseless populations such as in Lahaina, Kahului, Central and South Maui will need to be identified to build permanent or temporary transitional housing, as there are a range of needs and preferences.

Agreement on Need For Family Homebuyer and Rental Education -- housing policies and credit agencies can be difficult to navigate for families, but it can be done.

Options for Non-Traditional Long Term Workforce Housing -- for residents who fall in between being housed but would not qualify for a large home loan, constructing tiny homes may be an option to consider. Mechanisms that could support this are the owner-builder provision, sweat equity programs like Habitat for Humanity, and vocational programs such as Ma Ka Hana Ka 'Ike in Hāna, Maui.

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Strengthen Community and Developer Relationships -- affordable housing development processes could meet with greater success if communities are engaged in the Affordable Housing development process. Communities often don't hear from developers on a housing project until after the fact. A certain level of responsibility on the community's behalf is necessary to bring a project to fruition. Community members and developers must work in tandem to advocate and engage the County administration and Council to release infrastructure funding.

Potential Solution to Change the Paradigm of Housing Development -- to pivot away from what has been done in the past, a suggested process is that the County should identify lands for affordable housing, fund infrastructure for each of these locales, and once infrastructure is in place, allow developers to bid on those projects.

Strengthen Community/Developers Relationships -- community members could discuss recommendations with developers to learn which recommendations would be helpful in building affordable homes. At the opposite end of the spectrum, developers could reach out to community members to announce those areas in which they are considering affordable housing developments. Bulk mailers is a suggestion that is believed could reach more community members than those made through community association announcements.

Community Engagement Committee -- agreement from several participants to participate, or at least join the conversation, to discuss various aspects of affordable housing issues including recommendations, sharing skills that would support the community engagement process, and identifying and bringing in other community members who would help the community be better informed about projects in the works.

Appendix E. Design Standards

100% affordable housing projects will be approved as of right through an Administrative review and Community Advisory Committee process if they meet the following criteria.

Locational

1. The project is less than 150 units in size in Central, South, or West Maui community plan areas.
2. The project area is less than 10 acres.
3. The finishes on the building exteriors conform to the finishes on units in the surrounding community.
4. In single family residential zones the project is not more than three stories, with setbacks from contiguous uses to minimize shading of neighboring properties.
5. In single family zones the project density is not more than 20 units per acre.
6. Buildings have only minimal impacts on the view sheds of neighboring properties.
7. In multi-family zones buildings can be as tall as other buildings within 500 feet of the property.
8. In multi-family zones project density cannot exceed the density of nearby buildings.
9. Developers will provide adequate parking, 1.5 spaces for each studio or one bedroom unit, 2 spaces for 2+ bedroom units, plus guest parking, so that street parking is minimized, except in more urbanized situations with routine bus access.
10. Parking will be located to minimize the impact on street views, in other words parking will not be located parallel to streets but perpendicular.
11. Units on second and higher stories will have access to outdoor spaces—balconies.
12. Multi-family style developments will include community rooms, playgrounds and swimming pools, unless the project is in close proximity, .25 miles, to a community park, pool or the ocean.
13. The project has at least a six-foot wall separating it from contiguous properties.

Climate Change Mitigation

Maui County is vulnerable to certain kinds of natural disasters, such as flooding, hurricanes, tsunamis, lava flows, wildfires, and earthquakes.

In Hawai'i, flash floods are much more common than other natural disasters, such as tsunamis or hurricanes. In March 2006, more than 30 days of torrential rain resulted in major damage from flooding, as well as serious public health issues.

Two hurricanes (Iwa and Iniki) left devastation and death in their wake after passing through the state. Not only are the high winds of a hurricane or cyclone very destructive, but the storm surge that comes with it. Storm surge (wind-driven high waves) causes severe flooding in coastal areas. Hurricanes are relatively rare events in the Hawai'ian Islands. However, the potential for property damage in Hawai'i is increased because of the numerous lightly constructed buildings and dwellings. Hawai'i's topography funnels and amplifies the tropical cyclone winds across ridges and through island channels¹.

Hawai'i is the U.S. state at greatest risk for a tsunami. Hawai'i records about one a year, with a damaging tsunami happening about every seven years. Tsunamis usually occur after an earthquake in a coastal or oceanic region. Early in the morning on April 1, 1946, the largest and most destructive tsunami waves in reported history struck Hawai'i, killing 159 people. Maximum run-ups were reported to be 54 feet (16.5 m) on Molokai².

There are several kinds of events caused by volcanic activity that can be harmful to life and property. These include lava flows, ash falls and debris avalanches. In 2018, a new eruption of the Kilauea volcano changed the

¹ U of Hawaii – Hurricanes in Hawaii

² Hawaii.com

island of Hawai'i forever. From May through August, large lava flows covered land southeast of the park destroying over 700 homes and devastating residential areas in the Puna District³.

Earthquakes in Hawai'i are closely linked to the islands' volcanoes. Other earthquakes that can occur in Hawaii are called tectonic earthquakes, which can happen in areas of structural weakness at the base of the Hawai'i's volcanoes or deep within the Earth's crust beneath the island. Since 1868, more than 30 magnitude-6.0 or greater earthquakes have struck the Hawai'ian Islands, causing damage and impacting residents across the state. Most of these large earthquakes were located on or near the Island of Hawai'i, but others have occurred near the islands of Maui and Moloka'i⁴.

In Hawai'i, wildfires occur on all six major islands: Kaua'i, O'ahu, Moloka'i, Lāna'i, Maui, and Hawai'i Island. From 2000-2008 there were approximately 1107 wildfires in Hawai'i, consuming over 98,000 acres of land, impacting life, industry, property, and natural resources⁵.

Ground subsidence poses an indirect hazard on active Hawai'ian volcanoes. The only effective mitigation strategies available for relatively small-scale indirect hazards are to avoid using the areas susceptible to such hazards for high-density development or critical facilities through land-use zoning and public education. There are no practical mitigative measures for large-scale, truly catastrophic hazards associated with volcano flank collapse⁶.

The frequency and severity of impactful disasters has been increasing to unprecedented levels in recent years due to climate change:

- In 2017, 335 natural disasters worldwide affected over 95.6 million people, killing an additional 9,697 and costing a total of US \$335 billion.
- In 2018, there were 315 natural disaster events recorded with 11,804 deaths, over 68 million people affected, and US \$131.7 billion in economic losses across the world.
- In the US alone, over the past 10 years (2011-2020), there were an average of 62,693 wildfires annually and an average of 7.5million acres impacted annually.
- The COVID-19 Pandemic is the first time in the History of our Nation that all 50 States have had Emergency Declarations at the same time.

Climate change and sea-level rise are already impacting coastal communities in many locations worldwide, including the U.S. west coast, Alaska, Hawai'i, and U.S. affiliated Pacific islands⁷.

A community's preparation and response to a disaster and/or climate change can mean the difference between life and death in some cases and in most cases can determine the extent of long-term impacts. With the severity and frequency of disasters in modern times, communities are feeling overwhelmed. However, with planning, preparedness, and mitigation the reduction of impacts is an achievable goal.

The following Housing design standards are recommended for consideration by Maui County for the siting and construction of Affordable Housing to meet mitigation standards in island communities. These standards were based upon recommendations by FEMA as conceptualized by Enterprise Communities Partners in their publication: Keep Safe, A Guide for Resilient Housing in Island Communities, developed after working on Disaster Recovery in Puerto Rico.

³ NPS - 2018 Eruption and Summit Collapse

⁴ USGS - Natural Hazards and Risk Reduction in Hawai'i

⁵ Hawaii Emergency Management Agency

⁶ USGS - Natural Hazards and Risk Reduction in Hawai'i

⁷ *USGS – Coastal Climate Impacts

The recommendations are divided into four categories: Site Location, Green Infrastructure, Grey Infrastructure, Building Protections.

SITE LOCATION

- For New Construction, Site Housing in a Safe Location
 - Don't site Housing or facility in a floodplain or floodway as determined by FEMA: <https://www.fema.gov/flood-maps>
 - Be careful not to site housing in an area prone to Volcanic Activity, Subsidence Zones, or Tectonic Activity Zones.
 - Avoid locating Housing or associated infrastructure in coastal areas.
 - Avoid building on steep hillsides, where fire may spread rapidly upwards.

GREEN INFRASTRUCTURE

- Install green infrastructure on housing sites:
 - When choosing where drainage systems go, do not deposit into a lake, stream, or the ocean.
 - Berms, both natural or man-made, can slow water headed downslope from rain or storm surge in coastal areas and reduce erosion.

 - Swales, both natural or man-made, are shallow channels with gently sloped sides that manage water runoff, filter pollutants, and increase rainwater filtration
 - Boulders or rip rap are large pieces of rock that can be placed strategically to steer water, hold earth, or even act as “break-waters” in coastal areas to mitigate erosion.
 - Plants help anchor soil systems, which prevents earth movement while mitigating flooding damage.
 - Greenroof – Roofs that are partially or totally covered with soil and a growing medium, planted over a waterproofing membrane can help mitigate excessive heat gain and manage storm water.

GRAY INFRASTRUCTURE

- Grey infrastructure refers to the human-engineered structures used for fortifying communities against climate effects
 - Retaining walls are permanent barriers that contain the weight of the terrain on a steep slope, where extreme rain might destabilize the exposed terrain. Drains are installed at the base of the wall on the up-slope side to move water away from the structure.
 - Dry wells are underground pits filled with gravel or aggregate that store water to percolate or drain slowly.
 - Ditches are channels that are used to redirect water flow.
 - Permeable surfaces consist of a paver, porous concrete, or other flooring system that allows water to pass through and percolate slowly into the soil.

BUILDING PROTECTION

Strategies to reduce building vulnerabilities to natural hazards

- **Foundations:**
 - Strong, flood-damage- resistant, and decay-resistant materials (reinforced concrete or preservative treated wood).
 - Elements sized for appropriate structure loads and local soil conditions.

- Proper connections and anchors to transfer loads between the foundation and the rest of the structure.
 - Resist lateral and uplift loads from floods, high winds, and earthquakes.
 - Be protected against flood-borne and wind-borne debris impacts.
 - Be resistant to erosion and scour that can undermine the foundation.
 - Anchor bolts, tie-downs and fasteners must be flood-damage and corrosion-resistant.
 - Install French drains around draining docks to collect and drain out excess water that reaches the foundation through the soil.
 - Use sewers or dry wells to collect excess runoff/rainwater.
 - Open raised foundations on structural piers in areas prone to flooding or near coastal zones.
- Walls:
 - Be properly anchored to the foundation to resist wind and seismic loads.
 - Be leak-free and crack-free since any holes may compromise its structural integrity.
 - Strong connections to the structural system or the joints.
 - Maintain a continuous load path by using vertical reinforcement, from the foundation to the roof, through the structural walls.
 - Anchor interior partition walls into the structural frame for stability.
- Roofs:
 - Be properly anchored to the walls to resist wind and seismic loads. Wood roofs should have properly sized metal hurricane ties to secure the connection to the structural walls. Concrete roofs require embed dowels into structural walls and provide adequate anchors and hurricane ties.
 - Have drainage to prevent rainwater ponding, particularly in low-sloped roofs.
 - Be leak-free and crack-free since any holes may compromise its structural integrity.
 - Strong connections to the structural system, or the joints.
 - Wood roofs need one or more impermeable layers, including waterproofing membrane, to keep water out of the building and provide insulation. Concrete roofs require the use of a sealant or continuous membrane on the exterior.
 - Anchor any equipment mounted on the roof, like solar panels or utilities, to resist wind loads.
- Openings:
 - Be protected against breaching.
 - Comply with floodproofing requirements for openings in flood zones. See Strategy 09.
 - New glazed doors, windows and skylights in newly-constructed homes must be manufactured to resist wind pressures and wind-borne debris.
 - Properly anchored to the structural framing with corrosion-resistant hardware and fasteners.
 - Openings containing glass, must ensure the system complies with the appropriate ASTM requirements and specified design thickness.
 - Seal any cracks, crevices or penetrations around its perimeter to prevent intrusion of water and leaks from wind-driven rain.

Appendix F. Workforce Housing Ordinance Revisions

Suggested revisions

1. Change from requiring the construction of units to the dedication of land.
 - a. 20% of the land will be dedicated to affordable housing.
 - b. Units built by the developer will count towards land dedication
 - c. County, or its designee, will select developers to complete projects on dedicated land. The landowner will have the first-right-of-refusal to build the affordable housing on dedicated land, but the types of developments will be negotiated as part of the development review and approval process.
 - d. Projects of less than 10 acres will have alternative methods for meeting the land dedication requirements, but developers will not have the ability to split their projects into multiple parcels of less than 10 acres.
2. All workforce housing units will be monitored by the county, or its designee, for continuing compliance with the income restrictions first proposed/accepted and assessed a monitoring fee.
3. The county will provide subsidies to the buyers or rental developments so they meet the housing needs of Maui residents, as regularly updated by the county, and the developers will be required meet the rent levels or sales prices of the homes by using the subsidies offered.
4. All units built under the program will be required to maintain the original affordability levels for at least 10 years, and longer if the county provides fee waivers and/or Affordable Housing Fund financing in the unit.
5. Affordable housing credits will be limited to landowners developing multiple phases or multiple properties where excess workforce housing units are developed in one phase and can be used to offset the requirement in a subsequent phase or development. Existing credits may only be sold to developers in the same community plan area.
6. All workforce housing projects developed on land transferred to the county will be 100% affordable and will participate in the 2.97 fast track process for approval.
7. Workforce housing owners will gain no equity appreciation for the first 10 years. Starting in year 10 and increasing until year 30 borrowers will receive 2.5% of the equity appreciation on their home for each year they live in the home past 10 years. All subsidies provided by the County will be a lien on the home and must be repaid on sale. The county will have the option to provide subsidy to a new low-income buyer so the home continues to be affordable.
8. The county will annually update a chart of affordability for homebuyers in various income ranges which will reflect a county adopted standard for affordability.

2.96.040

- A. States: Developers shall be required to provide a number of residential workforce housing units equivalent to at least twenty-five percent, rounding up to the nearest whole number, of the total number of market rate lots, lodging units, time share units, or dwelling units, excluding farm labor dwellings or a second farm dwelling, as defined in section 19.04.040 of this code, created. If a developer satisfies the requirements of this chapter through subsection (B)(3) and the units shall remain available only to income-qualified groups in perpetuity, the developer shall provide at least twenty percent, rounding up to the nearest whole number, of

the total number of market rate lots, lodging units, time share units, or dwelling units, excluding farm labor dwellings or a second farm dwelling, as defined in section 19.04.040 of this code, created.

We recommend the following modification:

Developers of 10 acres or more shall be required to dedicate 20% of the land being developed to the residential workforce housing program. Developers can either build workforce housing units themselves or donate 20% of their land to the county. (Land will be measured from the center line of any street abutting the parcel to be donated.) Developers of less than 10 acres of land shall either develop 20% of their units as workforce housing or donate sufficient land within the community plan area to the workforce housing program to ensure that at least 20% of the units in the development will be workforce housing units, assuming a density of no greater than seven units per acre for the workforce units. Developers or builders are required to install all frontage improvements on dedicated land so the improvements are consistent throughout the development. Parcels to be dedicated to workforce housing will be negotiated as part of the project approval process.

Developers who choose to build workforce housing rather than donate land will get a credit towards their land donation requirement according to the following table. However, a developer may only satisfy 50% of the dedication requirement by building units affordable at levels above 100% of median. Building units affordable to households with incomes below 100% of median can satisfy the balance of the requirement.

Units	Affordable to households at or below these percentages of the Area Median Income:	Credit against land dedication requirement	
1	100%	100% of land utilized	
	120%	75% of land utilized	
	140%	50% of land utilized	

Developers of projects with a density equal to or greater than 20 units per acre will either be required to designate 20% of the developed units as workforce housing with an average affordability 60% of median or less, or to provide sufficient land off-site to allow the development of workforce units equal to 20% of the total units being developed in the project, with an assumed density of 20 units per acre on the off-site land, or pay a fee in lieu of land dedication, which is equal to the value of the land dedication requirement, as determined by an appraisal of land with utilities zoned for this density. Developers of time-share and lodging can also use these guidelines.

Developers and builders of less than 10 acres must either build 20% of their units as workforce housing with an average affordability of 100% of median, or less, or dedicate 20% of the lots to the workforce housing program, rounded to the nearest whole number of lots, subtracting the credit for the units the developer chooses to build. If the development is a rental housing project, then 20% of the units must rent at an average affordability of 60% of median or less. Resort housing developers can also use the land donation/fee in-lieu option described for high density projects.

All rental units developed under this program will have a deed restriction ensuring that they remain affordable in perpetuity. All for sale units will give the county or its workforce housing administrator the right of first refusal to purchase the home and provide AHF subsidies to keep the housing affordable.

Any developer who decides to satisfy a portion of the land dedication requirement by building must ensure that the units are sold and/or rented to the income group approved in the workforce housing agreement.

There is no waiver of the requirement because the developer cannot find a qualified buyer. However, if a developer has collaborated with the county and/or housing counseling agencies to market its homes and they have not been able to supply a qualified buyer within six months, then either the county or its administrator will have the option of purchasing the affordable units at the sales price affordable to the income level agreed to in the development agreement, or if the funds for such purpose are not available, will release the developer from the workforce housing obligation.

The County may at its sole discretion offer deferred payment loans to buyers of affordable properties under approved guidelines. In this manner a developer required to provide a portion of the housing as affordable to persons at 100% of median may actually sell to households with incomes below 80% of median.

If a rental housing developer chooses to satisfy its workforce housing requirement on-site, and receives any subsidy, the County may at its sole discretion require the developer to accept Affordable Housing Fund subsidies that would make a portion of the units affordable to households with very low and extremely low incomes. The amount of subsidy required to meet this rental target will be negotiated between the developer and the county or its administrator, but generally the reduction in rent will be equal to the value of the first mortgage reduction on the unit, assuming a 30-year amortization. (In other words, the County could offer a \$150,000 buy down on a unit, and at current rates, 4.5% interest for 30 years, would reduce the maximum rent on a unit by \$760 per month.)

Dedicated land will be developed with the goal of meeting the housing needs of all people based on the estimates of need by income category. Dedicated land will be developed in a mix of rental and ownership product to meet the housing needs and desires of the workforce. The County, or its designee, will use County Ordinance 2.97 to up-zone property to any density needed to meet these goals.

2.96.050

Workforce housing credits are limited to landowners developing multiple phases or multiple properties where excess workforce housing units are developed in one phase and can be used to offset the requirement in a subsequent phase or development. Existing credits may only be sold to developers in the same community plan area.

2.96.060 ownership units

To the extent a developer chooses to satisfy a portion of its workforce housing requirement by building for-sale housing, the affordable units shall be constructed concurrently with the market rate units and completed in the same percentage as they represent in the entire development.

All units will have a right of first refusal which allows the county or its administrator to identify a new buyer and provide AHF subsidy if needed for the buyer to qualify for the unit.

All ownership units developed under the program will be assessed a small fee (\$100 per year, initially) to the county or its administrator which will monitor unit occupancy and sales to ensure compliance with the original deed restrictions.

The county or its administrator will solicit developers to develop ownership housing opportunities in proportion to the housing needs identified in the housing needs analysis. Land will be leased or sold to developers at nominal rates as initial housing subsidies to deepen affordability, and to the extent that further subsidies are required to meet the proposed income targeting, the county will provide Affordable Housing Fund financing to the new homeowners, which will be due on sale or assumable by the new buyer to the extent the subsidy is needed to maintain affordability.

Homeowners will be allowed to sell their units at fair market value, but must repay all subsidies that contributed to making the home affordable at the time of initial sale. If they have lived in the home for 10 years or less they will get no equity appreciation upon sale. Between years 11 and 30 the homeowner will be eligible to receive 5% of the equity appreciation for each year they have lived in the home beyond 11 years. The county or its administrator will have the right of first refusal to identify a buyer and may provide Affordable Housing Fund subsidy to eligible buyers so that the resulting housing costs will be affordable to the new owner.

If an owner desires to pass their property to a family member either through inheritance or sale, the new owner must qualify as a resident of Maui, an income eligible household, and must agree to live in the property. If all of these conditions are satisfied, then the years of occupancy will not start over, but will continue as if the ownership had not changed.

Sales price guidelines—we recommend that the County establish affordable sales prices annually using 30% of a buyers income to pay principle, interest, mortgage insurance, taxes, insurance and homeowner association fees, using the most current loan interest rates.

2.96.070 rental units

To meet the requirements of this ordinance, rental housing developers must agree to provide 20% of housing that is permanently affordable to an average of 60% of AMI and accept AHF funding to write down the rents to levels that will meet the housing needs as established by the housing study. Units constructed on land not previously dedicated program, will pay a small fee (\$10 per unit per year, initially) to the county or its administrator which will monitor unit occupancy and sales to ensure ongoing compliance with the original deed restrictions.

The county or its administrator, it will solicit rental development proposals on land dedicated to the workforce housing program. The land will be leased or sold to the developer. The lease or sale will require developers to maintain the affordability levels originally agreed to in perpetuity. The county or its administrator will work with developers and the county to provide Affordable Housing Fund financing to support the targeting of units to the income groups as identified in the housing needs analysis.

B. Deed Restriction

- a. All All units developed under the program will be permanently restricted to provide affordable housing at the rent levels originally agreed to.

b. If a tenant's income increases, the tenant will be considered to have their initial income as long as the rent does not increase. If the rent increases to another income level (ie. From 30% AMI to 50% AMI) then the tenant will be considered part of that higher income group. Tenants may remain in their units as long as their income stays below 140% AMI, and their income group will be consistent with the rent collected by the owner.

296.090

A. Wait List Procedure--

2. Add: the developer will also work with the county or its administrator to market the availability of housing and the creation of a wait list for the project.

B. Eligibility

Create a new 2 which says: is a resident of Maui County or is employed full time in Maui County.

5. replace the existing language in 5 starting with unless, and replace with unless the applicant is selling a home that is no longer suitable for the applicant's household, due to being overcrowded, unaffordable, or seriously substandard, and will use any proceeds of the sale to purchase a new affordable home.

D. Selection Priority

4. replace the existing with: If after 120 days of home completion the developer has not opened escrow on the workforce housing unit with an eligible buyer in the income category first identified in the developer agreement, then the County of its designee will have the opportunity to buy the unit at the affordable price. If the county does not exercise this option within 60 days the developer will have the ability to sell the home at market rates. It is assumed that the developer will work with potential buyers to assist them in meeting the requirements of the sale, and will open escrow at appropriate times similar to any new home sale.

2.96.100

2. add the language from 2.96.090 A 2.

D1 add is a resident of Maui County or is employed full time in Maui County.

D4 add d. The developer can submit the income verification information they submit to the State or Federal Government as verification of the incomes served.

6. add before "very low income" extremely low-income"

2.96.110

C3 The owner shall submit a form showing the current incomes of all residents as completed in the most recent tenant recertification, and the income group they qualified under when they first moved into the

property, if there has been a change in the tenant's income that has moved them into another income category. An increase in income for continuing tenants does not change their original income classification unless their income goes above 140% of median, at which point they are no longer eligible to occupy the unit.

2.96160 Fast Track

The statement before paragraph D says that fast track is only for projects that require public review and approval. We suggest that the county adopt development guidelines so that 2.97 eligible projects rarely require a public review process. As long as the workforce housing developer is conforming with the project guidelines then the departments should be able to approve the applications without further review.

Appendix G. Local Residency Requirement

There are several legally permissible ways to give preference to area residents.

First Distinction: Current County Resident-- A county funded program for rental or for-sale housing can give preference to County Residents.

Example: Kauai County resident requirement for affordable for-sale homes (both leasehold and fee simple) since updating the affordable housing ordinance in 2007. Kauai County Ordinance No. 860:

"Qualified resident" means a person who:

- (a) Is a citizen of the United States or a resident alien;
- (b) Is at least eighteen (18) years of age;
- (c) **Is a full-time resident of Kaua'i County;** and
- (d) Shall physically reside in the workforce housing unit purchased or rented.

Other examples: San Francisco, San Diego, New York, DC. all have requirements that homes be prioritized to people currently living in the counties. In fact, most counties have current resident requirements for their affordable housing programs.

Second Distinction: Preference by Local Area-- ie by Councilmember district or within half mile or other radius of a new project.

Examples: San Francisco and New York City

San Francisco and New York City have very well established below-market for-sale programs and they both have preferences for residents in the local area where housing is developed. San Francisco started their inclusionary zoning program in 1992 and it has undergone four policy revisions. The New York program started in the 1980's and has a community preference policy.

Legal Concerns: Fair Housing Act. Some concerns have been raised about if local area preferences would violate the Fair Housing Act (FHA). The San Francisco Mayor's Office of Housing and Community Development (MOHCD) said FHA concerns can be addressed by showing that a preference for nearby residents will not result in unfairly excluding minority groups from certain neighborhoods.

FHA concerns can be addressed by showing that a preference for nearby residents will not result in "disparate impact". For example a recent 2020 letter from MOHCD Director Eric Shaw, explains how this analysis showed no negative impact by the Neighborhood Resident Housing Preference (NRHP):

"We conducted a disparate impact analysis utilizing application data from lease-ups that occurred in 2019 for the two sites that received permission from HCD to apply NRHP, Eddy and Taylor and 455 Fell. The analysis shows no disparate impact when the NRHP is applied to 25% of the open lottery units."

San Francisco Local Area Preference: Up to 40% of housing units can go towards local area residents. San Francisco, California, Administrative Code Chapter 47; "Preference in City Affordable Housing Programs":

Sec. 47.2 Definitions:

"Neighborhood Resident" shall mean any person who has a primary residence in a certain Neighborhood at the time he or she applies for a unit or assistance. MOHCD shall establish a process for a person to verify status as a "Neighborhood Resident" for a particular Neighborhood, which, at a minimum, shall require a person to show:

- (a) that he or she is listed on the lease for a unit in that Neighborhood; or
- (b) other evidence sufficient to establish, in MOHCD's reasonable discretion, that the person resides in a unit in that Neighborhood.

Sec. 47.3 Application of Preference:

(c) Third, to a Neighborhood Resident, who meets all of the qualifications for the unit or assistance. Preference under this subsection (c) shall be given:

- (1) for units located in the same Neighborhood as the person resides;
- (2) only for any new residential development in that Neighborhood going through the initial occupancy or sale process, and only to 40% of the units in such development.

Disparate Impact Analysis Used to address Fair Housing Act: Two types of statistical analysis were used by the San Francisco mayor's office of housing to show that a neighborhood preference policy would not have a disparate impact on protected groups. These two types of analysis include 1) a z test and 2) a 4/5 test. In a letter to California Department of Housing and Community Development San Francisco City Attorney Keith I. Nagayama states that San Francisco's Neighborhood Preference does not violate FHA:

"MOHCD has performed a statistical analysis to determine whether the Neighborhood Preference will result in a significant disparate impact on any particular racial group based on two common statistical methods used by courts: (1) the "four-fifths" rules (*Langlois v. Abington Housing Authority* (D.Mass. 2002) 234 F.Supp.2d 33.) and (2) the standard deviation analysis or the "z-test" (*Castenada v. Partida*, 430 U.S. 482 (1977)). According to MOHCD, the results of both analyses show that the Neighborhood Preference has not resulted in a significant disproportionate disparate impact on any particular racial group."

Conclusion: Local area preference can be enacted but needs to address Fair Housing Act concerns with a disparate impact analysis similar to the one used in San Francisco to avoid legal challenges.

Third Distinction: Durational residency requirements which require that a resident has lived in a jurisdiction or area for a certain number of years. For example, the requirement that a resident live in Hawaii for one year before being eligible for in-state college tuition rates. A durational residency requirement has only been used with for-sale housing and not with rental housing, as rental housing would be very unlikely to withstand a legal challenge, due to rental housing being considered a "non-portable" benefit, unlike for-sale housing which is a more "portable" benefit. See further discussion below.

Example: San Diego two-year requirement. As part of their inclusionary zoning program, the San Diego Housing Commission offers below-market for-sale homes to people up to 120 percent of area median income. Initially their program did not have a residency requirement, which prompted a significant number of applications from out-of-state residents. Since this was not the intended purpose of the

program, the San Diego Housing Commission updated the rules in 2017 to require two years of residency in San Diego County, verified by three years of tax returns. The policy has remained in place since then.

Legal Considerations: Durational-Residency Requirements Could Be Challenged

A durational-residency requirement for a public benefit which requires that a person live in a place for a certain length of time has generally been found by the courts to limit the “constitutional right to travel from one State to another.” The right to travel has been interpreted to refer to not just entering and exiting another State but to the right to be treated like other citizens of that State.

For example; a California law attempted to limit welfare benefits for newly-arrived residents to the amount paid by their previous state of residence for their first twelve months in California, at which point they were entitled to benefits at the California rate.

In *Saenz v. Roe*¹, the U.S. Supreme Court invalidated California’s restriction. However, courts have made an exception to the general rule of disallowing durational-residency requirements for “portable” benefits that a nonresident could obtain and take out of the state². In-state tuition requirements are an important example of a “portable” benefit.

“The state can establish such reasonable criteria for in-state [college tuition] status as to make virtually certain that students who are not, in fact, bona fide residents of the State, but who have come there solely for educational purposes, cannot take advantage of the in-state rates³.”

Applicability to For-Sale County Programs: One could argue that homeownership is a portable benefit as compared to renting. An owner builds equity in their home, which translates into a profit that can be taken out of the county when the owner sells. Even before the sale of a home, an owner can often borrow money against the value of their home as a home equity loan. This benefit could be considered portable since there is no restriction on where the funds, which can be significant, can be spent. However, the home itself is not portable, only the equity accrued to the owner. Whether ownership is considered a portable benefit similar to college tuition or a non-portable benefit more similar to welfare has not yet been decided by the courts.

Analysis: The most conservative legal approach would be to require no specific length of time for residency but simply that a person be a current Maui resident. Moreover, applicants to the County program would need to be on a pre-approved buyer list before construction begins. They would likely be waiting at least two years before construction is completed and they own a home. This reduces the likelihood that a person would establish residency in Maui just for this program.

Fourth Distinction: Length of time preference. Provide some extra preference based on number of years living in an area or length of time on the list.

¹ 526 U.S. 489, 119 S.Ct. 1518, 143 L.Ed.2d 689 (1999).

² *Martinez v. Bynum*, 461 U.S. 321, 332–33, 103 S.Ct. 1838, 75 L.Ed.2d 879 (1983).

³ *Vlandis v. Kline*, 412 U.S. 441, 453–54, 93 S.Ct. 2230, 37 L.Ed.2d 63 (1973).

Example: Washington D.C. Selected by lottery, prioritized by length of time on list

For the Washington, D.C. inclusionary zoning program (rent or for-sale), when a home becomes available, there is first a lottery selection of a minimum of 4 and maximum of 10 eligible households from a list of qualified renters or buyers. This selected pool of candidates is then ordered by length of time on the waiting list and offered the available unit one at a time until a household selects the unit. If the unit is not selected, a new lottery is held and the process is repeated.

Example: Vail, CO - Applicants who have been residents for at least 5 years receive extra lottery tickets. In Vail, extra lottery tickets are given to residents who have either worked or lived in Vail for 5 years. All income eligible applicants receive 1 lottery ticket, but a person can receive a second lottery ticket if they have lived in Vail for 5 years or more, and a third ticket if they have also worked in Vail for 5 years or more. In this way a person is more likely to be selected if they have lived or worked in Vail for 5 or more years, but it is not exclusive and a newly arrived resident could also be chosen.

Analysis: In both of these examples there is priority given to residents who have been in a district or on a list for longer, but it is not a requirement. In comparing these two approaches the D.C. system would seem to be more fair and less arbitrary. The Vail approach is somewhat blunt and inconsistent since a five year resident could have three times the tickets as a four year resident, while a 15 year resident is given the same weight as a 5 year resident. A large distinction is created only between the four and five year mark, with no further adjustment. In contrast the DC system by first selecting randomly and then ordering by years on the list is able to provide everyone an opportunity, while also giving a consistent preference to households on the list for longer. The same distinction is given between a household waiting 3 years versus 4 years, as a household waiting 14 years versus 15 years. The household waiting longer is given priority, whereas in the Vail system after 5 years there is no priority by length of time.

Recommendation: If some preference is desired based on length of time, the D.C. approach of selecting randomly and then ordering by years on the list would seem more fair, while still allowing all eligible households the opportunity to participate.

Fifth Distinction: Definition of “working” in a district. Requiring a certain percentage of income be earned within a district, to ensure that program is benefiting residents who are living on local wages and not wages earned elsewhere.

Examples: Vail, and Aspen, CO; Key West, FL

In both the Vail and Aspen programs an applicant is considered a full-time worker if at least 75% of their income is earned with the local county. In Key West, a household or person must earn 70% of their income from employment within the county.

Analysis: As more remote workers come to Maui, where they are living in Maui but receiving an income based on wages from another state or location, a policy is needed to prioritize residents earning local wages. Implementation of this policy would make a distinction between a remote sole proprietor business where 75% of income is generated within the county versus a person working remotely for a company outside of the county. This ensures that a housing program is targeted to residents living on wages earned locally

Another approach: Artist or cultural practitioner preferences for LIHTC projects. This is a preference which is allowable under federal law for housing projects which receive federal tax subsidies also known as Low Income Housing Tax Credit (LIHTC) projects.

According to LIHTC Rules under Section 42 of Internal Revenue Code: ([IRC §42, Low-Income Housing Credit \(irs.gov\)](#)) a preference is allowable for people engaged in “artistic or literary activities”.

Clarification of general public use requirement. A project does not fail to meet the general public use requirement solely because of occupancy restrictions or preferences that favor tenants—

- (A) with special needs,
- (B) who are members of a specified group under a Federal program or State program or policy that supports housing for such a specified group, or
- (C) who are involved in artistic or literary activities.

Under this provision tenants can be selected by an "Artist Interview Committee" made up of local community members. Tenants who apply for the housing can be evaluated based on "The willingness and ability to contribute to a cooperative/creative environment **and show a commitment to engage in the greater community.**"

Although this provision is not exclusive to long-time residents, the above criteria would likely favor people who are active and involved in the local community.

Example: Ola Ka ‘Illima Artspace in Kaka‘ako neighborhood of Honolulu. An Artist Review Committee was used to select tenants for the recent Ola Ka ‘Illima Artspace Lofts (link [here](#)), which opened in Feb. 2019 and had 72 units reserved for artists. The woman who administered the selection committee process, Naomi Chu indicated that the process was very successful and they were able to find over 25 community volunteers to help with the selection committee.

Conclusion: A preference for local artists and or cultural practitioners is allowable for federally subsidized housing and does not violate the Fair Housing Act. It would be logical to assume that an artistic preference would also be allowable for any County funded housing which does not rely on federal funds since the Fair Housing Act is a federal law and rules which are in compliance at a federal level would therefore also be in compliance at lower levels of legal jurisdiction, i.e. the State or County level. This type of preference would allow a selection committee composed of local area residents to select housing members based on artistic activities, which can include expressions of the local indigenous culture.

Summary of allowable preferences which do not violate the Fair Housing Act:

1. County Resident Preference.
2. Neighborhood Area Preference with analysis to show it does not create a “disparate impact”
3. Length of time preference, either on a waiting list or number of years in an area.
4. Artist Preference

Preference which raises concerns with the constitutional right to travel but has not yet been legally tested:

1. Durational Residency Requirement

A durational residency requirement has been enacted in San Diego but has not yet been tried in court. The most conservative legal approach would be to not have a durational requirement, however, it is very possible that this requirement would survive a court challenge based on owner equity being considered a “portable” benefit.

Recommendation. Update county ordinances 2.96, 2.97, 3.35 and other applicable affordable housing policies for for-sale programs only, with the following definition for a “Qualified Resident”.

A “Qualified Resident” is defined as a person who currently resides or is employed within the County of Maui, for a period of at least 2 years prior to the filing of an Application for an Affordable Housing Unit, with documentation, including but not limited to, three years of filed income tax returns, W2s, or benefits statements confirming residency or employment within the County of Maui, with at least 75% of a residents income generated within the County.

Appendix H. Maui Sales Price Guidelines

Maui Sales Price Guidelines

Household Income	\$50,000	\$55,000	\$60,000	\$65,000	\$70,000	\$80,000	\$85,000	\$90,000	\$95,000	\$100,000	\$105,000	\$110,000	\$115,000	\$120,000	\$125,000	\$130,000	\$135,000
Interest Rate																	
2.5%	\$274,684	\$302,152	\$329,620	\$357,089	\$384,557	\$439,494	\$466,962	\$494,430	\$521,899	\$549,367	\$576,835	\$604,304	\$631,772	\$659,241	\$686,709	\$714,177	\$741,646
3.0%	\$257,720	\$283,492	\$309,264	\$335,036	\$360,808	\$412,352	\$438,124	\$463,895	\$489,667	\$515,439	\$541,211	\$566,983	\$592,755	\$618,527	\$644,299	\$670,071	\$695,843
3.5%	\$241,648	\$265,813	\$289,978	\$314,143	\$338,307	\$386,637	\$410,802	\$434,967	\$459,131	\$483,296	\$507,461	\$531,626	\$555,791	\$579,955	\$604,120	\$628,285	\$652,450
4.0%	\$227,463	\$250,210	\$272,956	\$295,702	\$318,449	\$363,941	\$386,688	\$409,434	\$432,180	\$454,927	\$477,673	\$500,419	\$523,166	\$545,912	\$568,658	\$591,405	\$614,151
4.5%	\$214,004	\$235,404	\$256,805	\$278,205	\$299,606	\$342,406	\$363,807	\$385,207	\$406,607	\$428,008	\$449,408	\$470,809	\$492,209	\$513,609	\$535,010	\$556,410	\$577,811
5.0%	\$202,048	\$222,253	\$242,458	\$262,663	\$282,868	\$323,277	\$343,482	\$363,687	\$383,892	\$404,097	\$424,302	\$444,507	\$464,711	\$484,916	\$505,121	\$525,326	\$545,531
5.5%	\$191,021	\$210,123	\$229,225	\$248,327	\$267,430	\$305,634	\$324,736	\$343,838	\$362,940	\$382,042	\$401,144	\$420,246	\$439,349	\$458,451	\$477,553	\$496,655	\$515,757
6.0%	\$180,833	\$198,917	\$217,000	\$235,083	\$253,167	\$289,333	\$307,417	\$325,500	\$343,583	\$361,667	\$379,750	\$397,833	\$415,917	\$434,000	\$452,083	\$470,167	\$488,250
6.5%	\$171,406	\$188,547	\$205,687	\$222,828	\$239,968	\$274,250	\$291,390	\$308,531	\$325,671	\$342,812	\$359,953	\$377,093	\$394,234	\$411,374	\$428,515	\$445,656	\$462,796
7.0%	\$162,913	\$179,204	\$195,495	\$211,787	\$228,078	\$260,661	\$276,952	\$293,243	\$309,535	\$325,826	\$342,117	\$358,408	\$374,700	\$390,991	\$407,282	\$423,574	\$439,865
7.5%	\$155,000	\$170,500	\$186,000	\$201,500	\$217,000	\$248,000	\$263,500	\$279,000	\$294,500	\$310,000	\$325,500	\$341,000	\$356,500	\$372,000	\$387,500	\$403,000	\$418,500

Assumptions

Mortgage Term	30 year	(360 months)
Interest	Fixed	
Down Payment	5%	
Max Housing Expense	31%	Principal, interest, taxes, insurance, and HOA fees*
Sales Price	Sales prices may be lower than these sale price guidelines	

*Front-end ratios have been set to conform to FHA mortgage financing dedicated for low-income first-time homebuyers.

NOTE: This page shows a sale price guideline based on income only. The following pages show based on Area Median Income based on number of persons in the household.

Maui Sales Price Guidelines

Family Size	1					
AMI Level	50%	60%	80%	100%	120%	140%
Annual Income	\$36,200	\$43,440	\$57,920	\$72,400	\$86,880	\$101,360
Interest Rate						
2.5%	\$198,871	\$238,645	\$318,193	\$397,742	\$477,290	\$556,838
3.0%	\$186,589	\$223,907	\$298,543	\$373,178	\$447,814	\$522,449
3.5%	\$174,953	\$209,944	\$279,925	\$349,906	\$419,888	\$489,869
4.0%	\$164,683	\$197,620	\$263,494	\$329,367	\$395,240	\$461,114
4.5%	\$154,939	\$185,927	\$247,902	\$309,878	\$371,853	\$433,829
5.0%	\$146,283	\$175,540	\$234,053	\$292,566	\$351,079	\$409,593
5.5%	\$138,299	\$165,959	\$221,279	\$276,599	\$331,918	\$387,238
6.0%	\$130,923	\$157,108	\$209,477	\$261,847	\$314,216	\$366,585
6.5%	\$124,098	\$148,918	\$198,557	\$248,196	\$297,835	\$347,474
7.0%	\$117,949	\$141,539	\$188,718	\$235,898	\$283,077	\$330,257
7.5%	\$112,220	\$134,664	\$179,552	\$224,440	\$269,328	\$314,216

Assumptions

Mortgage Term	30 year	(360 months)
Interest	Fixed	
Down Payment	5%	
Max Housing Expense	31%	Principal, interest, taxes, insurance, and HOA fees*
Sales Price	Sales prices may be lower than these sale price guidelines	

*Front-end ratios have been set to conform to FHA mortgage financing dedicated for low-income first-time homebuyers.

Maui Sales Price Guidelines

Family Size	2					
AMI Level	50%	60%	80%	100%	120%	140%
Annual Income	\$41,350	\$49,620	\$66,160	\$82,700	\$99,240	\$115,780
Interest Rate						
2.5%	\$227,163	\$272,596	\$363,461	\$454,327	\$545,192	\$636,057
3.0%	\$213,134	\$255,761	\$341,015	\$426,268	\$511,522	\$596,776
3.5%	\$199,843	\$239,812	\$319,749	\$399,686	\$479,623	\$559,560
4.0%	\$188,112	\$225,735	\$300,979	\$376,224	\$451,469	\$526,714
4.5%	\$176,981	\$212,378	\$283,170	\$353,963	\$424,755	\$495,548
5.0%	\$167,094	\$200,513	\$267,350	\$334,188	\$401,026	\$467,863
5.5%	\$157,974	\$189,569	\$252,759	\$315,949	\$379,139	\$442,329
6.0%	\$149,549	\$179,459	\$239,279	\$299,098	\$358,918	\$418,738
6.5%	\$141,753	\$170,103	\$226,804	\$283,506	\$340,207	\$396,908
7.0%	\$134,729	\$161,675	\$215,566	\$269,458	\$323,350	\$377,241
7.5%	\$128,185	\$153,822	\$205,096	\$256,370	\$307,644	\$358,918

Assumptions

Mortgage Term	30 year	(360 months)
Interest	Fixed	
Down Payment	5%	
Max Housing Expense	31%	Principal, interest, taxes, insurance, and HOA fees*
Sales Price	Sales prices may be lower than these sale price guidelines	

*Front-end ratios have been set to conform to FHA mortgage financing dedicated for low-income first-time homebuyers.

Maui Sales Price Guidelines

Family Size	3					
AMI Level	50%	60%	80%	100%	120%	140%
Annual Income	\$46,500	\$55,800	\$74,400	\$93,000	\$111,600	\$130,200
Interest Rate						
2.5%	\$255,456	\$306,547	\$408,729	\$510,911	\$613,094	\$715,276
3.0%	\$239,679	\$287,615	\$383,487	\$479,359	\$575,230	\$671,102
3.5%	\$224,733	\$269,679	\$359,572	\$449,465	\$539,359	\$629,252
4.0%	\$211,541	\$253,849	\$338,465	\$423,082	\$507,698	\$592,314
4.5%	\$199,024	\$238,828	\$318,438	\$398,047	\$477,657	\$557,266
5.0%	\$187,905	\$225,486	\$300,648	\$375,810	\$450,972	\$526,134
5.5%	\$177,650	\$213,180	\$284,239	\$355,299	\$426,359	\$497,419
6.0%	\$168,175	\$201,810	\$269,080	\$336,350	\$403,620	\$470,890
6.5%	\$159,408	\$191,289	\$255,052	\$318,815	\$382,578	\$446,341
7.0%	\$151,509	\$181,811	\$242,414	\$303,018	\$363,622	\$424,225
7.5%	\$144,150	\$172,980	\$230,640	\$288,300	\$345,960	\$403,620

Assumptions

Mortgage Term	30 year	(360 months)
Interest	Fixed	
Down Payment	5%	
Max Housing Expense	31%	Principal, interest, taxes, insurance, and HOA fees*
Sales Price	Sales prices may be lower than these sale price guidelines	

*Front-end ratios have been set to conform to FHA mortgage financing dedicated for low-income first-time homebuyers.

Maui Sales Price Guidelines

Family Size	4					
AMI Level	50%	60%	80%	100%	120%	140%
Annual Income	\$51,650	\$61,980	\$82,640	\$103,300	\$123,960	\$144,620
Interest Rate						
2.5%	\$283,748	\$340,498	\$453,997	\$567,496	\$680,995	\$794,495
3.0%	\$266,224	\$319,469	\$425,959	\$532,449	\$638,939	\$745,429
3.5%	\$249,622	\$299,547	\$399,396	\$499,245	\$599,094	\$698,943
4.0%	\$234,970	\$281,964	\$375,951	\$469,939	\$563,927	\$657,915
4.5%	\$221,066	\$265,279	\$353,706	\$442,132	\$530,559	\$618,985
5.0%	\$208,716	\$250,459	\$333,946	\$417,432	\$500,918	\$584,405
5.5%	\$197,325	\$236,790	\$315,720	\$394,650	\$473,580	\$552,510
6.0%	\$186,801	\$224,161	\$298,881	\$373,602	\$448,322	\$523,042
6.5%	\$177,062	\$212,475	\$283,300	\$354,125	\$424,950	\$495,775
7.0%	\$168,289	\$201,947	\$269,262	\$336,578	\$403,894	\$471,209
7.5%	\$160,115	\$192,138	\$256,184	\$320,230	\$384,276	\$448,322

Assumptions

Mortgage Term	30 year	(360 months)
Interest	Fixed	
Down Payment	5%	
Max Housing Expense	31%	Principal, interest, taxes, insurance, and HOA fees*
Sales Price	Sales prices may be lower than these sale price guidelines	

*Front-end ratios have been set to conform to FHA mortgage financing dedicated for low-income first-time homebuyers.

Maui Sales Price Guidelines

Family Size	5					
AMI Level	50%	60%	80%	100%	120%	140%
Annual Income	\$55,800	\$66,960	\$89,280	\$111,600	\$133,920	\$156,240
Interest Rate						
2.5%	\$306,547	\$367,856	\$490,475	\$613,094	\$735,712	\$858,331
3.0%	\$287,615	\$345,138	\$460,184	\$575,230	\$690,276	\$805,323
3.5%	\$269,679	\$323,615	\$431,487	\$539,359	\$647,230	\$755,102
4.0%	\$253,849	\$304,619	\$406,158	\$507,698	\$609,238	\$710,777
4.5%	\$238,828	\$286,594	\$382,125	\$477,657	\$573,188	\$668,720
5.0%	\$225,486	\$270,583	\$360,778	\$450,972	\$541,166	\$631,361
5.5%	\$213,180	\$255,815	\$341,087	\$426,359	\$511,631	\$596,903
6.0%	\$201,810	\$242,172	\$322,896	\$403,620	\$484,344	\$565,068
6.5%	\$191,289	\$229,547	\$306,063	\$382,578	\$459,094	\$535,609
7.0%	\$181,811	\$218,173	\$290,897	\$363,622	\$436,346	\$509,070
7.5%	\$172,980	\$207,576	\$276,768	\$345,960	\$415,152	\$484,344

Assumptions

Mortgage Term	30 year	(360 months)
Interest	Fixed	
Down Payment	5%	
Max Housing Expense	31%	Principal, interest, taxes, insurance, and HOA fees*
Sales Price	Sales prices may be lower than these sale price guidelines	

*Front-end ratios have been set to conform to FHA mortgage financing dedicated for low-income first-time homebuyers.

Maui Sales Price Guidelines

Family Size	6					
AMI Level	50%	60%	80%	100%	120%	140%
Annual Income	\$59,950	\$71,940	\$95,920	\$119,900	\$143,880	\$167,860
Interest Rate						
2.5%	\$329,346	\$395,215	\$526,953	\$658,691	\$790,429	\$922,168
3.0%	\$309,006	\$370,807	\$494,410	\$618,012	\$741,614	\$865,217
3.5%	\$289,736	\$347,683	\$463,578	\$579,472	\$695,367	\$811,261
4.0%	\$272,729	\$327,274	\$436,366	\$545,457	\$654,548	\$763,640
4.5%	\$256,591	\$307,909	\$410,545	\$513,181	\$615,818	\$718,454
5.0%	\$242,256	\$290,707	\$387,610	\$484,512	\$581,415	\$678,317
5.5%	\$229,034	\$274,841	\$366,455	\$458,069	\$549,682	\$641,296
6.0%	\$216,819	\$260,183	\$346,911	\$433,638	\$520,366	\$607,094
6.5%	\$205,516	\$246,619	\$328,825	\$411,032	\$493,238	\$575,444
7.0%	\$195,333	\$234,399	\$312,532	\$390,665	\$468,798	\$546,931
7.5%	\$185,845	\$223,014	\$297,352	\$371,690	\$446,028	\$520,366

Assumptions

Mortgage Term	30 year	(360 months)
Interest	Fixed	
Down Payment	5%	
Max Housing Expense	31%	Principal, interest, taxes, insurance, and HOA fees*
Sales Price	Sales prices may be lower than these sale price guidelines	

*Front-end ratios have been set to conform to FHA mortgage financing dedicated for low-income first-time homebuyers.

Maui Sales Price Guidelines

Family Size	7					
AMI Level	50%	60%	80%	100%	120%	140%
Annual Income	\$64,050	\$76,860	\$102,480	\$128,100	\$153,720	\$179,340
Interest Rate						
2.5%	\$351,870	\$422,244	\$562,991	\$703,739	\$844,487	\$985,235
3.0%	\$330,139	\$396,167	\$528,222	\$660,278	\$792,333	\$924,389
3.5%	\$309,551	\$371,461	\$495,282	\$619,102	\$742,923	\$866,743
4.0%	\$291,381	\$349,657	\$466,209	\$582,761	\$699,313	\$815,865
4.5%	\$274,139	\$328,967	\$438,622	\$548,278	\$657,934	\$767,589
5.0%	\$258,824	\$310,589	\$414,118	\$517,648	\$621,178	\$724,707
5.5%	\$244,698	\$293,638	\$391,517	\$489,396	\$587,275	\$685,155
6.0%	\$231,648	\$277,977	\$370,636	\$463,295	\$555,954	\$648,613
6.5%	\$219,571	\$263,485	\$351,314	\$439,142	\$526,971	\$614,799
7.0%	\$208,691	\$250,430	\$333,906	\$417,383	\$500,859	\$584,336
7.5%	\$198,555	\$238,266	\$317,688	\$397,110	\$476,532	\$555,954

Assumptions

Mortgage Term	30 year	(360 months)
Interest	Fixed	
Down Payment	5%	
Max Housing Expense	31%	Principal, interest, taxes, insurance, and HOA fees*
Sales Price	Sales prices may be lower than these sale price guidelines	

*Front-end ratios have been set to conform to FHA mortgage financing dedicated for low-income first-time homebuyers.

Maui Sales Price Guidelines

Family Size	8					
AMI Level	50%	60%	80%	100%	120%	140%
Annual Income	\$68,200	\$81,840	\$109,120	\$136,400	\$163,680	\$190,960
Interest Rate						
2.5%	\$374,668	\$449,602	\$599,469	\$749,337	\$899,204	\$1,049,071
3.0%	\$351,530	\$421,836	\$562,448	\$703,059	\$843,671	\$984,283
3.5%	\$329,608	\$395,530	\$527,373	\$659,216	\$791,059	\$922,902
4.0%	\$310,260	\$372,312	\$496,416	\$620,520	\$744,624	\$868,728
4.5%	\$291,901	\$350,282	\$467,042	\$583,803	\$700,563	\$817,324
5.0%	\$275,594	\$330,713	\$440,950	\$551,188	\$661,426	\$771,663
5.5%	\$260,553	\$312,663	\$416,885	\$521,106	\$625,327	\$729,548
6.0%	\$246,657	\$295,988	\$394,651	\$493,313	\$591,976	\$690,639
6.5%	\$233,798	\$280,557	\$374,076	\$467,596	\$561,115	\$654,634
7.0%	\$222,213	\$266,656	\$355,541	\$444,426	\$533,312	\$622,197
7.5%	\$211,420	\$253,704	\$338,272	\$422,840	\$507,408	\$591,976

Assumptions

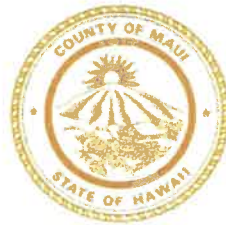
Mortgage Term	30 year	(360 months)
Interest	Fixed	
Down Payment	5%	
Max Housing Expense	31%	Principal, interest, taxes, insurance, and HOA fees*
Sales Price	Sales prices may be lower than these sale price guidelines	

*Front-end ratios have been set to conform to FHA mortgage financing dedicated for low-income first-time homebuyers.

MICHAEL P. VICTORINO
Mayor

LORI TSUHAKO
Director

LINDA R. MUNSELL
Deputy Director



DEPARTMENT OF HOUSING
& HUMAN CONCERNS
COUNTY OF MAUI
2200 MAIN STREET, SUITE 546
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7805

February 8, 2021

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

APPROVED FOR TRANSMITTAL

Michael P. Victorino 2/9/21
Mayor Date

For Transmittal to:

Honorable Tasha Kama
Presiding Officer Pro Tempore
Maui County Council
200 S. High Street
Wailuku, Hawaii 96793

Dear Presiding Officer Pro Tempore Kama:

SUBJECT: INFORMATION PRESENTED AT FEBRUARY 1, 2021 AFFORDABLE HOUSING (AH) COMMITTEE MEETING

Thank you for your request for written information pertaining to the oral presentation by Deputy Director Linda Munsell at the February 1, 2021 Affordable Housing Committee Meeting.

Pursuant to your request, information related to AH-15, AMENDMENTS TO SECTION 2.96.030 MAUI COUNTY CODE, RELATING TO WORKFORCE HOUSING PROJECTS DEVELOPED UNDER CHAPTER 201H, HAWAII REVISED STATUTES, is provided below.

201G/201H/2.97 PROJECTS

Attached is a spreadsheet reflecting 201G, 201H, and 2.97 projects documented in our files, which have been passed by the County Council.

For the six 201G projects we found, four (67%) were 100% workforce housing projects. All four of those projects received direct financial assistance from state, federal or county sources which subsidized their construction, in addition to the 201G exemptions they requested. Two of the six 201G projects offered only fifty percent of their units as workforce units. One of those projects was never built.

For the thirteen 201H projects in our files, ten of them (77%) are 100% workforce housing projects. All but two of the projects with 100% workforce units, received direct financial assistance from state, federal or county sources which subsidized their construction, in addition to the 201H exemptions they requested. Of the two projects that did not receive financial assistance, one is complete, and one has not yet started construction. Of the three projects that did not provide 100% workforce units or receive financial assistance, only one has started construction.

Information related to AH-16, EFFECTIVELY PROMOTING THE AVAILABILITY OF AFFORDABLE HOUSING, is provided below.

MULTI-FAMILY UNITS SOLD WITHOUT/WITH DEED RESTRICTION

There are three multi-family for-sale projects for which we have data. Data on one additional project, Pailolo Place, is still pending.

The projects for which we have data include Kalama Kai (40 intended workforce units), Kamalani (170 intended workforce units), and Kahoma Village which is still under construction (122 intended workforce units to date). The information for those units is consolidated below and shows the AMI, the intended number of workforce units in that AMI, the number of those units that were sold at market without deed restriction, the number sold as deed restricted workforce units, and the percentage that were sold as deed restricted workforce units:

INCOME CATEGORY	INTENDED WF UNITS	# SOLD AT MKT	# SOLD AS WF	PERCENT SOLD AS WF
Below Moderate (80-100%)	98	46	52	53%
Moderate (101-120%)	126	95	31	25%
Above Moderate (121-140%)	108	74	34	31%
TOTAL	332	215	117	35%

Overall, only thirty-five percent of the units were sold with deed restrictions.

MULTI-FAMILY SALES PRICES

The average price difference between a deed restricted workforce unit a Kamalani and the market sales price is shown below. Pursuant to MCC 2.96.090.D.4.d, the developer paid to the County Affordable Housing Fund, fifty percent of the difference between the original sales price of the units, and the actual market rate sales price. This equated to \$675,790 for the Kamalani project.

INCOME CATEGORY	AVERAGE PRICE DIFFERENCE
Below Moderate (80-100%)	\$11,405
Moderate (101-120%)	\$8,290
Above Moderate (121-140%)	\$11,113

Honorable Tasha Kama
Presiding Officer Pro Tempore
Maui County Council
February 8, 2021
Page 3 of 3

At Kalama Kai, the difference in price is shown below. Three of the five units sold without a deed restriction were sold at the affordable price. Pursuant to MCC 2.96.090.D.4.d, the developer paid \$48,350 into the County Affordable Housing Fund for the units sold at market.

INCOME CATEGORY	AVERAGE PRICE DIFFERENCE
Below Moderate (80-100%)	\$0
Moderate (101-120%)	\$32,233
Above Moderate (121-140%)	N/A

The department does not yet have sales price information to report for the Kahoma Village project.

Thank you for the opportunity to provide this information. Should you have any questions, please feel free to contact Deputy Director Munsell at Ext. 7805.

Sincerely,



LORI TSUHAKO, LSW, ACSW
Director of Housing and Human Concerns

Attachment

	WF/AFF Units as % of Project	State/County/ Federal Financial Assistance?	Total Units	WFH Units	AMI Project Served Type
201G PROJECTS					
Front Street Apartments (201G)	100%	YES	142	142	< 60% Rental
Hale Mahaolu Ehiku (201G)	100%	YES	112	112	< 60% Rental
Helani Gardens (201G)	100%	YES	14	14	<80% For Sale
Lokenani Hale (201G)	100%	YES	61	61	<60% Rental
Waikapu Gardens I (201G)	51%	NO	410	215	2.96 For Sale
Hale Mua (never built) (201G)	50%	NO			70-100% For Sale

4 of 6 projects were 100% (67% of projects)
1 of the 50% projects was never built
 (Hale Mua 466 total/238 WF)
 729 Total Units
 544 WFH Units

TOTAL **739 544**

329 Total units if <75% projects removed
All units would be workforce units

201H PROJECTS - PASSED

Hana Affordable (pending)	100%	YES	25	25	2.96 For Sale
HM Ewalu (completed)	100%	YES	60	60	< 60% Rental
Kahoma Residential (completed)	100%	YES	68	68	2.96 For Sale
Kahoma Village (under construction)	50%	No	203	122	2.96 For Sale
Kaiaulu O Kuku'ia (Keawe St) (pending)	100%	YES	200	200	<60% Rental
Kaiwahine (completed)	100%	YES	120	120	< 60% Rental
Kenolio Apartments (under construction)	100%	YES	184	184	< 60% Rental
Kula Ridge (pending)	50%	No	116	59	2.96 For Sale
Lanai Affordable (CoM) (pending)	100%	YES	372	372	2.96 Mixed
Makila Farms (pending)	56%	No	34	19	2.96 For Sale
Waiale Elua (under construction)	100%	YES	70	70	2.96 For Sale
Waikapu Ventures (pending)	100%	No	80	80	2.96 For Sale
Wailuku Apartments (pending)	60%	No	324	195	2.96 Rental
Waikapu Gardens II (completed)	100%	No	56	56	2.96 For Sale

10 of 13 projects are 100% (77% of projects)
 7 projects haven't broken ground yet

1912 Total Units
1630 WFH Units

1235 Total units if <75% projects removed
All units would be workforce units

TOTAL **1912 1630**

2.97 Projects

Hale Kaiola	100%	NO	40	40	2.96 For Sale
Liloa Hale	100%	YES	117	117	<60% Rental
Hale Pilina (pending approval)	100%	YES	178	178	<60% Rental
Waiehu AH (HM) (pending approval)	100%	YES	120	120	<60% Rental

TOTAL **455 455**

Appendix J. Rental Housing Pro Forma

Rental Housing Pro Forma 100 unit project

Unit Mix

Affordability Level	30% rent*		50% rent*		60% rent*		80% rent*	
1 Bedroom	4	567	10	961	4	1153		
2 Bedroom	10	692	19	1153	5	1384	4	1846
3 Bedroom	11	799	21	1332	8	1599	4	2132
Total	25		50		17		8	

* includes utilities

Development

Uses

Land	1,500,000
Offsite improvements	500,000
Construction	31,940,000
Builder O/GC/P	4,000,000
Contingency	3,400,000
Soft Costs	13,000,000
Developer Fee	3,400,000
Total	57,740,000

Sources

1st Mortgage	7,340,000
RRLF	6,000,000
State Credit	8,300,000
Federal 4% Credit	16,600,000
Affordable Housing Fund	17,500,000
Land and Offsite donation	2,000,000
Total	57,740,000

*Assumes infrastructure + land dedication

Appendix K. Homeownership Pro Forma

Single Family Affordability

Development Costs	County Land/Land		Conventional loan	Private Builder			County Land or Community Land Trust		
	Market	Trust	Market sales price/costs	Infrastructure Fee Waiver 40,000	Infrastructure Fee Waiver + \$100k deferred loan	Duplex 70,000, Infrastructure Fee Waiver, \$100k deferred loan	Free land and subdivision improvements, no infrastructure fees, \$100k deferred loan	Free land and subdivision improvements, no infrastructure fees, \$150k deferred loan	
			Home sales price	\$ 621,300	\$ 581,300	\$ 481,300	\$ 411,300	\$ 326,300	\$ 276,300
Land	\$ 75,000	\$ -	4%/30year mortgage	\$2,966	\$2,775	\$2,298	\$1,964	\$1,558	\$1,319
Subdivision Improvements	\$ 80,000	\$ -	taxes	139.7925	130.7925	108.2925	92.5425	73.4175	62.1675
Building 1300	\$ 320,000	\$ 320,000	insurance	150	150	150	150	148	146
Soft Costs (financing, insurance, legal, taxes, marketing)	\$ 30,000	\$ 10,000	Condo fee	0	0	0	0	0	0
Infrastructure Fees	\$ 40,000	\$ -	total PITI	\$3,256	\$3,056	\$2,556	\$2,206	\$1,779	\$1,527
Subtotal	\$ 545,000	\$ 330,000							
Profit (8-10%)	\$ 54,500	\$ 26,400	income required @31%	\$10,503	\$9,858	\$8,245	\$7,117	\$5,739	\$4,927
Overhead (4%)	\$ 21,800	\$ 13,200							
Total Cost	\$ 621,300	\$ 369,600	annual income	\$126,038	\$118,297	\$98,946	\$85,399	\$68,873	\$59,120
				131%	123%	103%	89%	72%	62%
Maui Median Income	\$ 95,900								
							USDA 502 subsidized		
							Home sales price	\$ 326,300	\$ 276,300
							4%/33 year mortgage	\$968	\$729 *
							taxes	73.4175	62.1675
							insurance	148	146
							Condo fee	0	0
							total PITI	\$1,189	\$937
							income required @31%	\$3,836	\$3,022
							annual income	\$46,032	\$36,261
								48%	38%

* Interest Credit reduces interest rate to 1%, 38-year term

Tier	Definition	Criteria
1	Implementation phase. Strong potential to contribute to AH inventory in next 5 years.	<ul style="list-style-type: none"> a. 2.97 projects (either proposed or approved) and other projects that offer 100% affordable housing b. Approved 201H projects (e.g., Makila Farms) c. Approved market rate developments with no obvious barriers (will incur affordable housing requirements under Ch. 2.96) d. Proposed projects (affordable or market) with available infrastructure (i.e., zero cost or minimal upgrades, and/or readily available funding for improvements)
2	Concept/development phase, and/or requires barrier removal. Potential to contribute to AH inventory in next 5 years.	<ul style="list-style-type: none"> a. Proposed 201H projects not in Tier 1 b. Proposed market rate developments without significant barriers c. DHHL residential homesteads or agricultural lots where a home is allowed d. County owned lands with no project proposed, e.g., Kīhei Police Station, County Baseyard e. Potential 2.97 projects (anticipated 100% affordable housing, not formally proposed)
3	Further research needed. Unlikely to contribute to AH inventory in next 5 years.	<ul style="list-style-type: none"> a. Non-County owned lands with no project proposed b. Approved market rate developments with significant development barriers of any kind c. Proposed market rate developments with significant barriers, including Stalled Projects d. Other projects identified by stakeholders or agencies has having unresolved barriers

Tier 1 and 2 Projects

PROJECT NAME	DISTRICT	2.97, 201H (2.96, > 50% affordable), market, DHHL, or land with no proposed project	TOTAL UNITS (based on agency information and/or publicly available information)	AFF UNITS ANTICIPATED (MINIMUM REQUIRED UNLESS NOTED BY COUNTY OF MAUI OR RESEARCH)	MKT UNITS ANTICIPATED (based on agency information and/or publicly available information)	County owned?	Proposed?	If proposed: Some approval acquired?	Infrastructure availability achievable by 2026? (If known.) (Zero cost or minimal upgrades, and/or readily available funding for improvements)	Barriers	Tier/Status	DEVELOPER /OWNER	TAX MAP KEY (Island Code 2)	ACREAGE	STATUS	PROCESS	RENTAL OR SALE
Hale Piilina	Central Maui	2.97	178	177	1		Yes	DEA submitted	Yes	Submit 2.97; pending approval of Council and HHFDC funding	1 Proposed 2.97	Catholic Charities Housing Development Corporation	3-7-013:026				Rental
Kahului Civic Center and Mixed-Use Complex (formerly Bus Hub)	Central Maui	Assumed 2.97; 201H if mixed	150 to 300	150 to 300	TBD		Yes		Yes	Under construction in 5 years: Construction slated to be complete by 2026, dependent on funding	1 Proposed 2.97	HHFDC/DAGS	3-7-004:003 (por.)	4.72 (parcel is 5.57)	Construction slated to be complete by 2026, dependent on funding. Located at Kāne St /Ka'ahumanu Ave intersection, adjacent to proposed transit hub.		Rental
Kuikahi (Wailuku Affordable Housing Project)	Central Maui	2.97	204	204	0		Yes		Yes	Water, roads, sewer capacity; next to DHHL	1 Proposed 2.97	Betsill Brothers	3-5-002:003 (por)		Pursuing entitlements, estimated to be completed in 2024		SF/MF Rental
Waikapu East Subdivision No. 3 (FKA Waikapū Ventures)	Central Maui	201	80	80	0		Yes	Yes	Yes	Recently acquired by new owner. Requires installation of offsite waterline and sidewalk.	1 201H with approval	Formerly Waikapu Development Ventures, LLC.	3-5-002:011		Project was 201H and approved by County Council for 80 units, subsequently sold by the developer.	201H-038 2 year extension approved to start constr from 9/7/20	Sale
Wailuku Apartments	Central Maui	201H	324	195	129		Yes	Yes	Yes	Needs funding for lower AMIs; ready to go in next 2 years	1 201H with approval	Linda Schatz	3-5-001:064		201H approved, pending sewer improvements	201H	Rental
First Assembly/ MEO (Alexander & Baldwin Sugar Museum)	Central Maui	Land - Assumed 2.97	36 lots	TBD	TBD		No		No	Offsite Water/Sewer/Elec./Roads required	2 Potential 2.97		3-8-006:004 (por)		Potential for development		TBD
Kaahumanu Church	Central Maui	Land - Assumed 2.97	15	TBD	TBD		No		Yes		2 Potential 2.97		3-4-014:002		Conceptual, seeking funding planning/design		Rental
Kuihelani Hwy Property (near Waiko Road aka Maui County Baseyard Property)	Central Maui	Land	TBD	TBD	TBD	Yes	No		No		2 County Land	County of Maui	3-8-005:023	209.043	To be master planned by Department of Parks and Recreation		
Mission Grounds Development - Wailuku Union	Central Maui	Land - Assumed 2.97	Approx. 20	TBD	TBD		No		Traffic yes Water and wastewater TBD		2 Potential 2.97		3-4-014:005		Conceptual, seeking funding planning/design		Rental
Puunani Homestead Subdivision	Central Maui	DHHL	161	TBD	TBD		Yes	Yes	Yes	Sewer line will go through Wailuku Apartments property.	2 DHHL residential/agricultural	DHHL	3-5-001:064 (por.) 3-5-002:002 (por.)	47.4	FEA published in 2020		
Waikapu Country Town (Maui Tropical Plantation)	Central Maui	Market	1433	287	1146		Yes	CIZ approved	No	Waiting on Central Maui WWTP, 2028. Likely need to coordinate with HDOT to define share of regional road improvements and execute MOA.	2 Proposed market	Atherton	3-6-004:003 (por) 3-6-004:006 3-6-006:036 3-6-005:007 3-6-002:003 (por)		Early Planning	CIZ	Mixed
Waiko Road Property (Mā'alaēa side)	Central Maui	Land	TBD	TBD	TBD	Yes	No		No	Central Maui WWTP located in same location. Water/sewer/roadway required.	2 County Land	County of Maui	3-6-002:004	100			
Hookele Subdivision (Maui Business Park)	Central Maui	market, AH compliance offsite	TBD	TBD	TBD - Housing Department notes possible 26 lots		Yes	Yes	Yes	Suitable location for AH has not been identified	n/a AH to be accommodated within another area	A&B	Market development located at 3-8-102:001 3-8-102:007		Preliminary subdivision rev/ no AHA	AHA to be accommodated within another area	
Affordable Hāna Housing Project (Kawaipapa)	Hāna	?	25	25	0		Yes	Yes	May require \$1.2M storm drainage requirements.	Additional requirements	1 2.97 with approval	Habitat for Humanity	1-3-004:001 (por.)	6.7			Sale
DHHL Lāna'i	Lāna'i	DHHL	TBD	TBD	TBD		No		Yes		2 DHHL residential	DHHL	4-9-024:051	33.31	EA to be presented at September 2021 HHC meeting		
Fifth Street Lāna'i Property	Lāna'i	Land	150	150	0	Yes	Proposed for funding	AHF funding approved	Yes	Needs source from Lanai Water Co.; cost of infrastructure (if can be shared); County can't do construction; consultant recommended 100% county funding; issue RFP but County capacity issue	2 County Land	County of Maui	4-9-002:058	115			
Hokuao Homes	Lāna'i	201H	150	76	74		Yes	Pending	Yes	Pending Council review	1 Proposed 201H	Pūlama Lāna'i	4-9-014:001 (por) 4-9-002:061 (por)	76	Council may request higher ratio of workforce homes	201H	Rental
DHHL Ho'olehua	Moloka'i	DHHL	12 to 20	TBD	TBD						2 DHHL residential	DHHL	Refer to map		Partially awarded. 12 to 20 lots yet to be awarded		
DHHL Nā'iwa	Moloka'i	DHHL	58	TBD	TBD						n/a (fully awarded)	DHHL	Refer to map		Homesteads have been awarded, may not all be occupied yet		
Hökū'ula at Hāli'imaile	Paia-Haiku	201H	176 to 196	88 to 98	88 to 98	Yes	Yes		No	DWS Water system Improvements	1 201H with approval	Aina Lani Pacific, LC	2-5-003:029	63	Breaking ground May 2021		
Paia Soccer Field	Paia-Haiku	Land	TBD	TBD	TBD	Yes	No		Yes		2 County Land	County of Maui	2-5-005:060	11.06			
East Waipūlani Village (former Alaka'i Apartments property)	South Maui	2.97	31	31	0		Yes	Pending SMA	Yes	Financial considerations for drainage	1 Proposed 2.97	Doyle Betsill, Vince Bagoyo	3-9-001:034 (por.)	28.7	Preparing SMA		
Hale Kaiola	South Maui	2.97	40	40	0		Yes	Yes	Yes		1 2.97 with approval	Hale Kaiola Joint Venture (Hale Kaiola, LLC and Waihe'e Valley Regensis LLC)	3-9-029:049		Council approved Sept 2020	2.97	Sale

Tier 1 and 2 Projects

PROJECT NAME	DISTRICT	2.97, 201H (2.96, > 50% affordable), market, DHHL, or land with no proposed project	TOTAL UNITS (based on agency information and/or publicly available information)	AFF UNITS ANTICIPATED (MINIMUM REQUIRED UNLESS NOTED BY COUNTY OF MAUI OR RESEARCH)	MKT UNITS ANTICIPATED (based on agency information and/or publicly available information)	County owned?	Proposed?	If proposed: Some approval acquired?	Infrastructure availability achievable by 2026? (If known.) (Zero cost or minimal upgrades, and/or readily available funding for improvements)	Barriers	Tier/Status	DEVELOPER /OWNER	TAX MAP KEY (Island Code 2)	ACREAGE	STATUS	PROCESS	RENTAL OR SALE
Hale O Pi'ikea Phase I	South Maui	2.97	90	90	0		Yes	AHF funding approved	Yes		1 2.97 with approval	'Ikenakea Development LLC in partnership with Hawaiian Community Development Board and 3 Leaf Holdings	3-9-002:76	9	County approved funding for land acquisition through affordable housing fund. for Phase 1. Future additional phases include 96 senior housing rentals and 32 townhomes.	CIZ	Rental
Kaiaulu O Halelea	South Maui	2.97	64	63	1		Proposed for funding	AHF funding approved	Yes	Water/sewer	1 2.97 with approval	Ikaika 'Ohana	2-2-024:033		County approved budget for 63 affordable, 64 total units (AH fund)		Rental
Kilohana Makai	South Maui	2.97	28	28	0		Yes	Pending SMA	Yes		1 Proposed 2.97	Aina Lani Pacific, LLC	3-9-004:141	6.943	CIZ approved by Council with conditions. Pending final subdivision approval.	2.96, MCC	Sale
Liloa Hale	South Maui	2.97	150	149	1		Yes	Yes	Yes	Pending HHFDC funding	1 2.97 with approval	Liloa Senior Housing, LP	2-2-002:072 (por)		Council approved budget. 2.97 scheduled August 2021	201H	Senior Rental
Hale O Pi'ikea Future Phases	South Maui	2.97	128	128	0		Proposed for funding	AHF funding approved	Yes		2 Potential 2.97	'Ikenakea Development LLC in partnership with Hawaiian Community Development Board and 3 Leaf Holdings	3-9-002:76	9	County approved funding for land acquisition through affordable housing fund. for Phase 1. Future additional phases include 96 senior housing rentals and 32 townhomes.	CIZ	Rental
Kamaole Pointe Condominiums	South Maui	2.97	129	129	0		No		Yes	SMA expired	2 Potential 2.97	No Ka Oi Development, LP	3-9-020:010		Pulling Permits	2.96	Sale
Kihei Fire Station Property - County of Maui	South Maui	Land	75 possible	TBD	TBD	Yes	No		Yes	Sewer Ext./Water & MECo Powerline Relocation. 100-yr. Flood Inundation Limits need verification.	2 County Land	County of Maui	2-1-008:046, 2-1-008:113, 3-9-038:026		Identified by 2019 SMS study as potential infill.		
Kihei Police Station	South Maui	Land	TBD	TBD	TBD	Yes	No		Yes	Potential access issues. Access through Easement A. Permitted Access required by DOT. DEM using lot to dispose of R-1 Water.	2 County Land	County of Maui	2-2-002:070	150			
Maui Research and Technology Park (MRTP) Residential	South Maui	Land	1250	TBD	TBD		No		Yes - Partial	Infrastructure road improvements needed; regional storage tank;	2 Proposed market	Maui R&T Partners, LLC Pacific Rim	2-2-024:017 (por) 2-2-024:014 (por) 2-2-002:085 (por)	437	Phase 1 construction 2022-23? 300-400 AH units		
Makena Resort	South Maui	market, AH compliance via credits	TBD	TBD	53		Yes	Pending		Pending EA, SMA, Grading/construction approval.	n/a AH to be accommodated within another area	H2R LLC	Market development located at 2-1-005:085	27.83	Pending EA, SMA, Grading/construction approval. Housing credits secured from Hale Mahaolu senior rental in Kihei and DHHL.		
Keawe Street Apartments a.k.a. Kaiaulu O Kukuia	West Maui	201H?	200	197	3		Yes	Yes	Yes	Construction starting 2021	1 201H with approval	Ikaika Ohana for HHFDC	4-5-021:003 (por)	28.5	STATE Project Pending Final Subdivision approval	201H-038	Rental
Makila Farms	West Maui	201H	34	19	15		Yes	Yes	Yes	Pending SMA	1 201H with approval	Makila Kai, LLC	4-7-013:003 4-7-013:004 4-7-013:005	76	Pending Final Subdivision Approval	201H-038	Sale
Pulelehua Phase I	West Maui	Market	240	90	150		Yes	Pending	Yes	Potential DHHL cost share; water needs to be resolved	1 Proposed market with available infrastructure	Maui Oceanview, LP	4-3-001:082 4-3-001:083 (por.)	304	State Land Use Approval received for 900 total units, including 500 affordable and 400 market.. Pending Maui Planning Commission review.	2.96, MCC	AH Rental
DHHL Honokōwai	West Maui	DHHL	TBD (up to 1200)	TBD	TBD		Yes	Pending		\$9M to address water issues; need est \$4M	2 DHHL residential/agricultural	DHHL	4-4-001:015 4-4-002:003 (por.), 008,009,011,015,018 (por.),038	785			DHHL
DHHL Leialii Village 1B	West Maui	DHHL	TBD (up to 250)	TBD	TBD		Yes	Yes	Yes	Water for areas above 130' elevation	2 DHHL residential/agricultural	DHHL	4-5-021:020		Leg appropriations for designs for hwy and pkwy improvements. Offsite water improvements funded by HHFDC DURF		DHHL
Waiola Church	West Maui	Assumed 2.97	24	TBD	TBD		No		Yes		2 Potential 2.97	Waiola Church	4-6-008:018		Conceptual Phase 24-30 units, seeking funding - planning/design		Rental
Honokowai Subdivisions	West Maui	market, AH compliance offsite	61 lots	16	45		Yes	Pending	No	Pending Final Subdivision Approval	n/a AH to be accommodated within another area	KLMC	Market development located at 4-4-002:002	295	Pending Final Subdivision Approval	2.96, MCC	Sale
Pulelehua Future Phases	West Maui	Market	TBD	TBD	TBD		Yes	Pending	No	Listed by DHHC as Early Planning stage. State LUC approved in July 2020	TBD. Phase I moving forward.	Paul Chang	4-3-001:082 4-3-001:083 (por.)		Listed by DHHC as Early Planning stage. State Land Use Approval received for 900 total units, including 500 affordable and 400 market.. Pending Maui Planning Commission review.		

Tier 3

PROJECT NAME	DISTRICT	2.97, 201H (2.96, > 50% affordable), market, DHHL, or land with no proposed project	TOTAL UNITS (based on agency information and/or publicly available information)	AFF UNITS ANTICIPATED (MINIMUM REQUIRED UNLESS NOTED BY COUNTY OF MAUI OR RESEARCH)	MKT UNITS ANTICIPATED (based on agency information and/or publicly available information)	County owned?	Proposed?	If proposed: Some approval acquired?	Infrastructure availability achievable by 2026? (If known.) (Zero cost or minimal upgrades, and/or readily available funding for improvements)	Barriers	Tier/Status	DEVELOPER /OWNER	TAX MAP KEY (Island Code 2)	ACREAGE	STATUS	PROCESS	RENTAL OR SALE
A&B Wai'ale Parcel 1 (See also Wai'ale)	Central Maui	Land	TBD	TBD	TBD		No		No		3 Land		3-8-005:037	10	Adjacent to County lands		
A&B Wai'ale Parcel 2 (See also Wai'ale)	Central Maui	Land	TBD	TBD	TBD		No		No		3 Land		3-8-005:040	131.5	Adjacent to County lands		
Grace Bible Church	Central Maui	land	TBD	TBD	TBD		No		Yes	Land is behind church--would need to be subdivided.	3 Land		3-8-007:017 3-8-007:016		Potential for development		TBD
Kahili Rural Residential	Central Maui	Land	110	TBD	TBD		No		No	Water/sewer/roads	3 Land		3-6-004:005		designated growth boundary.		
Lunalilo Property	Central Maui	Land	TBD	TBD	TBD		No		Yes	Potential archaeological barriers (sand)	3 Land		3-8-007:047		potential infill. In use by lessee		
Maui High School	Central Maui	Land	TBD	TBD	TBD		No		Yes	Discretion of landowner	3 Land		3-8-007:098(por)		Potential for development		TBD
Maui Lani Phase 6 - Towne Realty Parkways Subdivision	Central Maui	market	200	93	107		Yes	Yes	Yes	Need status update on potential community concerns - archaeology	3 Unresolved barriers	landowner HBT, various developers	3-8-07:002 3-8-07:109 3-8-07:121 et al		Under construction. 55 market units and 38 AH units completed.	CIZ	Sale
Maui Lani Phase 8 (a.k.a Gentry Homes)	Central Maui	Market - 201H candidate?	385	179	206		Yes	Pending	Yes	Extension of Maui Lani Pkwy to Onehee Ave needed. Pending SHPD review of AISP; may have sewer issue - first project would need to address waste water	3 Proposed with barriers	Gentry Maui Development LLC	3-8-007:151		Onsite infrastructure completed. Preliminary subdivision for first 2 increments approved. Pending SHPD review of		Sale
Piihana - MEO Parcel	Central Maui	Land	TBD	TBD	TBD		Yes	Pending	Yes	Cultural resource barriers. Some permits but need to resolve flooding issues, extend sewer.	3 Land	Highridge Costa, Hale Mākua	3-3-001:106	11.48	Traffic study pending. Need to resolve flooding issues.		
Piihana Property	Central Maui	Land	TBD	TBD	TBD		No		No	ATA notes new owners requesting bifurcation from Kehalani PD	3 Land	Wailuku Plantation LLC	3-3-001:105	25.06			
Planning Department-identified property	Central Maui	Land	TBD	TBD	TBD		No		No	Affordable housing previously proposed -- project(s) encountered issues. Utility easement through Piihana Property--need access to that.	3 Land		3-3-001:102	8.5	Conzideration for rezoning and DBA (<15 ac)		
Puunani Subdivision Project	Central Maui	Market	624	520	104		Yes	Pending - long term	No	ATA notes FEA estimated to be completed in 2024. Need to resolve discrepancies.	3 Proposed with barriers	Town Development of Hawaii, Inc. Endurance Investors, LLC, Association of Il Wai Hui, LP	3-8-005:023 (por) 3-8-005:037 3-8-007:071 3-8-007:101 2-3-007:104 2-3-007:180, 177, 179, 176, 178	545	Within designated growth boundary in Maui Island Plan. Excluding DHHL Puunani Homesteads and Kuikahi project, which are already underway.		
Queen Kaahumanu Center	Central Maui	Land	TBD	TBD	TBD				Yes	Going through foreclosure.	3 Land	QKC Maui Owner, LLC	3-7-002:020 3-7-002:021 3-7-002:023 3-7-002:025 3-7-002:027				
UHMC Huli'au - Affordable Rentals	Central Maui	2.97	40 to 50	40 to 50	0	Yes	Pending		Yes	Site challenges - number of units may go down; EA and archeological review needed, may be behind schedule	3 Unresolved barriers	County of Maui	3-8-007:117 (por)	8.804	Estimated completion in 2023, will be 100% affordable. Phase I consisted of renovation of existing 12 units. Phase II consists of 40		Rental
Wai'ale	Central Maui	Market	2254	451	1803		Yes	EIS	No	Potential sale of lands, archaeological sensitivities, water/wastewater, requires pump station, \$8-10 M	3 Barriers, has approval	A&B	3-8-005:040 3-8-005:037 3-8-007:101 3-8-007:180 3-8-007:177 3-8-007:179 3-8-007:176 3-8-007:178		Status depends on future land ownership		
Planning Department-identified property	Hāna	Land	TBD	TBD	TBD		No			Portion in SMA area County AG, Interim, Park State AG, Rural Verizon towers, ranch store, fireworks. Existing 4" and 12" water line along Hana Hwy as of 1998.	3 Land		1-4-003:009 (por.)	19.8	Conzideration for rezoning and DBA (<15 ac)		

Tier 3

PROJECT NAME	DISTRICT	2.97, 201H (2.96, > 50% affordable), market, DHHL, or land with no proposed project	TOTAL UNITS (based on agency information and/or publicly available information)	AFF UNITS ANTICIPATED (MINIMUM REQUIRED UNLESS NOTED BY COUNTY OF MAUI OR RESEARCH)	MKT UNITS ANTICIPATED (based on agency information and/or publicly available information)	County owned?	Proposed?	If proposed: Some approval acquired?	Infrastructure availability achievable by 2026? (If known.) (Zero cost or minimal upgrades, and/or readily available funding for improvements)	Barriers	Tier/Status	DEVELOPER /OWNER	TAX MAP KEY (Island Code 2)	ACREAGE	STATUS	PROCESS	RENTAL OR SALE
Planning Department-identified property	Hāna	Land	TBD	TBD	TBD		No			SMA area County Interim State Ag No permits More research required	3 Land		1-4-006:037	5.725	Consideration for rezoning and DBA (<15 ac)		
Planning Department-identified property	Hāna	Land	TBD	TBD	TBD		No			SMA area County Interim State Ag No permits Existing 4" water line along Hana Hwy as of 1998 More research required	3 Land		1-4-006:039	7.607	Consideration for rezoning and DBA (<15 ac)		
Mahalo Place Molokai Property	Moloka'i	Land	TBD	TBD	TBD	Yes	No		Yes		3 Unresolved barriers	County of Maui	5-3-004:037 (por.)	1.3	Park		
Maunaloa Road Molokai Property	Moloka'i	Land	TBD	TBD	TBD	Yes	No		Yes		3 Unresolved barriers	County of Maui	5-1-010:010 (por.)	1.18	Portion of Moanaloa Community Center		
Planning Department-identified property	Paia-Haiku	Land	TBD	TBD	TBD	Yes	No		Yes	Extend sewer line, improve water/road.	3 Unresolved barriers	County of Maui	2-5-005:030	24	Consideration for rezoning and DBA (≥15 ac)		
Covos LLC Property (a.k.a. Makoa Subdivision, loc. Waikapu side of Maui)	South Maui	Land	TBD	TBD	TBD					Active agricultural subdivision	3 Land		2-2-002:002	146.274	Listed by DMHC as Early Planning stage. 16 approved units. (Zero affordable?) Noted that preliminary.		
DHHL Pūlenunui	South Maui	DHHL	100	TBD	TBD		Yes	Yes	No	Water/sewer/roads	3 Unresolved barriers	DHHL	3-8-008:034				
Honua'ula (Wailea 670)	South Maui	market (previous 50% requirement)	1400	700	700				No	Water/Sewer Traffic fair share for Piilani HWY Widening	3 Barriers, has approval	Honua'ula Partners, LLC	2-1-008:056 2-1-008:071	670	Pending	Project District	Sale
Kihei Mauka- South Village & Ohukai Village	South Maui	Market	750	150	600		No		No	Water/Sewer	3 Land		2-2-002:084 (por)	583 with Kaonoulu Ranch	Density distribution across 2 projects has not yet been determined. Designated Urban Growth Area in General Plan Update.		
Kihei Mauka-Kaonoulu Ranch	South Maui	Market	750	150	600		No		No	Water/Sewer	3 Land		2-2-002:082 (por) 2-2-002:081 (por)	583 with Haleakala Ranch	Designated Urban Growth Area in General Plan Update. Pending community plan amendment. SLUD, CIZ.		
Piilani Promenade	South Maui	Market	226	TBD	TBD		No		No	Water, pump station	3 Land		3-9-001:016, 170, 171, 172, 173, 174		County notes 25% WFH, also notes 46 units which is 20%	2.96	Mixed
Planning Department-identified property	South Maui	Land	TBD	TBD	TBD		No		No	Need water source	3 Land		2-2-002:016	215	Consideration for rezoning and DBA (≥15 ac)		
Wailani Village FKA Hoonani Subdivision	South Maui	100% AH (did not utilize 2.97)	81	81	0		Yes	Yes	Yes		3 Unresolved barriers	Peter Savio marketing to interested homebuyers	3-9-001:007	12	Pending possible sale to Peter Savio	2.96, MCC	Sale
Kula Ridge	Upcountry	201H	TBD	TBD	TBD				No	Need water and sewer	3 Land		(2) 2-3-001:023 (por.), 174	34.516	Stalled		
Planning Department-identified property	Upcountry	Land	TBD	TBD	TBD		No		No	Kauhale Lani Subdivision, Need water and sewer	3 Land		2-3-009:007	49	Consideration for rezoning		
Planning Department-identified property	Upcountry	Land	TBD	TBD	TBD		No		No	Need water and sewer	3 Land		2-3-009:031	6.232	Consideration for rezoning and DBA (<15 ac)		
Planning Department-identified property	Upcountry	Land	TBD	TBD	TBD		No		No	Need water and sewer	3 Land		2-3-009:032	6.273	Consideration for rezoning and DBA (<15 ac)		
Planning Department-identified property	Upcountry	Land	TBD	TBD	TBD		No		No	Need water and sewer	3 Land		2-3-009:064	38	Consideration for rezoning		
Planning Department-identified property	Upcountry	Land	TBD	TBD	TBD		No		No	Need water and sewer	3 Land		2-4-003:010	4.3	Consideration for rezoning and DBA (<15 ac)		
Planning Department-identified property	Upcountry	Land	TBD	TBD	TBD		No		No	Need water and sewer	3 Land		2-4-003:011	4.719	Consideration for rezoning and DBA (<15 ac)		
Kaanapali 2020	West Maui	TBD	TBD	TBD	TBD		No		No	West Maui Community Plan update	3 Land	Kā'anapali Land Management Corp.	4-4-006:070, 085, 086 4-4-020:030, 039, 040, 045, 046, 047, 048, 049, 050, 051, 052 4-4-015:034, 035, 036, 037, 038, 040, 041, 042, 043, 044, 046, 047, 048	913 (4,325 with Puukolii, Pioneer Farms, and conservation areas)	Community planned concept. West Maui Community Plan update may not be compatible. Pending update.		
Lahainaluna Teacher Housing	West Maui	Land	TBD	TBD	TBD		No				3 Unresolved barriers	DOE	4-5-034:048-054, 067	Approx. 2	STATE project (DOT to convey property to DOE)		

Tier 3

PROJECT NAME	DISTRICT	2.97, 201H (2.96, > 50% affordable), market, DHHL, or land with no proposed project	TOTAL UNITS (based on agency information and/or publicly available information)	AFF UNITS ANTICIPATED (MINIMUM REQUIRED UNLESS NOTED BY COUNTY OF MAUI OR RESEARCH)	MKT UNITS ANTICIPATED (based on agency information and/or publicly available information)	County owned?	Proposed?	If proposed: Some approval acquired?	Infrastructure availability achievable by 2026? (If known.) (Zero cost or minimal upgrades, and/or readily available funding for improvements)	Barriers	Tier/Status	DEVELOPER /OWNER	TAX MAP KEY (Island Code 2)	ACREAGE	STATUS	PROCESS	RENTAL OR SALE
Planning Department-identified property	West Maui	Land	TBD	TBD	TBD		No		No	Proposed Pineapple Ridge development	3 Land		4-3-001:039	8	Consideration for rezoning		
Planning Department-identified property	West Maui	Land	TBD	TBD	TBD		No		No	State Ag, Conservation County Ag, Interim, R-1	3 Land	Kamehameha Schools	4-6-018:003 (por.)	13 (1137.914 total)	Consideration for rezoning and DBA (<15 ac)		
Planning Department-identified property	West Maui	Land	TBD	TBD	TBD		No		Yes	County Ag, State Ag	3 Land	Wainee Land & Homes, Hope Builders	4-6-015:001 (por.)	13 (64.873 total)	Consideration for rezoning and DBA (<15 ac)		
Planning Department-identified property (West Maui)	West Maui	Land	TBD	TBD	TBD	Yes			No - Drainage Basin	Check with Wastewater	3 Land		4-3-001:079	6.181	Mahinahina Gulch passes through property		
Potential County Acquisition - ML&P	West Maui	Land	TBD	TBD	TBD	No	No		No	Private water/sewer improvements	3 Land		4-3-001:083 (por.)	50	Councilmember Patti recommended a 50 acre parcel of ML&P land just mauka of Lahaina that the		
Puukoolii Parcel 1	West Maui	Land	TBD	TBD	TBD		No		No	Water	3 Land		4-4-002:040	59.85			
Puukoolii Parcel 2	West Maui	Land	TBD	TBD	TBD		No		No	Water	3 Land		4-4-002:048	25.09			
Puukoolii Parcel 3	West Maui	Land	TBD	TBD	TBD		No		No	Water	3 Land		4-4-002:049	25.59			
Puukoolii Parcel 4	West Maui	Land	TBD	TBD	TBD		No		No	Water	3 Land		4-4-002:050	25.11			
Puukoolii Village (Pioneer Mill)	West Maui	Mixed (precedes 201H)	Up to 1600	TBD	TBD		Yes	Yes	No	Water/sewer	3 Barriers, has approval	Amiac Property Investment Corporation (subsidiary of Amfac/IMP)	4-4-015:046 4-4-015:049				
Villages of Leialii Phase A	West Maui	Assumed 2.97	2,601	1301	1300		No		No	County requires development of WWTP onsite and pay DHHL \$10M for the development of the Honokowai Well with water to be split equally between DHHL and HHFDC	3 Land	HHFDC	4-005-021:003, 013, 021 4-005-028:070		Early Planning		Mixed
Villages of Leialii Phase B	West Maui	Assumed 2.97	1,504	752	752		No		No	Must develop the Honokowai Well with water to be split equally between DHHL and HHFDC. Well may be in service in 3-5 years.	3 Land	HHFDC	4-005-021:004, 005, 022 (por)		Early Planning		Mixed
West Maui Villages - Waialele	West Maui	market, AH compliance via credits	158	12	146		Yes		No	Yes, on hold	3 Barriers, has approval	Bach Corporation	4-3-001:033	9.65	Pending, AH to be satisfied via credits	CIZ	Sale

Hiatus Projects

STALLED PROJECT NAME	DISTRICT	2.97, 201H (2.96, > 50% affordable), market, DHHL, or land with no proposed project	TOTAL UNITS (based on agency information and/or publicly available information)	AFF UNITS ANTICIPATED (MINIMUM REQUIRED UNLESS NOTED BY COUNTY OF MAUI OR RESEARCH)	MKT UNITS ANTICIPATED (based on agency information and/or publicly available information)	County owned?	Proposed?	If proposed: Some approval required?	Barriers	Tier/Status	DEVELOPER	TAX MAP KEY (Island Code 2)	ACREAGE	STATUS	PROCESS	RENTAL OR SALE
Maalaea Plantation	Central Maui	201H - rejected	113	58	55		Yes	Rejected	Council did not approve	Stalled Rejected 201H	Spencer	3-6-001:018		Council did not approve	201H	For Sale
Wai'ale Project District South (A&B)	Central Maui	TBD	TBD (formerly 2254 listed by County)	TBD	TBD		No		May be supplanted by other efforts in Wai'ale area?	Stalled Land	Alexander & Baldwin LLC	3-8-005:037,040 (por.)		May be supplanted by other efforts in Wai'ale area?		
Wai'ale Project North (Maui Bus Park?)	Central Maui	TBD	TBD (formerly 563 listed by County)	TBD	TBD		No		Listed by DHHC as long term/concept stage. May be supplanted by other efforts in Wai'ale area?	Stalled Land		3-8-005:023 (por) 3-8-005:037 3-8-007:071 3-8-007:101 2-3-007:104		Listed by DHHC as long term/concept stage. May be supplanted by other efforts in Wai'ale area?		Mixed
Waiehu Affordable Housing project (formerly Hale Mua)	Central Maui	Previously 201H, possibly market	466	238	228		Yes	Lost previous entitlements		Stalled Previous 201H with barriers	Southwest 7 LLC owner	3-3-002:031	240 acres	Hiatus? Project lost entitlements, per HCA. Infrastructure barriers: Water/Sewer/Drainage/Road Improvements required. Traffic fair share for offsite improvements and Imi Kala Extension	Previously 201H. TBD.	
Alahele Subdivision	South Maui		TBD	TBD	TBD		Yes	Stalled	DHHC notes 48 total units, not approved, pending since 2007. HCA considers this project stalled.	Stalled Proposed with barriers		(2)3-9-017:034		Listed by DHHC as Early Planning stage. DHHC notes 48 total units, not approved, pending since 2007. HCA requested to remove project from regional maps.		
Grand Wailea Expansion	South Maui		TBD (current proposal is 151 rooms)	TBD	TBD		Yes	Stalled	Listed by DHHC as Pending. Proposed expansion scaled back from 224 rooms to 151. Remaining cultural community concerns. HCA considers this project stalled.	Stalled Proposed with barriers	Bre Iconic GWR Owner, LLC	(2)2-1-008:109		Listed by DHHC as Pending. Proposed expansion scaled back from 224 rooms to 151. Remaining cultural community concerns. HCA requested to remove project from regional maps		
Kihei Soccer Field Property	South Maui	Land	TBD	TBD	TBD		No		HCA considers this project stalled.	Stalled Land		(2)2-2-030:121		Identified by 2019 SMS study as potential infill.		
Lihau'ula WFH Project	West Maui	201H - rejected	59	40	19		Yes	Rejected	Council did not approve	Stalled Rejected 201H	Vince Bagoyo	(2)4-8-003:103		Council did not approve		
Makila Rural-East	West Maui	201H - rejected	95	50	45		Yes	Rejected	201H application not approved by Council	Stalled Rejected 201H	Hope Builders - Vince Bagoyo	(2)4-7-013:006-008 (2)4-7-013:010		201H application not approved by Council		
Polanui Gardens	West Maui	201H - rejected	66	50	16		Yes	Rejected	201H application not approved by Council	Stalled Rejected 201H	Peter Martin, Steve Smith	(2)4-7-013:001 (2)4-7-013:002(por)		201H application not approved by Council		

Project Name and Identifying Information	Region	Reason Removed
The Heritage Maui Lani, TMK 3-8-007:157	Central Maui	Project complete
UHMC Huliau - Dorm Renovation, TMK 3-8-007:117 (por.)	Central Maui	Project complete
Wai'ale Road Property, 7.5151 ac, TMK 3-5-020:036	Central Maui	Anticipated use as park
Waiale 'Elua, TMK 3-5-002:020	Central Maui	Project complete
Paia Beachfront Property, 25.22 ac, TMK 2-5-005:017	Paia-Haiku	Unsuitable due to sea level rise exposure
Planning Department-identified property, 24 ac, TMK 2-5-005:020	Paia-Haiku	Privately owned and CPR'd
Aloha Village Multi-Family (Kamaole Grand), 8.39 ac, TMK 3-9-020:007	South Maui	market, AH compliance via credits, requested to remove (project obstacles)
Kihei Gateway (Weinberg), TMK 3-8-077:009	South Maui	No plans for affordable housing
Līloa Village, TMK 3-9-002:014, 116, 150, 151	South Maui	Same as Welakahao Village Subdivision
Welakahao Village Subdivision, TMK 3-9-002:014, 116, 150, 151	South Maui	market, AH compliance via credits, requested to remove (project obstacles)
Planning Department-identified property, 8.463 ac, TMK 2-3-009:030	Upcountry	Land has been developed
Kahoma Village, 21.6 ac, TMK 4-5-008:001 (por.)	West Maui	Complete (SMA rescinded but project is already occupied)
Kaiaulu O Kupuohi (FKA Kai Mauka 'ike Nui, Star Noodle), 98.8764 ac, TMK 4-5-010:047	West Maui	Directed by County to remove, under construction
Pailolo Place FKA Maui Land and Pine Site 6-0, , 5.27 ac, TMK 4-2-004:048:0000-0043	West Maui	Project complete

Appendix M. Community Profiles

East Maui

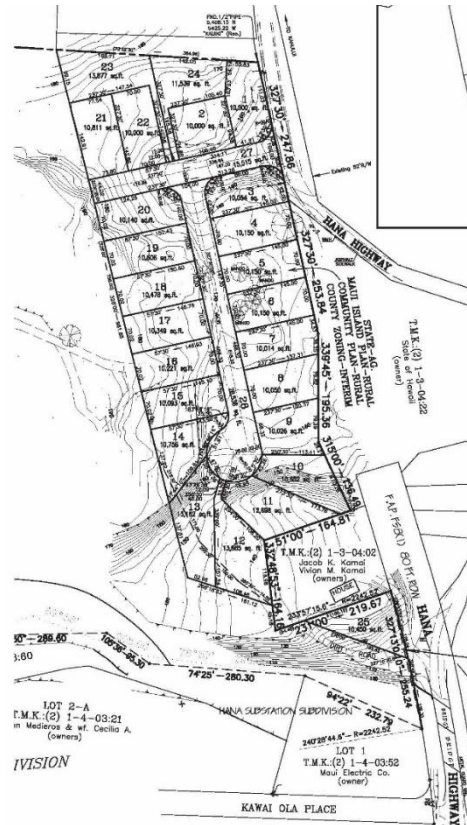
The plan has identified the potential of 25 affordable homes that could be made available for local homebuyers below 80% AMI in a Tier 1 priority project.

Community Priorities. Priorities were identified in the most recent community plan:

- Efficient distribution of urban, rural and agricultural land uses that will provide for the social and well-being of the Hana region.
- Protect and manage lands, water and ocean resources for future generations.
- Identify, preserve, protect and where appropriate restore significant cultural resources and practices that will preserve the history and identity of the Hana region.
- Create a balanced local economy with is viable and sustainable while meeting residents needs, respecting culture and protecting the natural resources of the region.
- Provide housing opportunities to residents of Hana for all income and age groups which are affordable, and environmentally and culturally compatible.

Community Recommendations. The following recommendations were identified through community engagement:

- Recommendation 1: Update affordable housing credits to make sure it results in homes for local residents.
- Recommendation 2: Require any development to build affordable homes before building market rate homes.
- Recommendation 3: Restrict resale of affordable homes at market rates to 10 years.
- Recommendation 4: Give priority to residents in community plan areas for affordable homes that are built.
- Recommendation 5: Fund conversion of existing lots from cesspool to septic or County systems to increase opportunities for accessory dwelling and 'ohana units by owner-builders.
- Recommendation 6: Restrict affordable homes from transitioning into vacation rentals and enforce the restriction.
- Recommendation 7: Pursue rent-to-own options.
- Recommendation 8: Increase support for septic systems to homeowners interested in multi-generational living using attached or detached additional dwelling units.



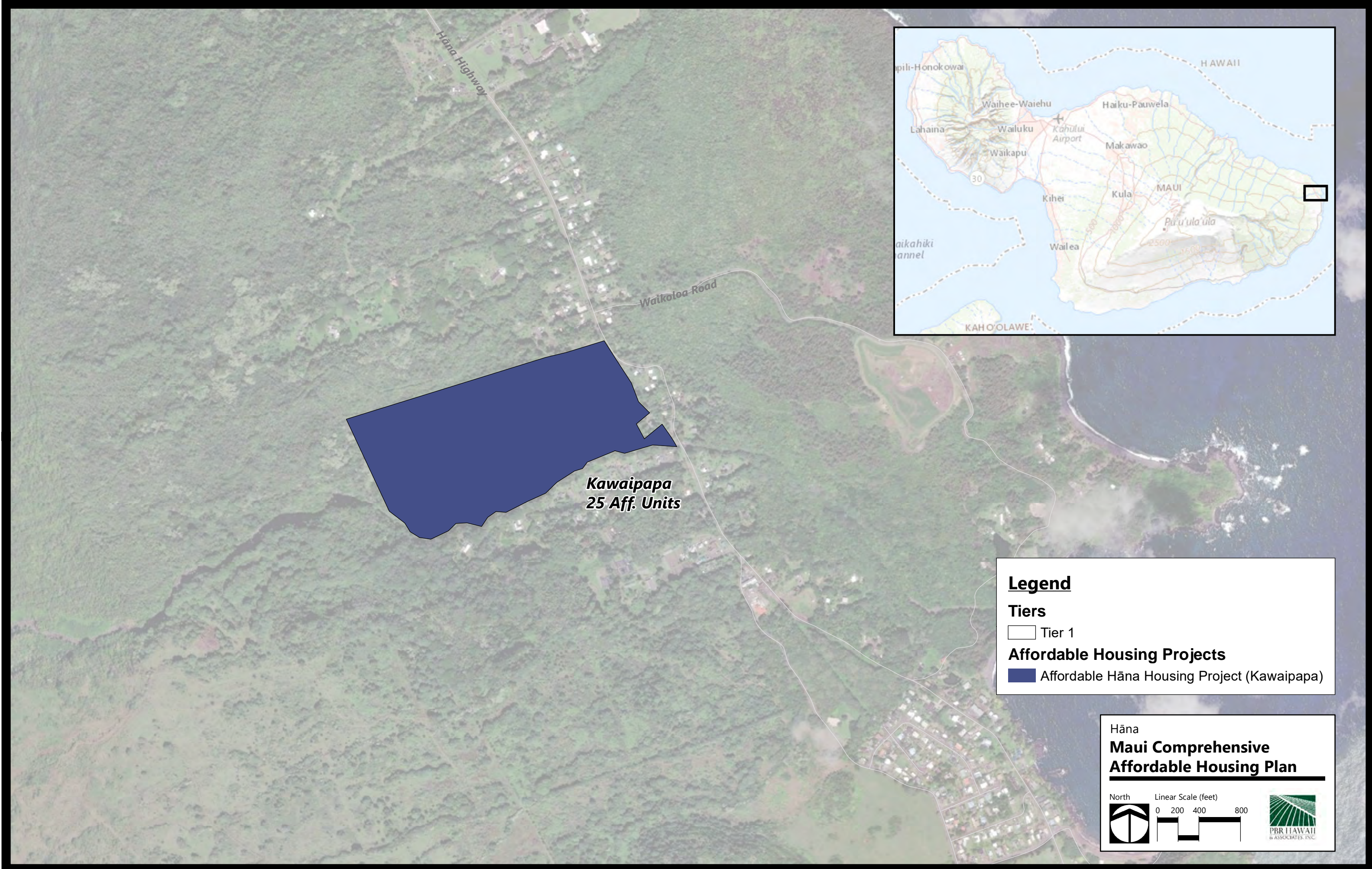
Priority Projects. Hana has 1 priority project expected to begin construction in the next five years.

Kawaipapa will bring 25 for-sale homes to low-income Hana families (at or below 80% AMI). The project is being developed by GLH Land Company and Habitat for Humanity Maui.

A 201H application was approved for Kawaipapa in 2018. Since that time, Habitat for Humanity has secured funding from the County Affordable Housing Fund, received a State Grant-in-Aid, and anticipates using USDA 502 mortgage financing to assist Hana families in purchasing the homes. Additional fundraising will take place by Habitat for Humanity for the project.

Before the 25 affordable homes can be made available to Hana residents, the project must make storm drainage improvements estimated at \$1.2 million to improve storm drainage improvements before approval.

Project	Unit Type	Estimated # Affordable	Status	Anticipated Funding
Kawaipapa TMK 1-3-004:001 (por)	Sale	25	2.97 with approval \$1.2M storm drainage improvements needed	AHF State GIA USDA



Legend

Tiers

□ Tier 1

Affordable Housing Projects

■ Affordable Hāna Housing Project (Kawaipapa)

Hāna
**Maui Comprehensive
Affordable Housing Plan**

North Linear Scale (feet)
0 200 400 800

PBR HAWAII
ASSOCIATES, INC.

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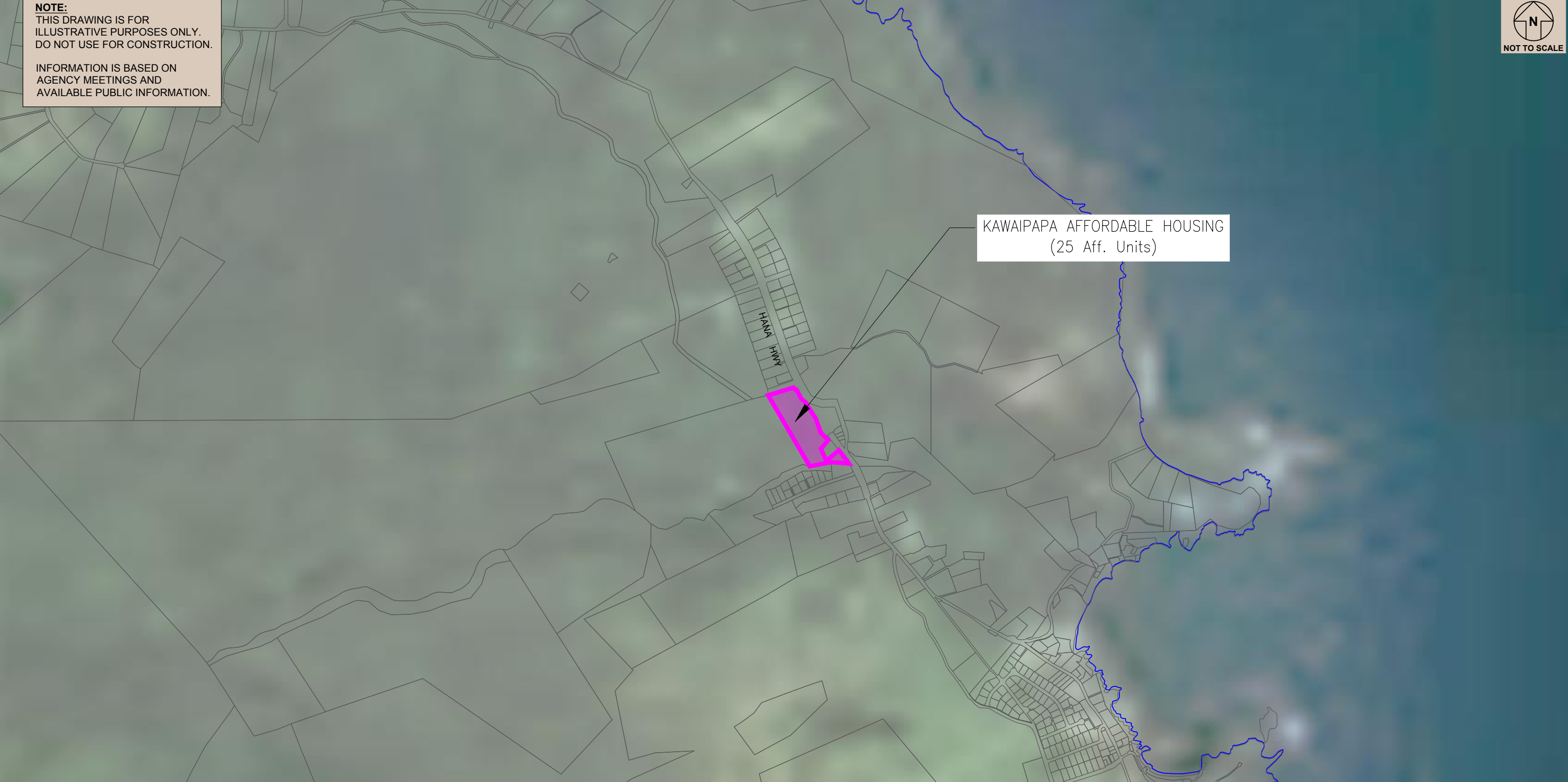


FIGURE 4b

Molokaʻi

The plan has identified the opportunity to support 55 native Hawaiians in access their agricultural lease awards and build homes on Hawaiian Home Lands on Molokaʻi.

Community Priorities. Priorities were identified in the most recent community plan:

- Maintain and enhance Molokai's rural character and natural beauty.
- Develop affordable housing with a range of housing types that addresses life changes, affordability and lot sizes.
- Develop regulations and preserve affordability of any county mandated housing projects.
- Explore the establishment of a Community Land Trust to improve access to affordable housing.
- Any new growth shall require that the rural character and Molokaʻi's history is protected and enhanced.
- Establish Long term residential care facilities for kupuna and persons with special needs.
- Development should take place that is conducive to employment, services, infrastructure and public facilities.
- Encourage DHHL to establish its own building codes that protects public health and safety and benefits DHHL beneficiaries.
- Development of diversified economic opportunities while still preserving the rural character and history of Molokaʻi.

Community Recommendations. The following recommendations were identified through community engagement:

- Recommendation 1: County should cost-share with DHHL on infrastructure costs and subsidies for low-income homebuyers to open up affordable housing opportunities for Molokaʻi residents.
- Recommendation 2: Pursue different housing types including post and pier and single-wall construction homes for more affordable housing that meets the character of Molokaʻi.
- Recommendation 3: Address potential impacts of climate change and sea level rise by planning the building new homes and consider relocating infrastructure and the island's economic center above the tsunami inundation zone.
- Recommendation 4: Prioritize rent-to-own and self-help housing opportunities for affordable homeownership.
- Recommendation 5: Provide financial literacy and increase education about the homebuying process to help Molokaʻi residents qualify for mortgage financing, including USDA 502 Direct mortgages with zero percent down payment requirements.
- Recommendation 6: Consider duplexes and triplexes for rent and purchase.

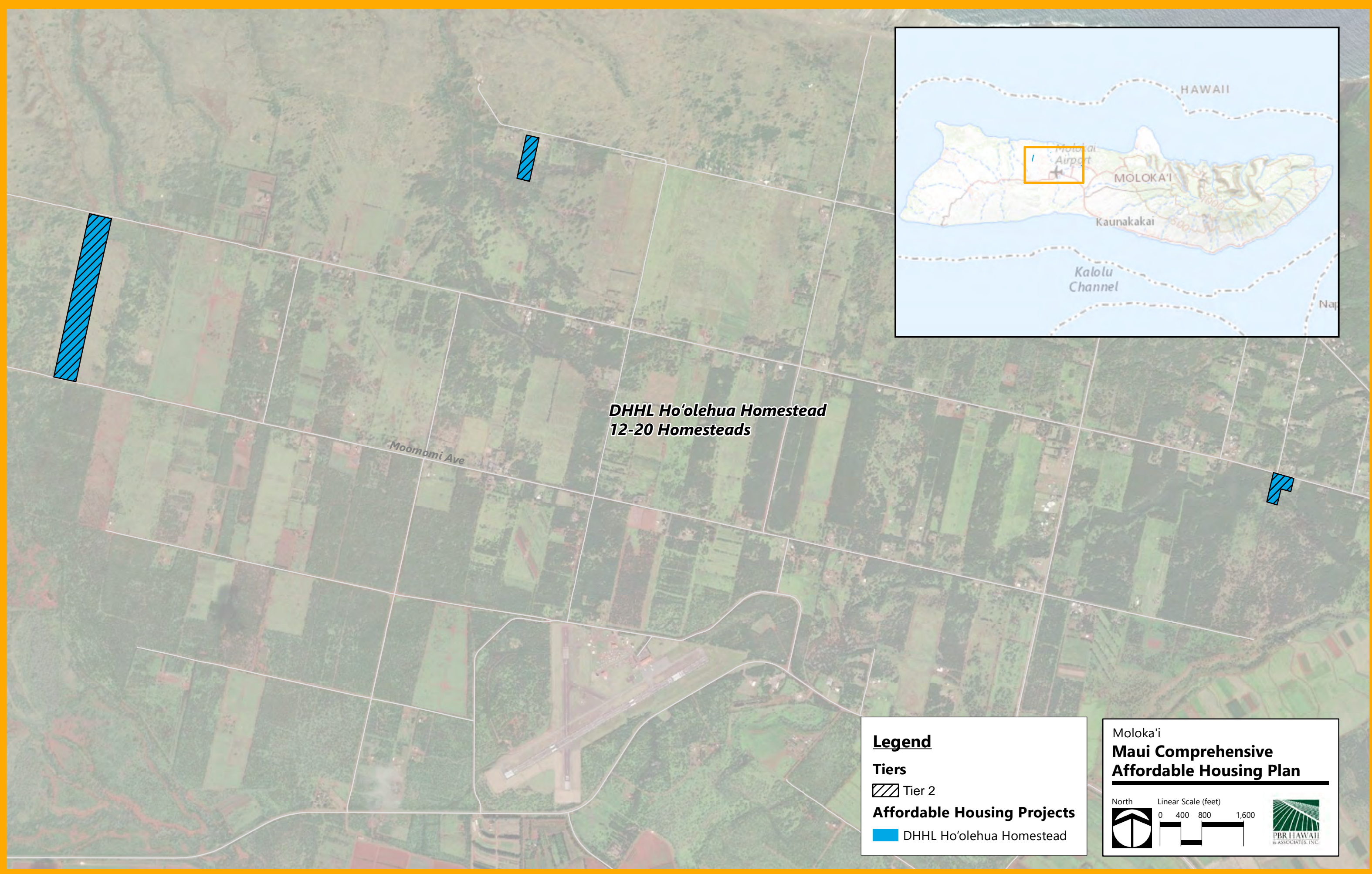
Priority Projects. Two priority projects have been identified for Molokaʻi in the plan.

Hoolehua Homestead will make 21 agricultural lots available to DHHL beneficiaries that would provide additional housing on island. 58 agricultural lots were also awarded in **Naiwa Homestead** in 1985 under an accelerated award program. The developments project to be completed by 2023.

DHHL has raised Federal funds to pay for an estimated \$35 million in infrastructure improvements. However, the lessees who were awarded the Hawaiian Home Lands leases have aged and do not have the same amount of income than they did nearly 40 years ago. It is recommended the County support the project with individual development accounts and deferred payment mortgages through the

Affordable Housing Fund to assist these homebuyers in building and qualifying for these affordable home opportunities. By the county supporting native Hawaiian homebuyers with these funds the homes built through these homestead developments could be counted toward the plan's goals and targets.

Project	Unit Type	Estimated # Affordable	Status	Anticipated Funding
Naiwa Homestead TMK	Sale	40	Development plan. Begin construction 2022, dependent on construction funding.	NAHASDA DHHL USDA
Hoolehua Homestead TMK	Sale	15	Development plan. Funds secured for water improvements. Begin construction 2022, dependent on construction funding.	NAHASDA DHHL USDA
Total		55		




**DHHL Ho'olehua Homestead
12-20 Homesteads**


Moomomi Ave

Legend


Tiers


 Tier 2

Affordable Housing Projects

 DHHL Ho'olehua Homestead

Moloka'i
**Maui Comprehensive
Affordable Housing Plan**

North  Linear Scale (feet)
0 400 800 1,600


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Lānaʻi

The plan has identified a potential of 281 homes that could be made available for local renters and homebuyers below 120% AMI in Tier 1 and Tier 2 priority projects.

Community Priorities. Residents have identified priorities for their community in the most recent community plan:

- Protect and manage lands, water and ocean resources for future generations.
- Identify, preserve, protect and where appropriate restore significant cultural resources and practices that will preserve the history and identity of Lānaʻi.
- Create a resilient economic base that will provide opportunities for small businesses, for keiki to live and work on Lānaʻi, while ensuring that the resulting expansion of our population is appropriately and constructively assimilated into the community.
- Provide housing opportunities to residents of Lānaʻi for all income and age groups, including workforce housing for both residents and others necessary for the construction of infrastructure, housing and other construction activities.
- Ensure a healthy community that is supported by adequate infrastructure for transportation, housing, public safety and small businesses, and the provision of a full array of health care services for all members of the community.

Community Recommendations. Residents identified the following recommendations for making affordable homes available during the plan's community meetings:

- Recommendation 1: Encourage conversation about different housing types on Lānaʻi, including tiny homes and rent-to-own options.
- Recommendation 2: Down payment assistance and additional subsidies are needed for first-time homebuyers and families on Lānaʻi.
- Recommendation 3: Continued meetings and conversations with community requested.
- Recommendation 4: Require housing goes to local residents.
- Recommendation 6: Consider housing for first responders – police officers, teachers, firefighters, health professionals.
- Recommendation 6: HUD housing counseling to prepare families is needed.

Priority Projects. Three priority projects have been identified that could contribute an estimated 304 affordable units to the Maui County inventory in the next 5 years.

Hōkūao will provide 150 single-family, two-bedroom homes for rent ranging from 1,150 to 1,175 square feet of living space with 370 to 375 square foot lanai and a car port.

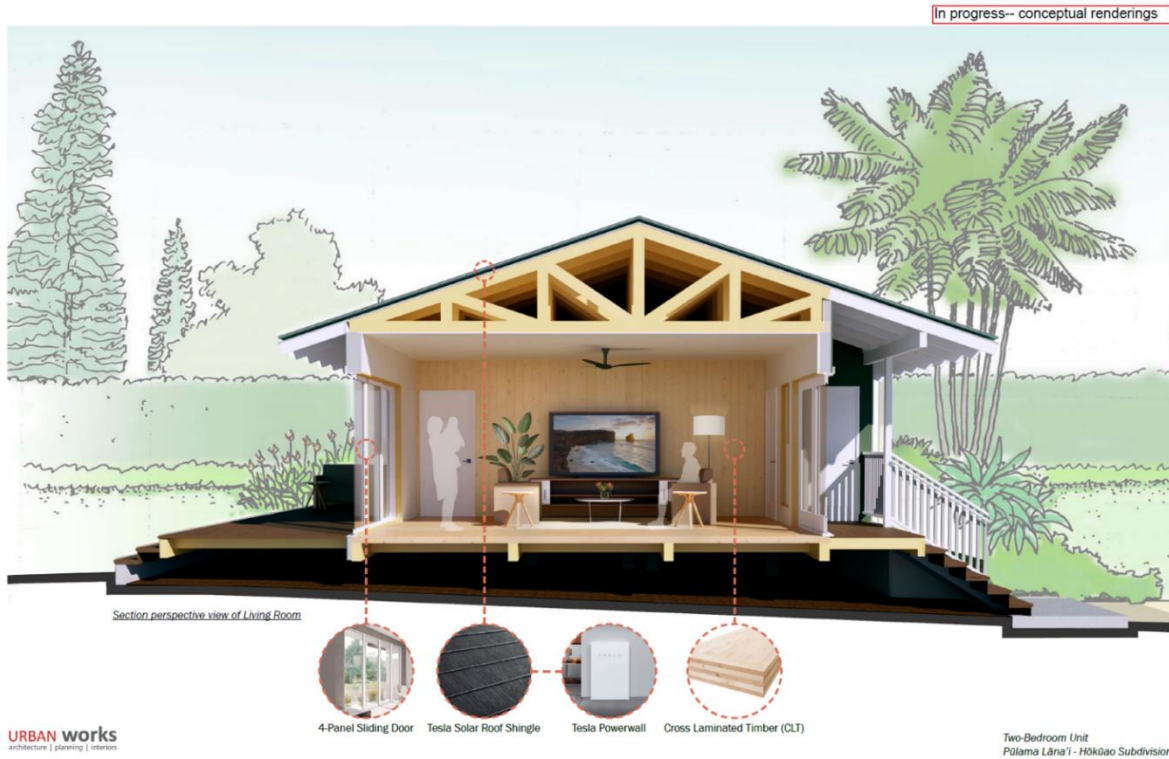


PERSPECTIVE 01
STREET VIEW: GROUP OF HOMES
HOKUKAO SUBDIVISION
NOVEMBER 23, 2020

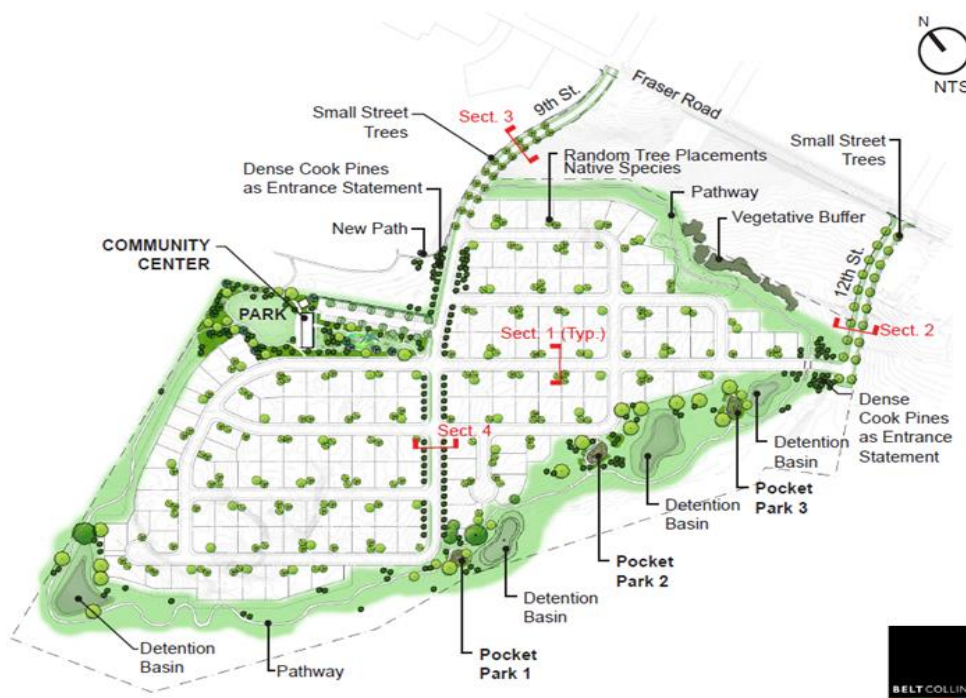


Fifty one percent (76 homes) will be offered for rent at monthly rates set by Maui County DHHC for Lānaʻi. Lot sizes start at 8,000 square feet, making for a very low-density community.

Each home will be equipped with modern finishes, including smart devices for a more efficient home. In addition, each home will be powered by a solar and battery system that will provide almost 100% of the energy necessary for the home.



The project also includes a one-acre park, community center available to all Lānaʻi residents, and sixty parking stalls for intermittent parking equipped with electric vehicle chargers.

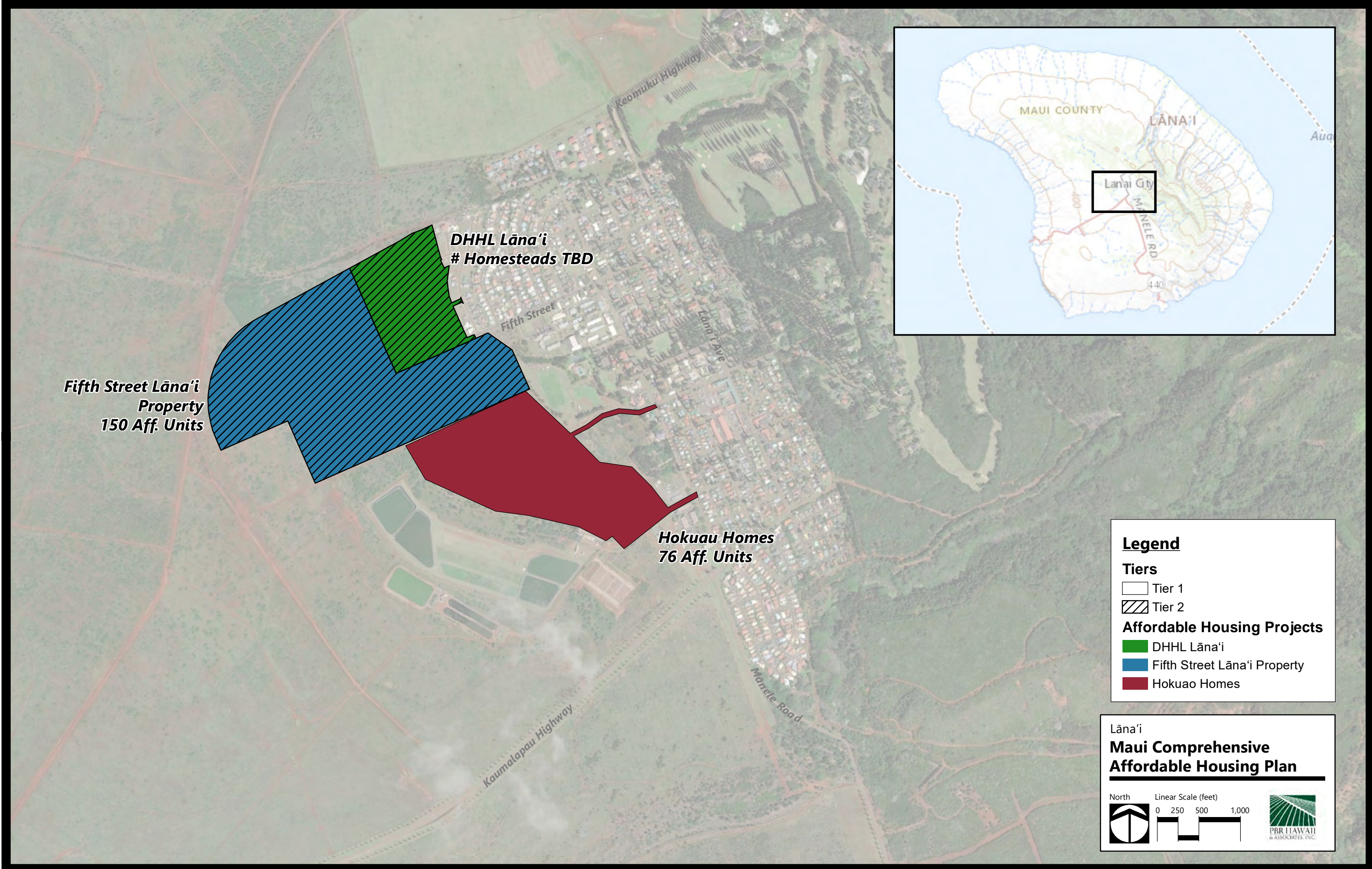


Hōkūāo has submitted its 201H application and pending council review. The project will be funded one hundred percent with private funding and include the development of a new water system and transmission lines. Utilities will be brought up to the adjacent Fifth Street property, owned by the county.

The **Fifth Street** property was donated to the county in a development agreement with the previous owner of the Hōkūāo property. A partnership with Hōkūāo for needed infrastructure would reduce the costs for the project significantly, allowing for deeper levels of affordability for Lānaʻi residents. The property has been approved for Affordable Housing Fund funding and an estimated 150 homes could be made available for rent, sale, or rent-to-own. Community members have expressed interest in tiny homes, rent-to-own options, and housing for police officers, firefighters, teachers, and health professionals. The county could contract a nonprofit community development corporation or other affordable housing developer to develop the property and leverage resources such as Low-Income Housing Tax Credits and additional funding from the county’s Affordable Housing Fund.

Adjacent to the Fifth Street property is the **Lānaʻi Homestead** managed by the Department of Hawaiian Home Lands (DHHL). A cost-share partnership with DHHL could further reduce infrastructure costs for the County. DHHL plans to present an Environmental Assessment for the project at the September 2021 Hawaiian Homes Commission meeting. The development is estimated to provide 55 homes affordable for Hawaiian beneficiaries on the Lānaʻi waitlist below 120% AMI.

Project	Unit Types	Estimated # Affordable	Status	Anticipated Funding
Hōkūāo Homes TMK 4-9-01:001 (por) TMK 4-9-002:061 (por)	Rental	76	Proposed 201H. Pending Council review.	Private
Fifth Street TMK 4-9-002:058	Sale	50	County owned. Approved for AHF funding	AHF LIHTC
	Rental	100		
Lānaʻi Homestead TMK 4-9-024:051	Sale	55	Environmental Assessments to be presented at Sept 2021 Commission meeting.	NAHASDA DHHL
Total		281		



DHHL Lānaʻi
Homesteads TBD

Fifth Street Lānaʻi
Property
150 Aff. Units

Hokuau Homes
76 Aff. Units



Legend

Tiers

- Tier 1
- Tier 2

Affordable Housing Projects

- DHHL Lānaʻi
- Fifth Street Lānaʻi Property
- Hokuau Homes

Lānaʻi
Maui Comprehensive Affordable Housing Plan

North Linear Scale (feet)

0 250 500 1,000

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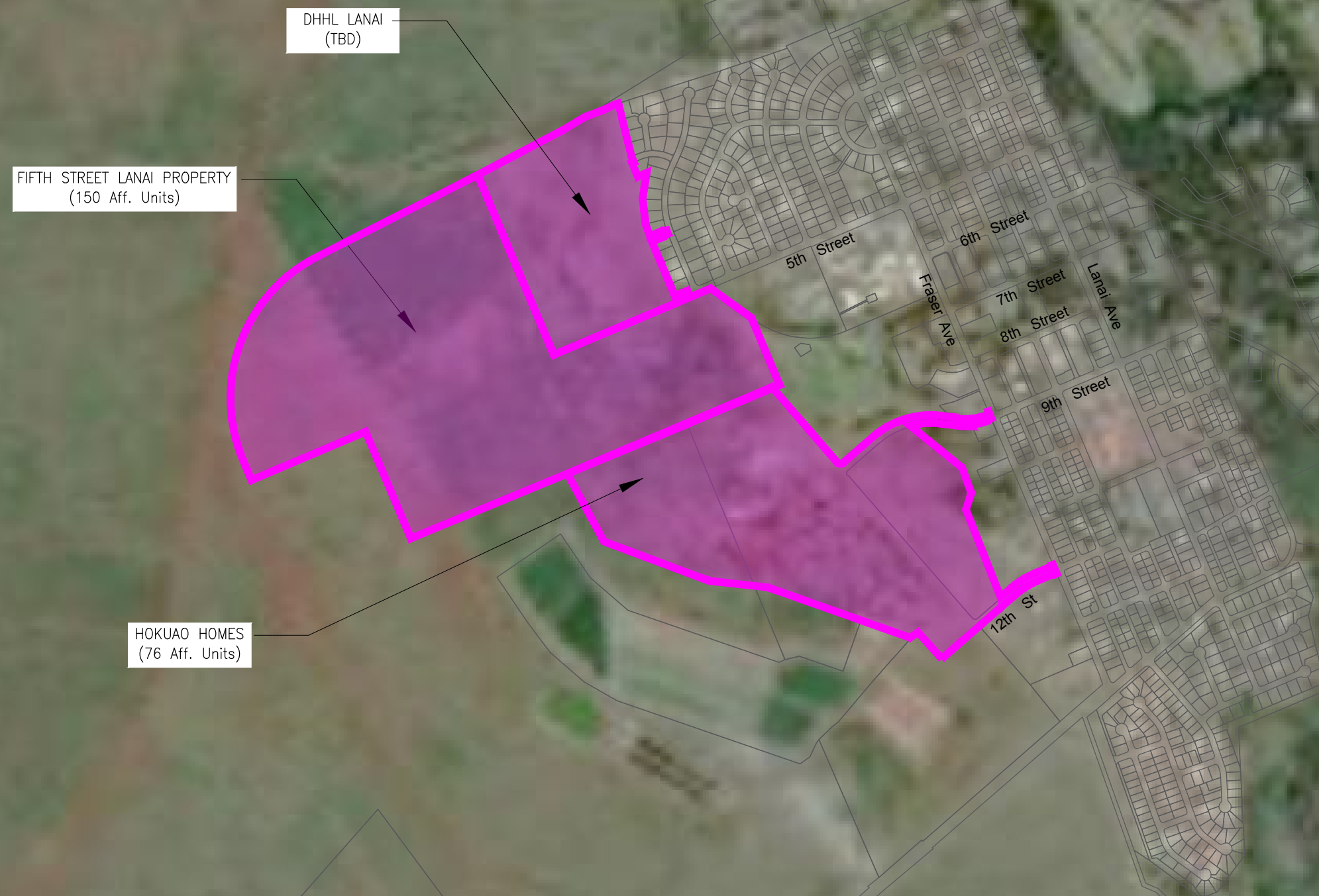


FIGURE 5

Central Maui

The plan has identified the potential of 1,77 affordable homes that could be made available for local renters and homebuyers below 120% AMI in Central Maui's Tier 1 and Tier 2 projects.

Community Priorities. Priorities were identified in the most recent community plan:

- Ensure housing is developed that local resident can afford.
- Give preference to affordable housing to local residents.
- Build housing close to economic centers, including places of work, shopping, schools, and health services.
- Keep open space open.
- Provide urban agricultural opportunities.

Community Recommendations. The following recommendations were identified through community engagement:

- Recommendation 1: Pursue use of efficiency units to address affordable housing needs of houseless residents.
- Recommendation 2: Target affordable housing for local residents at or below 80% AMI.
- Recommendation 3: Restrict affordable for-sale homes to first-time homebuyers.
- Recommendation 4: Ensure identification and preservation of cultural and environmental resources.
- Recommendation 5: Invest County resources in community serving infrastructure to unlock affordable housing opportunities through entitled projects.
- Recommendation 6: Pursue tiny home options.
- Recommendation 7: Increase property taxes on non-resident property owners with funds to be used for affordable housing, potentially with a focus on homes valued above \$1 million.
- Recommendation 8: Include a local residency requirement to access affordable homes.
- Recommendation 9: Pursue pilot and demonstration projects houseless.
- Recommendation 10: Increase County capacity to be proactive on affordable housing development.
- Recommendation 11: Conduct research and development of locally sourced building materials to reduce costs of homes.
- Recommendation 12: Gather community input on the affordable housing plan draft to inform the final document.
- Recommendation 14: Ensure permanent affordability of County-funded affordable homes, including through the use of community land trusts.

Priority Projects. Central Maui has 11 priority projects identified as Tier 1 and Tier 2 with the ability to begin construction in the next 5 years.

Hale Pilina is a 178-unit rental project in Central Maui located at the former Maui Swap Meet. The project will consist of four three-story buildings with 108 one-



bedroom units and 70 two-bedroom units all affordable for local residents at or below 60% AMI.

One two-bedroom unit will be provided for the Resident Manager who will provide onsite property management. It has been assumed the unit is not required to be affordable under 120% AMI.



# Beds	# Rentals
One	108
Two	69
Total	177

A ground level multi-purpose community center will be available to Hale Pilina residents.



Near Hale Pilina is the planned **Kahului Civic Center and Mixed-Use Complex** which is estimated to provide a minimum of 150 affordable rentals. The Kahului Civic Center and Mixed-Use Complex is a State-owned property that is next to Kahului Lani Phase I and II, a project that is not included in the plan unit count because it has already begun construction. An additional 71 rental units are anticipated at the Kaahumanu Church, Mission Grounds Development – Wailuku Union, and First Assembly/MEO sites with construction to begin in the next five years.

Projects	Unit Type	Estimated # Units Affordable	Status	Anticipated Funding
Hale Pilina TMK 3-7-013:026	Rental	177	Draft Environmental Assessment submitted	AHF LITHC RHRF
Kahului Civic Center and Mix-Use Complex (formerly Bus Hub) TMK 3-7-004:003 (por)	Rental	150	Construction to be completed by 2026. Dependent on funding	RHRF Hula Mae DURF
First Assembly/MEO (A&B Sugar Museum) TMK 3-8-006:004 (por)	Rental	36	Potential for development	No additional information available
Kaahumanu Church TMK 3-4-014:002	Rental	15	Conceptual, seeking funding planning/design	No additional information available
Mission Grounds Development – Wailuku Union TMK 3-4-014:005	Rental	20	Conceptual, seeking funding planning/design	No additional information available
Total		604		

Kuikahi is a new 204-unit residential community that will include a variety of residence types such as multi-family, duplex, live-work, studio, and single-family homes. The proposed development is also planning an experimental component through the live-work units, which are envisioned to be for neighborhood services, office-types of businesses or workforce housing accessory dwelling units.



The community will include onsite parking for residents and visitors, internal roadways and sidewalks, bike paths, landscaping, a pavilion, playground, and sports parks.

Kuikahi needs an estimated \$3.25 million in infrastructure improvements. The development is located adjacent to additional affordable housing projects – **Wailuku Apartments**, **Puunani Homestead**, and **Waikapu East Subdivision No. 3**. - that could unlock an additional 436 homes through county investment and cost-sharing with the Department of Hawaiian Home Lands in community serving infrastructure needed bring homes online.

Projects	Unit Type	Estimated # Affordable	Status	Anticipated Funding
Waikapū East Subdivision No. 3 TMK 3-5-002:011	Sale	80	Pending final subdivision approval	No additional information available
Kuikahi (Wailuku Affordable Housing Project) TMK 3-5-002-003 (por)	Sale + Rental	204	2.97 approved. Scheduled for completion by 2024. Estimated \$3.25M in infrastructure improvements	Private AHF
Puunani Homestead Subdivision TMK 3-5-002:002 (por) TMK 3-5-001:064 (por)	Sale	113	DHHL managed. Final Environmental Assessment published in 2020.	NAHASDA DHHL
Wailuku Apartments TMK 3-5-001:064	Rental	195	201H approved. Wastewater improvements need amount unknown.	LIHTC RHRF
Total		592		

Waikapu Country Town will provide 287 affordable for-sale homes for local homebuyers in a community that plans to have a new school, commercial businesses, and parks and open space. Homes will consist of single-family and townhomes.

The final Environmental Impact Statement states that homes will range from \$392,400 and \$610,400.

The community will require significant infrastructure improvements. Water, wastewater, and road


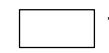
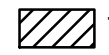












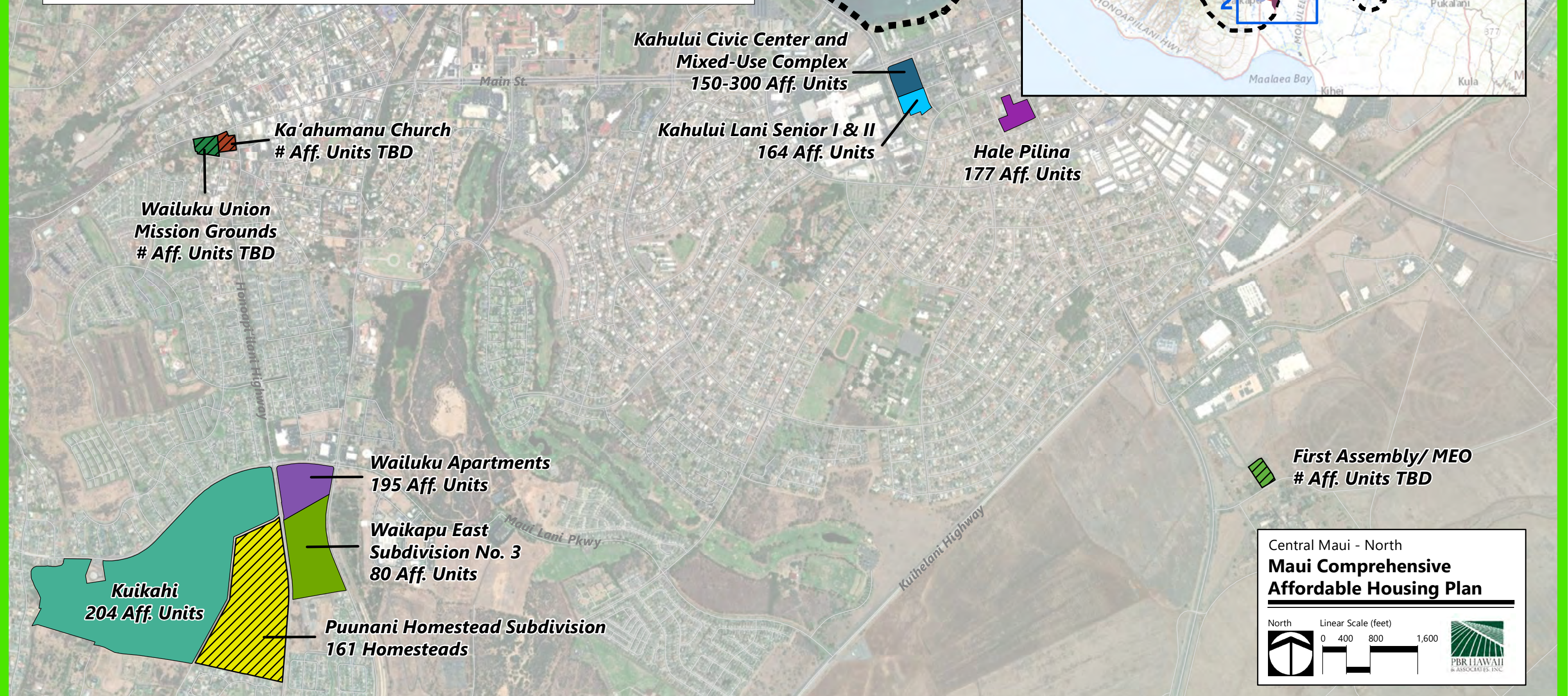
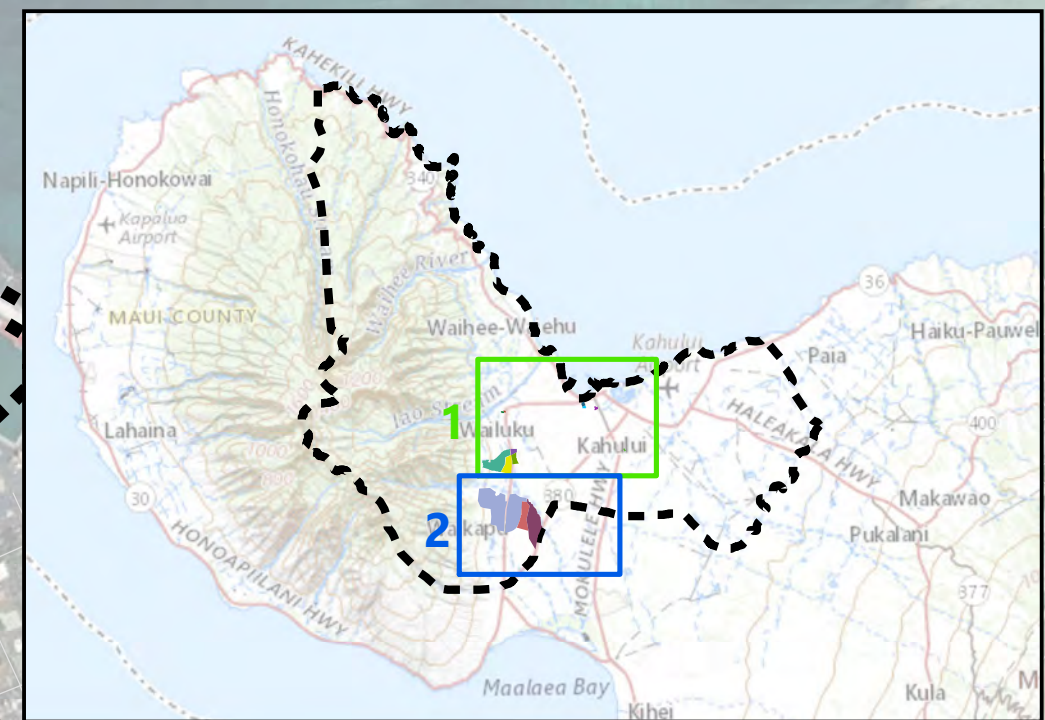
improvements will be critical to ensure local residents have access to living in the affordable homes.

The community is adjacent to the **Baseyard** and **Waiko Road**, which are county-owned lands that could produce an estimated 500 affordable homes for residents under 120% AMI. The plan estimates that either the Baseyard or the Waiko Road property will be developed for affordable housing in the next five years, but likely not both. However, between the Waikapu Country Town development and one of the county-owned parcels, the plan estimates 787 total affordable housing units for local renters and homebuyers below 120% AMI.

Projects	Unit Type	Estimated # Units Affordable	Status	Anticipated Funding
Waikapu Country Town (Maui Tropical Plantation) TMK 3-6-004:003 (por) TMK 3-6-004:006 TMK 3-6-006:036 TMK 3-6-005:007 TMK 3-6-002:003 (por)	Sale	287	County-initiated zoning. Early planning	No additional information available
Maui County Baseyard Property (Kuihelani Highway property near Waiko Road) TMK 3-8-005:023	Sale	170	County-owned. Needs to be master planned. Potential to include WWTP	No additional information available.
	Rental	330		
Waiko Road Property (Maalaea side) TMK 3-6-002:004	Sale		County-owned.	No additional information available
	Rental			
Total		787		

Legend

-  Wailuku-Kahului Community Plan Area
- Tiers**
-  Tier 1
-  Tier 2
- Affordable Housing Projects**
-  First Assembly/MEO
-  Hale Pilina
-  Kaahumanu Church
-  Kahului Civic Center and Mixed-Use Complex
-  Kahului Lani Senior I & II
-  Kuikahi
-  Puunani Homestead Subdivision
-  Waikapu East Subdivision No. 3
-  Wailuku Apartments
-  Wailuku Union Mission Grounds



Kahului Civic Center and Mixed-Use Complex
150-300 Aff. Units

Kahului Lani Senior I & II
164 Aff. Units

Hale Pilina
177 Aff. Units

Ka'ahumanu Church
Aff. Units TBD

Wailuku Union Mission Grounds
Aff. Units TBD

Wailuku Apartments
195 Aff. Units

Waikapu East Subdivision No. 3
80 Aff. Units

Kuikahi
204 Aff. Units


Puunani Homestead Subdivision
161 Homesteads

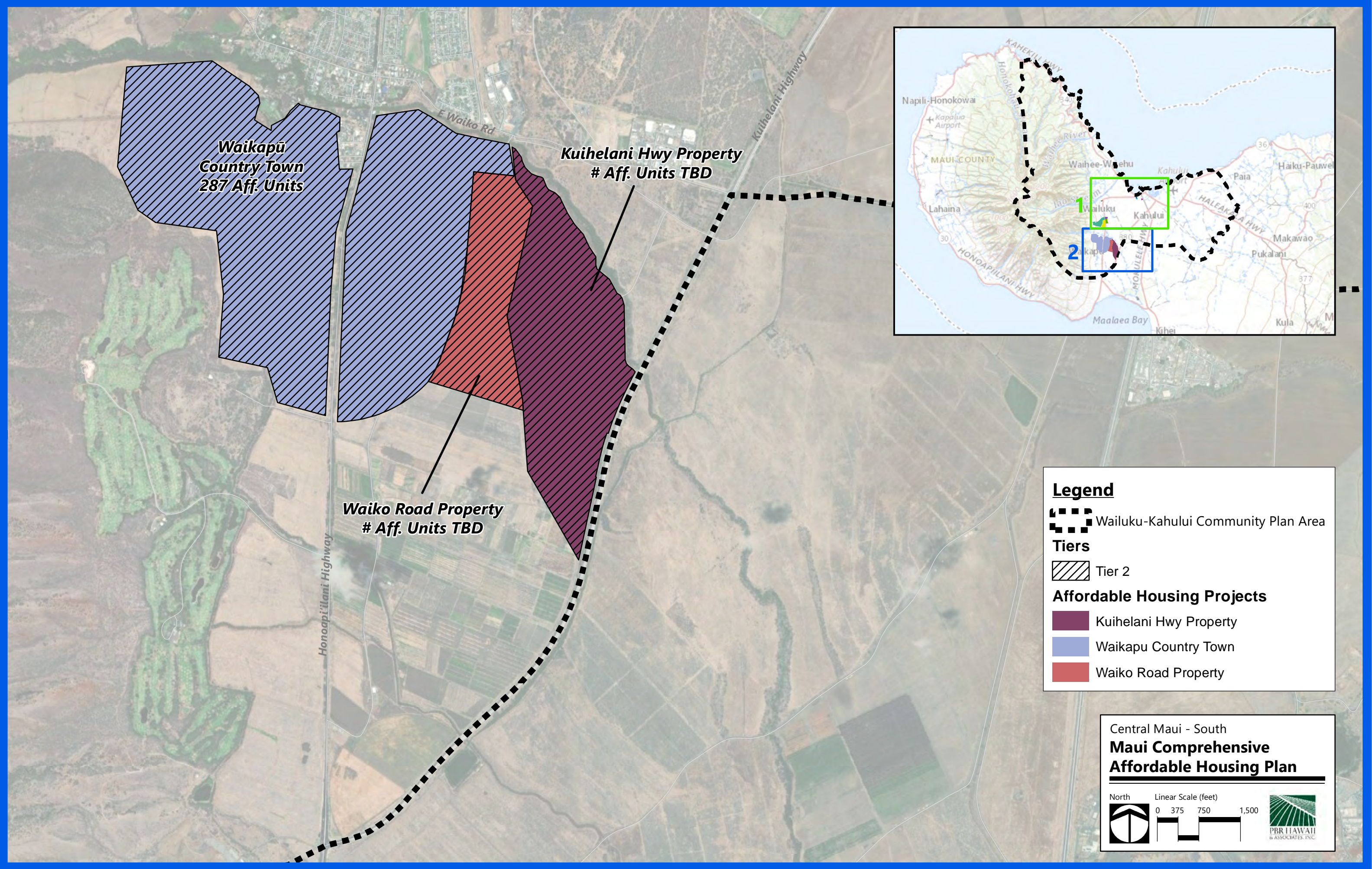
First Assembly/ MEO
Aff. Units TBD

Central Maui - North
Maui Comprehensive Affordable Housing Plan

North

Linear Scale (feet)
0 400 800 1,600





**Waikapū
Country Town**
287 Aff. Units

Kuihelani Hwy Property
Aff. Units TBD

Waiko Road Property
Aff. Units TBD

Legend

Wailuku-Kahului Community Plan Area

Tiers

Tier 2

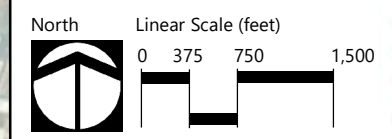
Affordable Housing Projects

Kuihelani Hwy Property

Waikapu Country Town

Waiko Road Property

Central Maui - South
**Maui Comprehensive
Affordable Housing Plan**



NOTE:
THIS DRAWING IS FOR ILLUSTRATIVE
PURPOSES ONLY. DO NOT USE FOR
CONSTRUCTION.



LEGEND

- CENTRAL MAUI IMPROVEMENT PROJECTS
- ROADWAY IMPROVEMENT
- WATER IMPROVEMENT
- WASTEWATER IMPROVEMENT

ROADWAY SYSTEM IMPROVEMENTS

- 1 - WAIALE ROAD EXTENSION - NEW TWO-LANE ROADWAY FROM EXISTING SOUTH TERMINUS AT WAIALE ROAD/WAIKO ROAD INTERSECTION AND EXTEND FURTHER SOUTH TO NEW INTERSECTION VIA HONOAPIILANI HIGHWAY. IMPROVEMENT TO BE LED BY COUNTY OF MAUI IN PARTNERSHIP WITH STATE DOT AND WAIKAPU COUNTRY TOWN.
- 2 - WAIKAPU COUNTRY TOWN MAIN ACCESS INTERSECTION IMPROVEMENTS - SIGNALIZED WHEN WARRANTED. TO BE CONSTRUCTED BY WAIKAPU COUNTRY TOWN.
- 3 - HONOAPIILANI HIGHWAY ROADWAY FRONTAGE IMPROVEMENTS TO BE CONSTRUCTED BY PUUNANI HOMESTEADS SUBDIVISION. MAY INCLUDE ROADWAY WIDENING AND RESTRIPING FOR NEW ACCESS INTERSECTION IMPROVEMENTS AND BIKE LANES.
- 4 - KUIKAHI DRIVE & WAIALE ROAD FRONTAGE IMPROVEMENTS TO BE CONSTRUCTED BY WAILUKU APARTMENTS AND WAIKAPU EAST SUBDIVISION NO. 3. MAY INCLUDE RESTRIPING FOR NEW ACCESS INTERSECTION IMPROVEMENTS AND BIKE LANES AND NEW SIDEWALK/WALKING PATHS.
- 5 - KANE STREET FRONTAGE IMPROVEMENTS TO INCLUDE SIDEWALKS CONSTRUCTED BY KAHULUI LANI SENIOR I & II. ADDITIONAL ROADWAY IMPROVEMENTS ARE BEING LED BY THE COUNTY THAT MAY INCLUDE CROSSWALK UPGRADES, SPEED CALMING AND COMPLETE STREET IMPROVEMENTS.
- 6 - KUIHELANI HIGHWAY ACCESS TO SERVICE KUIHELANI HIGHWAY PROPERTY.

WATER SYSTEM IMPROVEMENTS

- 1 - POTABLE WATER SYSTEM IMPROVEMENTS FOR WAIKAPU COUNTRY TOWN. SYSTEM INCLUDES WELL SOURCE, STORAGE TANKS, AND DISTRIBUTION WATER LINES.
- 2 - INSTALL 12" WATER LINE EXTENSION FROM WAIKAPU MAUKA PROJECT TO KUIKAHI DR./WAIALE RD. INTERSECTION. FOR WAIKAPU MAUKA PROJECT.

WASTEWATER SYSTEM IMPROVEMENTS

- 1 - INSTALL 8" SEWER LINE TO SERVICE PUUNANI HOMESTEAD SUBDIVISION.
- 2 - NEW WASTEWATER TREATMENT FACILITY TO SERVICE WAIKAPU COUNTRY TOWN, WAIKO ROAD PROPERTY, KUIHELANI HWY. PROPERTY, WAILUKU HEIGHTS, AND KAMALANI AREAS.

INFORMATION IS BASED ON AGENCY MEETINGS AND AVAILABLE PUBLIC INFORMATION.

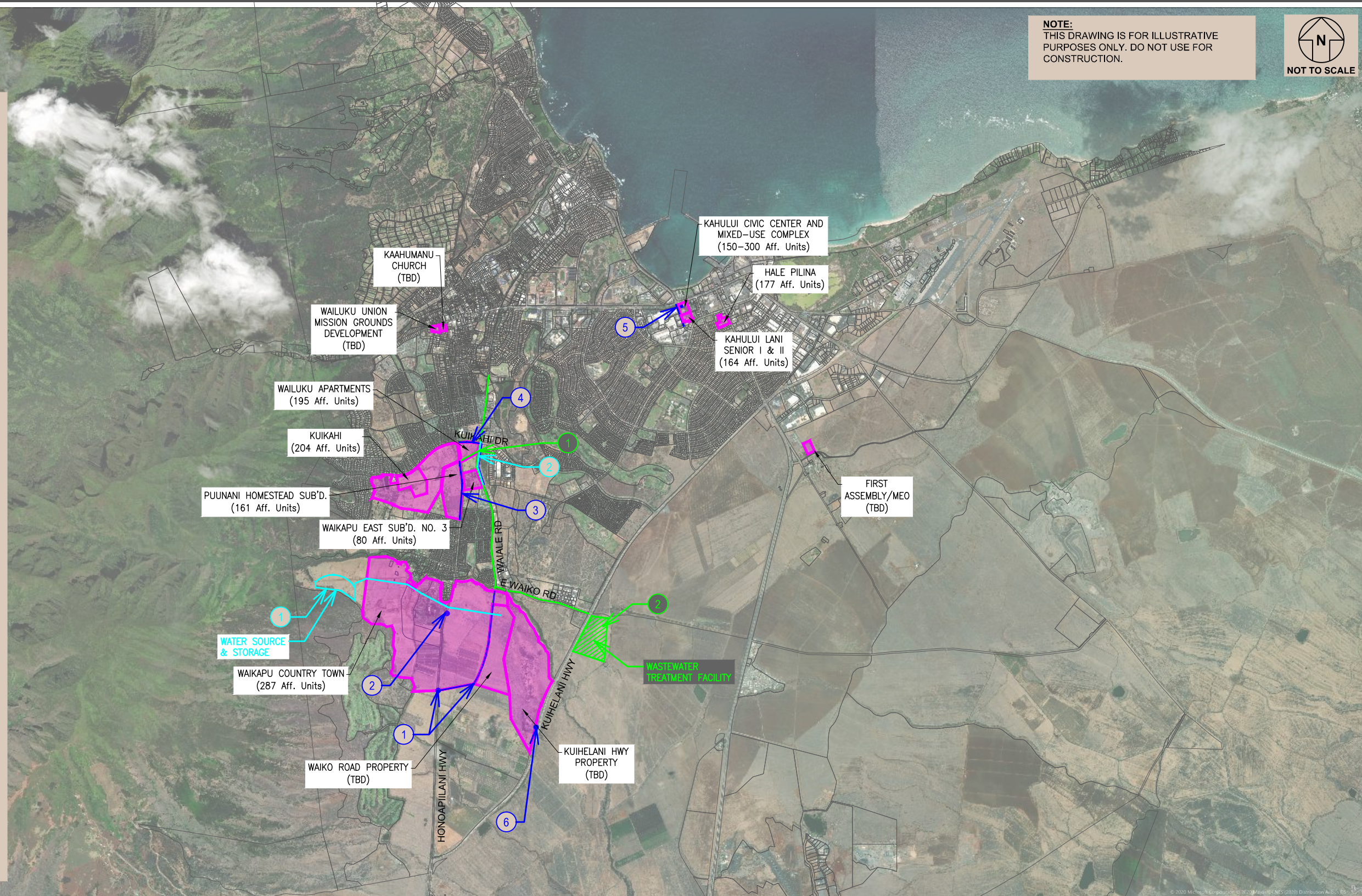


FIGURE 1

IMPROVEMENTS
CENTRAL MAUI

South Maui

The plan has identified the potential of 1,539 affordable homes that could be made available for local renters and homebuyers in South Maui's Tier 1 and Tier 2 priority projects.

Community Priorities. Residents have identified priorities for their community in the most recent community plan:

- Development patterns must be designed to achieve efficient and timely provision of infrastructure and community needs while preserving and enhancing the unique character of the region.
- Preservation, protection, and enhancement of unique and fragile environmental resources.
- Preserve, enhance and where appropriate use of cultural resources, cultural practices and historic sites that can define a sense of place for the region, while protecting customary and traditional practices of the Native Hawaiian as defined under Article 12 Section 7 and court rulings.
- Promote a diversified and stable economic base which serves resident and visitor needs while providing long term resident employment.
- Provide for variety of affordable homes for residents especially for families earning less than the median income for families within the County.
- Provide for facility systems, public services and CIP in an efficient, reliable, cost effective manner.
- Reserve provisions for indigenous architecture for future implementation.

Community Recommendations. Residents identified the following recommendations for making affordable homes available during the plan's community meetings:

- Recommendation 1: Increase opportunities for local residents to purchase homes.
- Recommendation 2: Increase availability of studios and small units for hotel service workers.
- Recommendation 3: Support changes to the zoning code that would allow increased density to make homes more affordable.
- Recommendation 4: Pursue zoning change to allow nonpermanent structures for farm worker housing on agricultural lands.
- Recommendation 5: Build employee housing for hotel workers in the same community plan area where hotels are developed to reduce transportation costs.
- Recommendation 6: Provide affordable housing based to residents based on length of residency.
- Recommendation 7: Ensure County zoning code allows for the use of containers for housing and manufactured and factory built homes.
- Recommendation 8: Reduce time for reviewing, approving, and funding Affordable Housing Fund grant applications.
- Recommendation 9: Disburse funding from the Affordable Housing Fund upfront and not as a reimbursement.
- Recommendation 10: Streamline approval of 100% affordable housing projects through a specific 2.97 fast track process is separate from the 2.96 ordinance approval process.
- Recommendation 11: Increase property taxes on high-value coastal properties including commercial properties.

- **Recommendation 12:** Establish design guidelines and standards to prohibit development of market-rate and affordable homes on coastlines to prevent negative impacts on environmental resources.
- **Recommendation 13:** Pursue rent-to-own options for affordable housing.

Priority Projects. 10 priority projects in Tier 1 and Tier 2 have been identified for South Maui that will provide a mixture of rental and for-sale options.

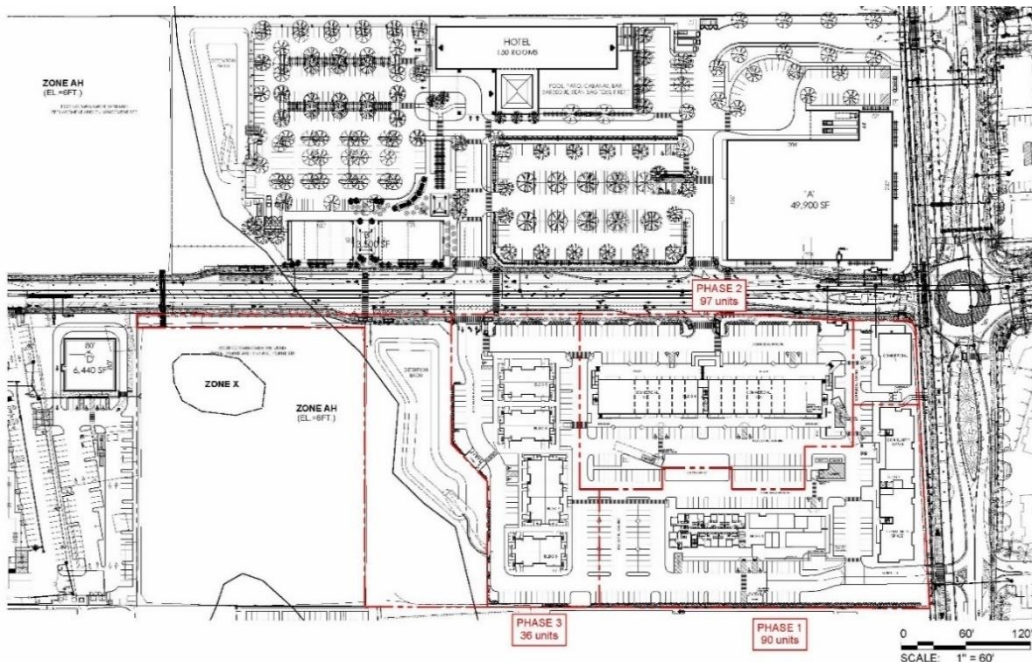
Hale O Piikea – Phase I will involve the new construction of two four-story buildings, comprising of 90 one, two and three bedroom living units and providing affordable long-term rental housing for low-income Maui residents (60% AMI or less). The proposed project will be configured with the following unit mix:



# Beds	# Homes	Sq Ft
One	18	528
Two	57	722
Three	14	1,046
Total	90	

5 of the units will be for mobility impaired and 2 units will be for hearing and vision impaired. Two additional phases in the project will provide 134 additional units for rental and for-sale.

The project will also include a community center building with common laundry facilities, a computer lab, and onsite parking spaces for tenants and guests. Project design will incorporate energy-efficient measures to help minimize operational costs including a Solar PV system for all common electricity and solar water heaters, energy-efficient fixtures and energy-star appliances for all units.



Hale Kaiola will include 40, two- and three-bedroom homes in 20 duplex buildings. The homes will range from 731 to 1,240 square feet.

Prices will be affordable for households below 140% AMI and span from \$295,000 to \$650,000. The project is the first to be approved under the county's 2.97 affordable housing rules.



The new urban design development will have a live-work element at the center of the neighborhood, allowing for community service businesses such as day care or their office.

Kaiaulu O Halelea is located adjacent to the Maui Nui Golf Club on Lipoa Parkway in Kihei.

The first phase of the development will provide 64 garden-style rental apartments, consisting of 8 residential buildings with thirty-two (2-bedroom) units, twenty four (3-bedroom) units and eight (4-bedroom) units, a community center and laundry facility.

The second phase will consist of 7 residential buildings and will provide an additional 56 units - twenty-eight (2-bedroom) units, twenty one (3-bedroom) units and seven (4-bedroom) units. This phase will also include a management office and laundry facility.

All the housing units will provide rents affordable for low-income families 30%-60% AMI along with a range of social services (i.e. health services, after-school programs, job training and financial counseling).

KAIULU O HALELEA
SCHEME 2

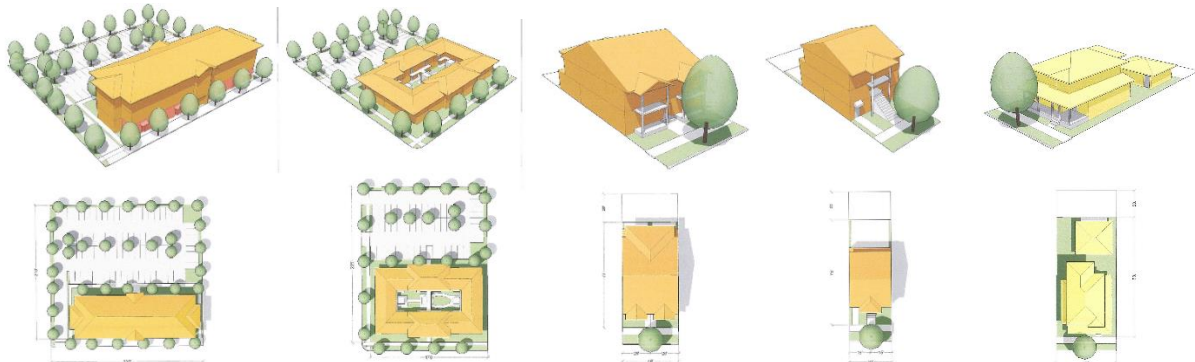


The **Maui Research and Technology Park** will provide an estimated 300 affordable homes for local residents. The project plans to create opportunities for a broader range of desirable knowledge based and emerging industries, which will provide highly-skilled and well-paying jobs for Maui residents. As the Maui Research & Technology Park district develops it should utilize the principles of new



urbanism and smart growth to create a community of innovation. This includes providing diverse housing options within close proximity of Maui Research & Technology Park employment and the integrating neighborhood-serving retail, civic, and commercial uses in a manner that will encourage bicycling, walking, and public transportation.

The project will build a mix of rentals about retail shops, multi-family, fourplexes, triplexes, townhomes, and single-family homes.



Projects	Unit Type	Estimated # Units Affordable	Status	Anticipated Funding
East Waipulani Village (former Alakai Apartments) TMK 3-9-001:034 (por)	Rental	31	Pending subdivision approval	No information available
Hale Kaiola TMK 3-9-029:049	Sale	40	Council approved Sept 2020	No information available
Hale O Piikea – Phase I TMK 3-9-002:76	Rental	90	Count approved funding for Phase. Future additional phases include 96 senior rentals and 32 townhomes	LIHTC Hula Mae RHRF AHF
Kaiaulu O Halelea TMK 2-2-024:033	Rental	63	County approved funding from AH Fund	LIHTC RHRF AHF
Kilohana Makai TMK 3-9-004:141	Sale	28	CIZ approved by Council with conditions. Pending subdivision approval	Private
Liloa Hale TMK 2-2-002:072 (por)	Rental	149	Council approved budget. 2.97 scheduled August 2021	No information available
Hale O Piikea – Phases II and III TMK 2-3-9-002:076	Rental	96	Land acquisition with AHF	AHF
	Sale	38		
Kamaole Pointe Condominiums TMK 3-9-020:010	Sale	129	Pulling permits	No information available
Kihei Fire Station Property TMK 2-1-008:046 TMK 2-1-008:113 TMK 3-9-038:026	Rental	75	County-owned land	No information available
Kihei Police Station Property TMK 2-2-002:070	Sale	170	County-owned land. Road access and improvements needed	AHF CIP
	Rental	330		
Maui Research and Technology Park Residential TMK 2-2-024:017 (por) TMK 2-2-024:014 (por) TMK 2-2-002:085 (por)	Sale	100	Proposed market rate. Infrastructure road improvements needed; regional storage tank. Estimated cost of infrastructure at \$11.5M.	Private
	Rental	200		
TOTAL		1,539		

Hale Kaiola
40 Aff. Units

East Waipuilani Village
31 Aff. Units

Hale O Pi'ikea
Phase 1: 90 Aff. Units (Tier 1)
Phase 2: 96 Aff. Units (Tier 2)
Phase 3: 32 Aff. Units (Tier 2)

Maui Research and Technology Park (MRTP) Residential
Aff. Units TBD

Kaiāulu O Halelea
63 Aff. Units

Liloa Hale
149 Aff. Units

Kihei Police Station
Aff. Units TBD

Kamaole Pointe Condominiums
129 Aff. Units

Kilohana Makai
28 Aff. Units

Kihei Fire Station Property
Aff. Units TBD



Legend

South Maui Community Plan Area

Tiers

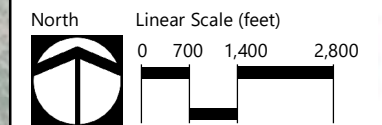
Tier 1

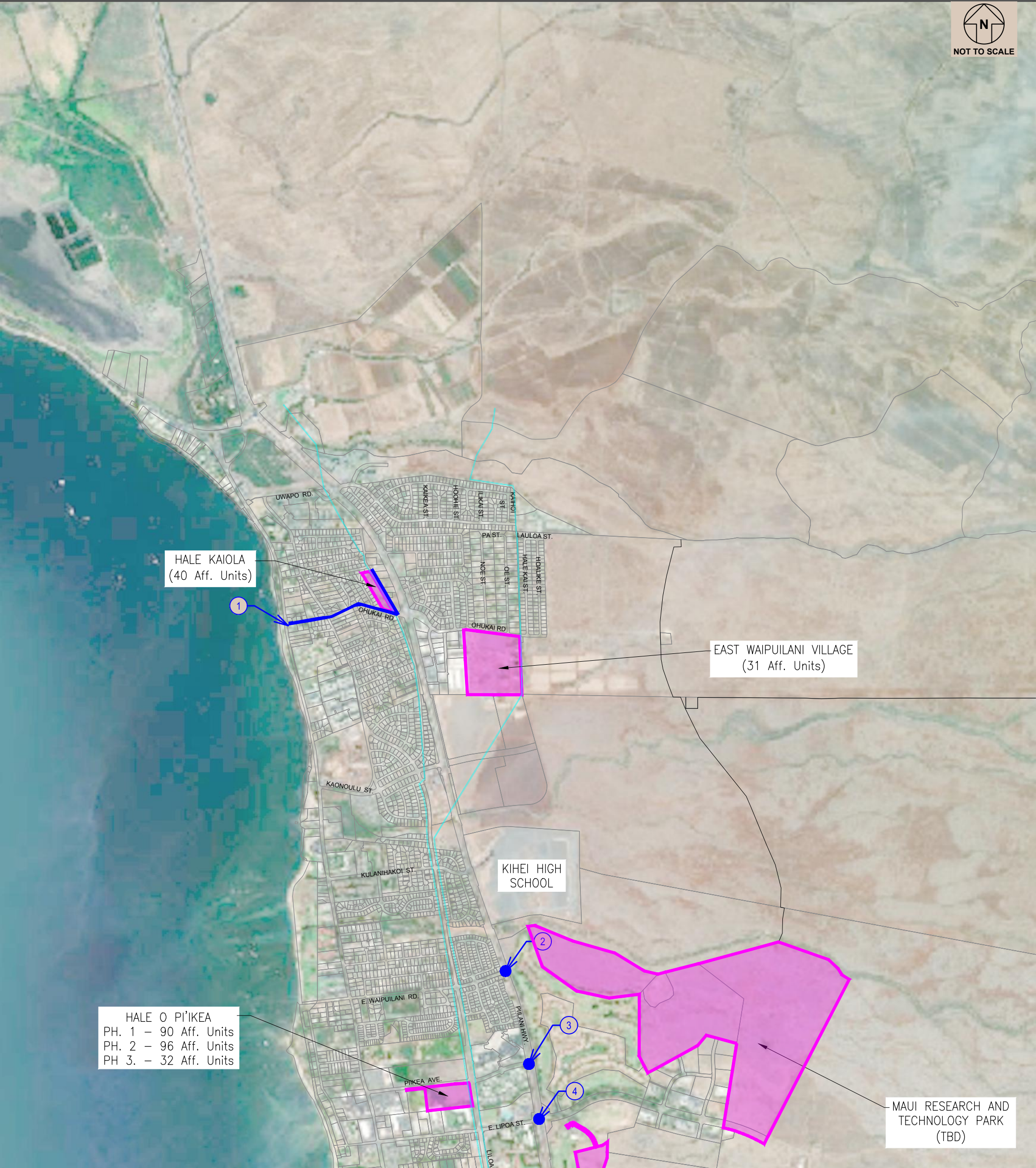
Tier 2

Affordable Housing Projects

- East Waipuilani Village
- Hale Kaiola
- Hale O Pi'ikea
- Kaiāulu O Halelea
- Kamaole Pointe Condominiums
- Kihei Fire Station Property - County of Maui
- Kihei Police Station
- Kilohana Makai
- Liloa Hale
- Maui Research and Technology Park (MRTP)

**South Maui
Maui Comprehensive
Affordable Housing Plan**





HALE KAIOLA
(40 Aff. Units)

EAST WAIPUILANI VILLAGE
(31 Aff. Units)

HALE O PI'IKEA
PH. 1 - 90 Aff. Units
PH. 2 - 96 Aff. Units
PH 3. - 32 Aff. Units

KIHEI HIGH SCHOOL

MAUI RESEARCH AND TECHNOLOGY PARK
(TBD)

LEGEND

- EXISTING WATER LINE
- ROADWAY IMPROVEMENT
- SOUTH MAUI IMPROVEMENT PROJECTS
- INTERSECTION IMPROVEMENTS

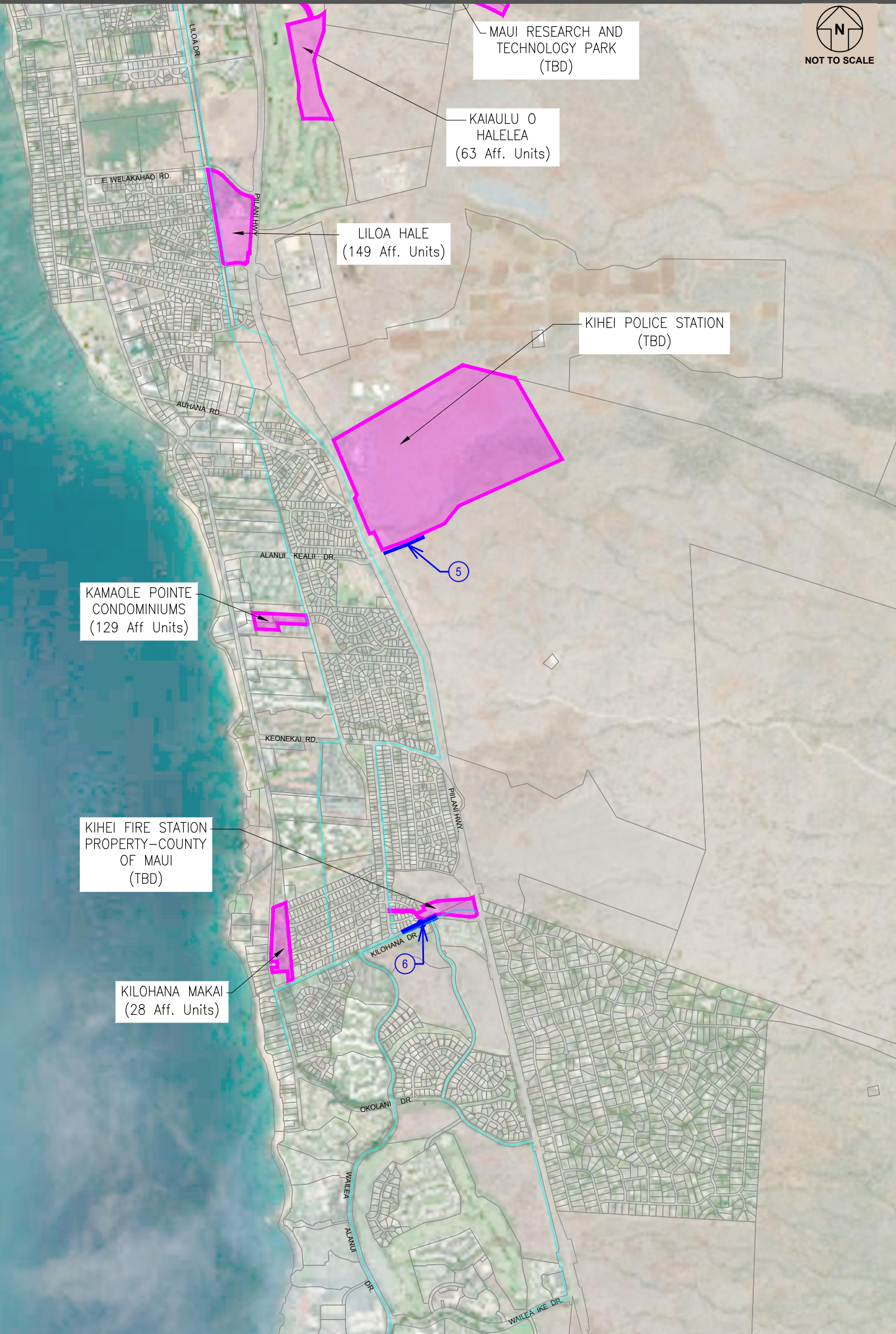
ROADWAY SYSTEM IMPROVEMENTS

- 1** - OHUKAI ROAD SIDEWALK IMPROVEMENTS THAT WILL PROVIDE CONTINUOUS SIDEWALK FROM SOUTH KIHEI ROAD TO KAIOLA PLACE. IMPROVEMENTS TO BE CONSTRUCTED BY THE COUNTY. HALE KAIOLA TO CONSTRUCT SIDEWALKS ALONG PROJECT FRONTAGE.
- 2** - NEW RIGHT-IN, RIGHT-OUT (RIRO) INTERSECTION ON PIILANI HIGHWAY TO SERVICE NORTHERN RESIDENTIAL COMPONENT OF MAUI RESEARCH & TECH PARK.
- 3** - WIDENING OF PIKEA AVENUE TO PROVIDE TWO (2) LEFT-TURN LANES ONTO PIILANI HIGHWAY. CONDITIONED ON THE OVERALL DOWNTOWN KIHEI DEVELOPMENT.
- 4** - INTERSECTION WIDENING IMPROVEMENTS AT THE PIILANI HIGHWAY/LIPOA STREET INTERSECTION AS PART OF FUTURE DEVELOPMENT OF MAUI RESEARCH & TECH PARK.

INFORMATION IS BASED ON AGENCY MEETINGS AND AVAILABLE PUBLIC INFORMATION.

FIGURE 2a

IMPROVEMENTS SOUTH MAUI



LEGEND

- - WATER LINE
- - ROADWAY IMPROVEMENT
- - INTERSECTION IMPROVEMENTS
- SOUTH MAUI IMPROVEMENT PROJECTS
- 5 POSSIBLE ACCESS TO POLICE STATION SITE
- 6 SEWERLINE AND ROAD WIDENING FOR FIRE STATION SITE

SMALLER PROJECTS CONNECT TO EXISTING WATER/WASTEWATER LINES FOR SERVICE

LARGER PROJECTS (>100 UNITS) REQUIRE OFFSITE IMPROVEMENTS, i.e. WATER WELL TRANSMISSION LINES, UPSIZING WASTEWATER TREATMENT PLANT OR PRIVATE SYSTEM

INFORMATION IS BASED ON AGENCY MEETINGS AND AVAILABLE PUBLIC INFORMATION

FIGURE 2b

IMPROVEMENTS SOUTH MAUI

West Maui

The plan has identified the potential of 1,280 affordable homes that could be made available for local renters and homebuyers in West Maui's Tier 1 and Tier 2 priority projects.

Community Priorities. Priorities were identified in the most recent community plan:

- Resilient systems that are responsibly managed to address needs of growing population and addresses environmental challenges such as sea level rise.
- Stewardship of cultural resources and practices; compliance with Chapter 7.1 governing kuleana lands; existing areas of open spaces be viewed and resources to be protected and enhanced.
- Develop Economic opportunities through innovation and collaboration.
- Require that all affordable housing projects including 201H or Ch. 2.97 be located near schools, jobs, transit and services.
- Projects should be developed to incorporate alternative transit opportunities: "Keiki to Kupuna".
- Support all models of housing: Single Family and multi-family housing developments, including clusters, courtyard apartments.
- Prioritize projects that provide housing for residents 100% AMI and below; support projects that provide housing for residents 100%AMI and above.
- Prioritize infrastructure improvements for projects identified above.
- Increase inventory of long term housing units, owner/occupied and rentals
- Support infill development and redevelopment near town centers, transit stops and transportation corridors.
- Prioritize development of Hawaiian Home Lands in West Maui.
- Require that County of Maui actively support and inventory list of affordable homes and rentals that are bought and sold among West Maui workforce.

Community Recommendations. The following recommendations were identified through community engagement:

- Recommendation 1: Purchase existing apartment buildings and repurpose into long-term affordable rentals.
- Recommendation 2: Purchase existing commercial buildings and redevelop into long-term affordable rentals.
- Recommendation 3: Support DHHL developments to create homeownership opportunities and free up existing affordable rental units.
- Recommendation 4: Increase the minimum affordability period to 15- or 20-years for all homes.
- Recommendation 5: Ensure affordable homes sold to local residents are able to be purchased by local residents at affordable prices.
- Recommendation 6: Restrict affordable housing credits to the community plan area where market rate developments are approved and built.
- Recommendation 7: Dedicate a portion of land in each development for affordable housing in every market rate development.
- Recommendation 8: Restrict purchase of land to residents who have lived in Maui County for at least 5 years.
- Recommendation 9: Maintain affordable home prices for local residents in perpetuity.
- Recommendation 10: Update the Maui sales price guidelines to reflect incomes of local residents.

- Recommendation 11: Pursue mix use development with businesses on the ground floor and housing units above.
- Recommendation 12: Increase opportunities for self-help housing for homeownership.
- Recommendation 13: Increase opportunities for homeownership on community land trusts and Hawaiian Home Lands.
- Recommendation 14: Update the County zoning code to allow for yurts and tiny homes as housing.
- Recommendation 15: Pursue partnerships between for-profit developers, nonprofit developers, and the County to build affordable communities.
- Recommendation 16: Update Affordable Housing Fund to disburse funds as an advance instead on a reimbursement basis.

Priority Projects. The plan identifies six affordable housing projects that are likely to begin construction in the next five years.

Keawe Street Apartments will provide local residents with 200 units of rental housing. The units will be affordable for renters at or below 60% AMI. The project would include a mix of two-, three- and four-bedroom apartments. The community will incorporate a playground, gardens, a community center, bus stops and access to social services.

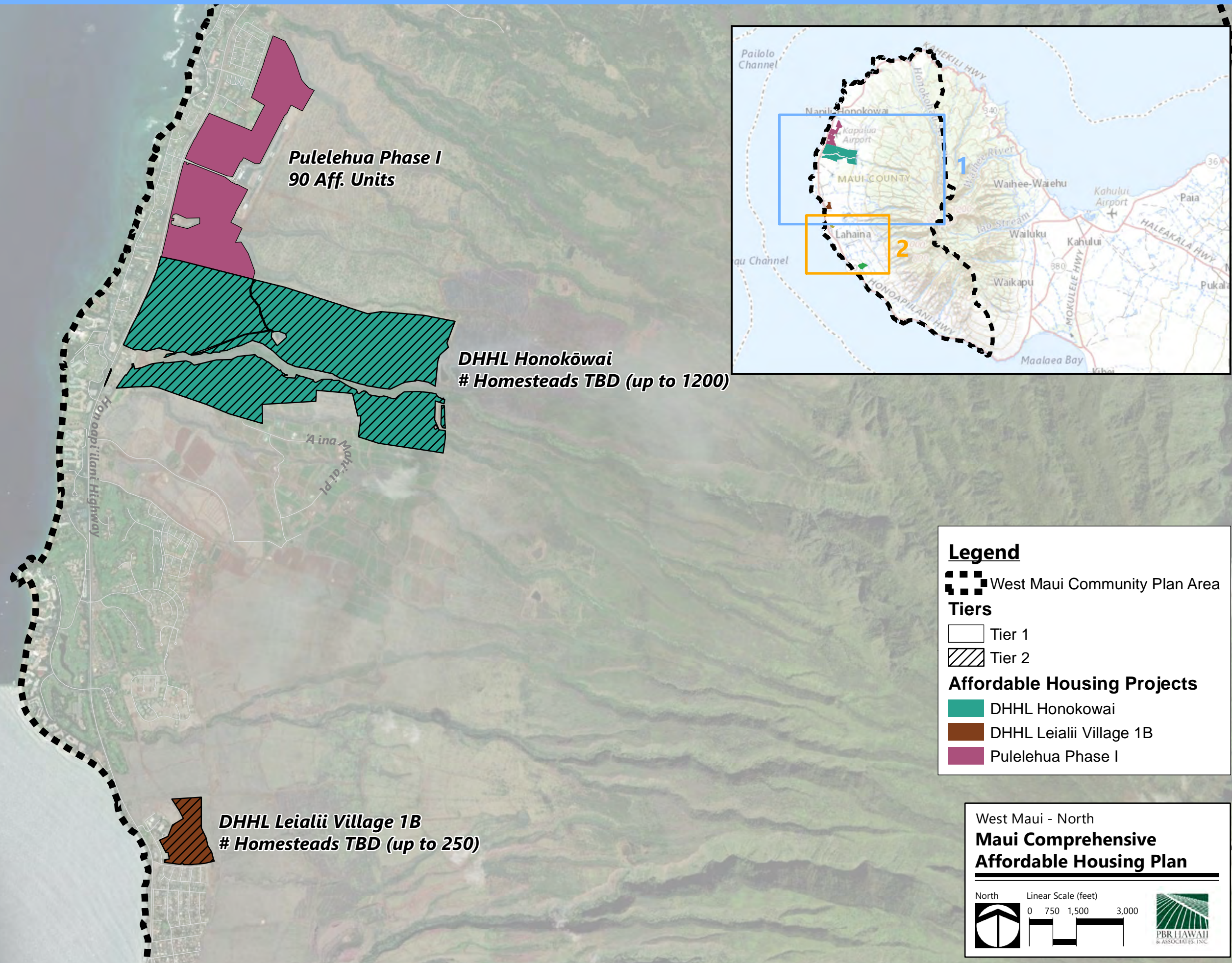


Pulelehua is a mixed-use housing project include construction of 90 affordable rentals in the project's first phase with all phases planning up to 500 total affordable units. The project will also include 70,000 square feet of retail space, a 10-acre regional sports park, community pocket parks, 13 acres for a new school and seven miles of walkways and trails.

The projects is adjacent to the **Honokawai Homestead** where Department of Hawaiian Home Lands has secured \$9 million for a water system. \$4 million in additional resources are needed to complete this improvement that could be provided through a cost-share partnership with the County. This community serving infrastructure could help unlock an estimated 940 homes for native Hawaiian beneficiaries under 120% AMI.



Projects	Unit Type	Estimated # Units Affordable	Status	Anticipated Funding
Keawe Street Apartments TMK 4-5-021:003 (port)	Rental	197	Pending final subdivision approval	LIHTC RHRF AHF
Makila Farms TMK 4-7-013:003 TMK 4-7-013:004 TMK 4-7-013:005	Sale	19	Pending final subdivision approval	No information available
Pulelehua Phase I TMK 4-3-001:082 TMK 4-3-001:083 (por)	Rental	90	State LUC approved for 500 AH units. Pending Maui Planning Comm review	No information available
Honokawai Homestead Property TMK 4-4-001:015 TMK 4-4-002:003 (por.),008, 009, 011, 015, 018 (por.), 038	Sale	500	DHHL property. State funding for water system. \$4 million gap funding needed.	NAHASDA DHHL CIP
	Rental	200		
Lealii Village 1B Homestead Property TMK 4-5-021:020	Sale	150	DHHL property. Leg CIP appropriations for designs for road improvements. Offsite water improvements funded by DURF	NAHASDA DURF CIP
	Rental	100		
Waiola Church TMK 4-6-008:018	Rental	24	Conceptual Phase 24-30 units, seeking funding - planning/design	No information available
TOTAL		1,280		



Pulelehua Phase I
90 Aff. Units

DHHL Honokōwai
Homesteads TBD (up to 1200)

DHHL Leialii Village 1B
Homesteads TBD (up to 250)

Legend

West Maui Community Plan Area

Tiers

Tier 1

Tier 2

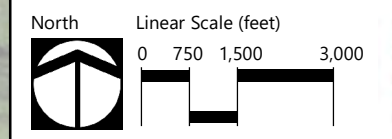
Affordable Housing Projects

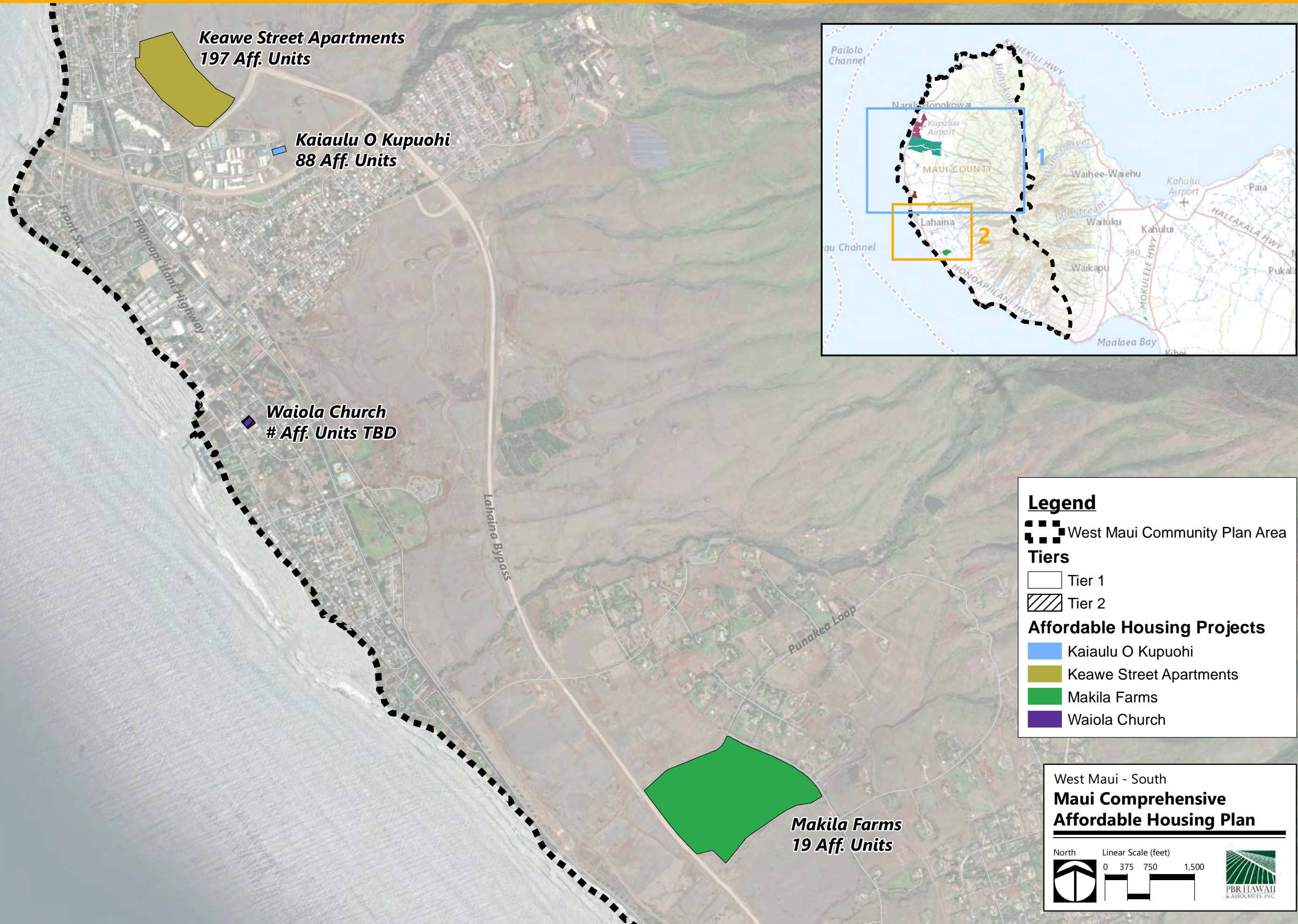
DHHL Honokowai

DHHL Leialii Village 1B

Pulelehua Phase I

West Maui - North
**Maui Comprehensive
Affordable Housing Plan**





Keawe Street Apartments
197 Aff. Units

Kaiaulu O Kupuohi
88 Aff. Units

Waiola Church
Aff. Units TBD

Makila Farms
19 Aff. Units

Legend

West Maui Community Plan Area

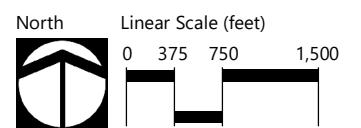
Tiers

- Tier 1
- Tier 2

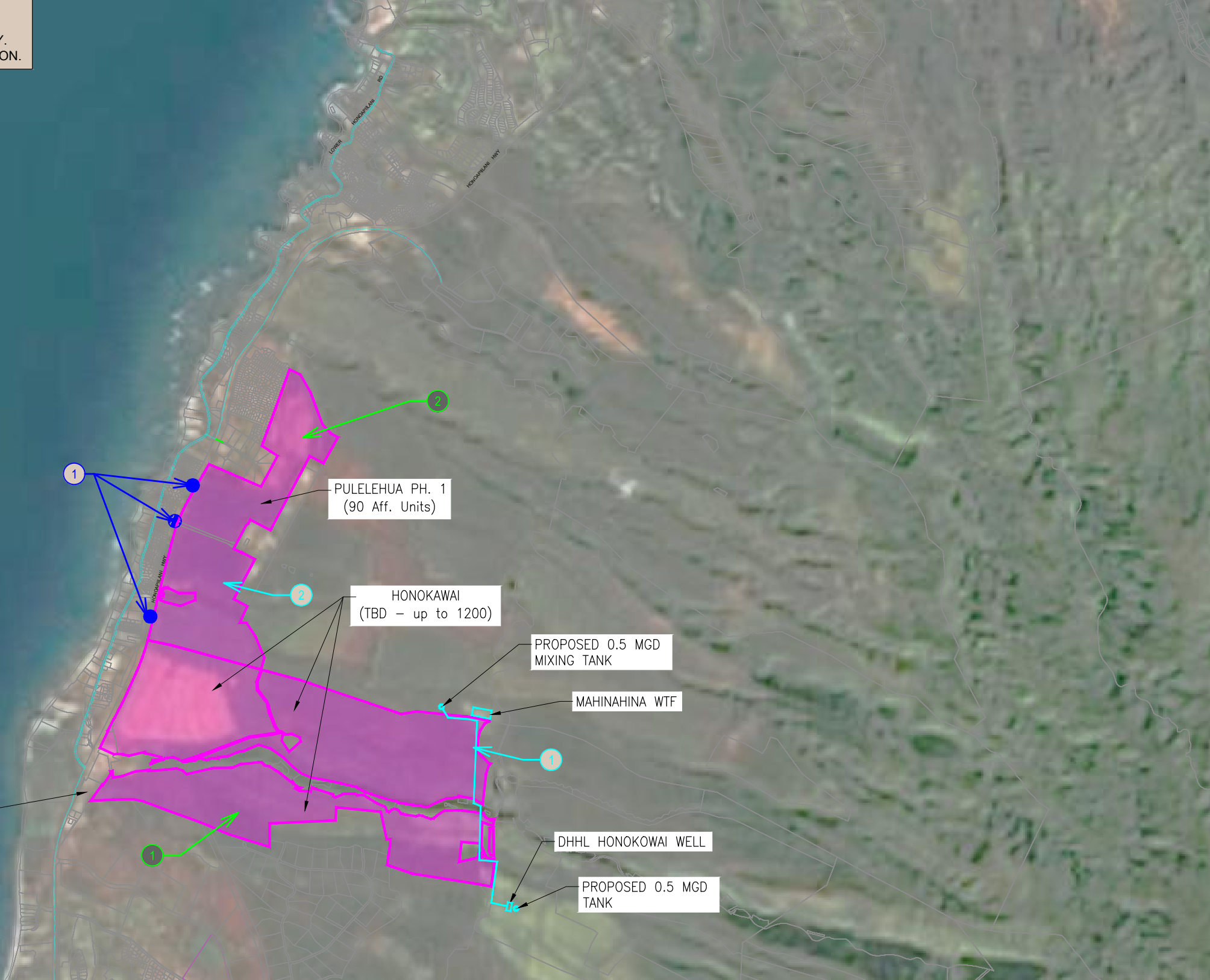
Affordable Housing Projects

- Kaiaulu O Kupuohi
- Keawe Street Apartments
- Makila Farms
- Waiola Church

West Maui - South
Maui Comprehensive Affordable Housing Plan



NOTE:
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LEGEND

- WEST MAUI IMPROVEMENT PROJECTS
- WATER LINE
- ROADWAY IMPROVEMENT
- INTERSECTION IMPROVEMENTS

ROADWAY SYSTEM IMPROVEMENTS

- ① - PULELEHUA - RESTRIPE AND LENGTHEN EXISTING TURN LANES AT THE HONOAPIILANI HIGHWAY/AKAHELE STREET INTERSECTION TO SERVICE DEVELOPMENT. CREATE NEW FULL ACCESS INTERSECTION ON THE SOUTH SIDE AND NEW RIRO ACCESS ON THE NORTH SIDE VIA HONOAPIILANI HWY.

WATER SYSTEM IMPROVEMENTS

- ① - WATER SYSTEM IMPROVEMENTS TO SERVICE DHHL HONOKOWAI INCLUDE WATER SOURCE FROM HONOKOWAI WELL, A 0.5 MGD STORAGE TANK, AND A TRANSMISSION LINE TO A MIXING TANK BELOW THE MAHINAHINA WTP.
- ② - WATER SYSTEM SOURCE FOR PULELEHUA PROJECT NOT YET DETERMINED.

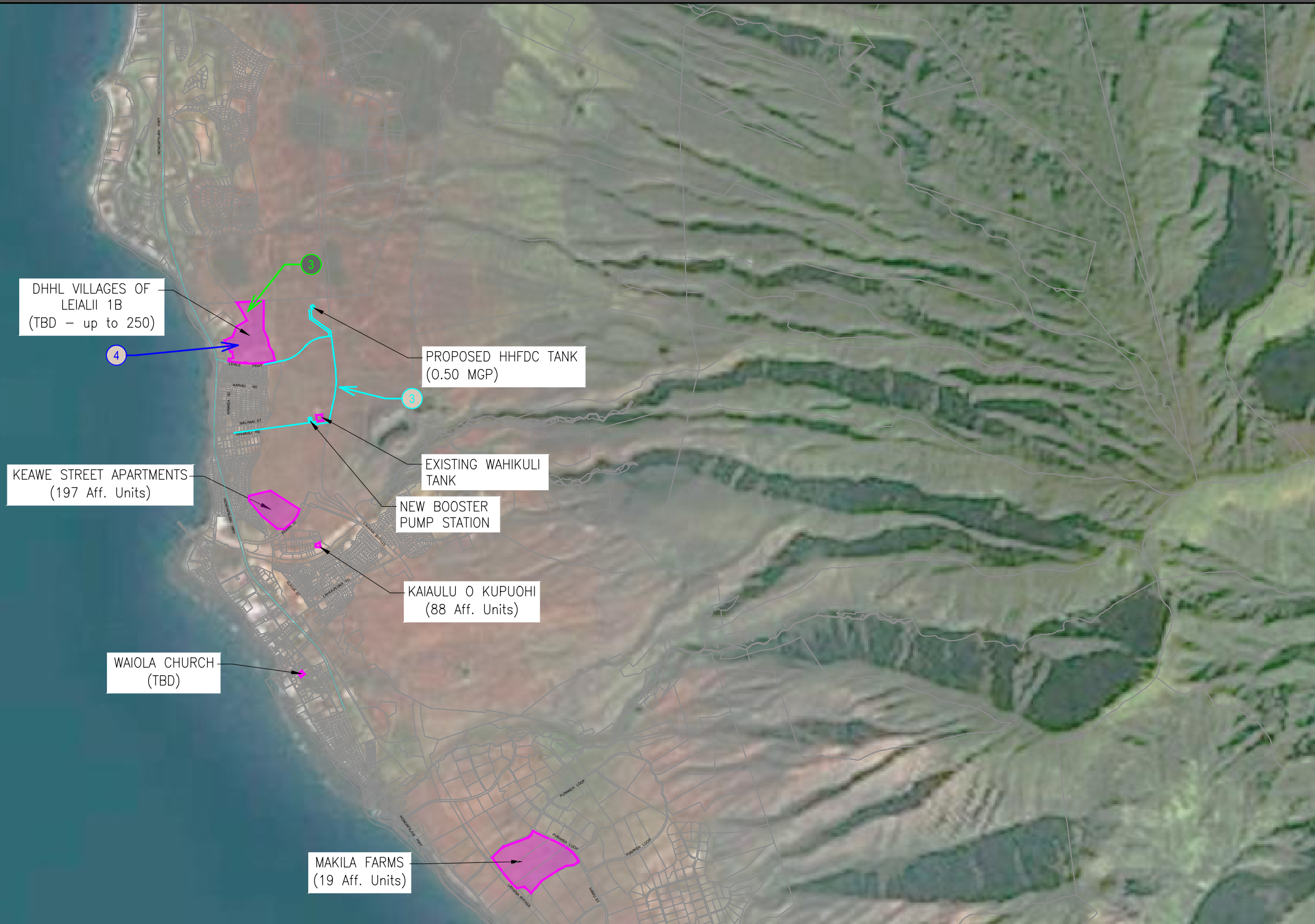
WASTEWATER SYSTEM IMPROVEMENTS

- ① - HONOKOWAI RESERVOIR BEING DESIGNED TO STORE R-1 WATER FOR EXISTING/FUTURE CUSTOMERS. TO BE USED BY THE DHHL HONOKOWAI PROJECT. NEW R-2 LINE AND PUMPS BEING DESIGNED TO SEND R-1 WATER FROM THE LAHAINA WWTP TO THIS RESERVOIR.
- ② - PULELEHUA PROJECT TO CONNECT TO THE COUNTY'S LAHAINA WWTP. PROJECT MUST USE R-1 WATER THAT WAS GENERATED BY THEIR OWN WASTEWATER.

INFORMATION IS BASED ON AGENCY MEETINGS AND AVAILABLE PUBLIC INFORMATION.

FIGURE 3a

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LEGEND

- WEST MAUI IMPROVEMENT PROJECTS
- WATER LINE
- ROADWAY IMPROVEMENT

- 4 **ROADWAY SYSTEM IMPROVEMENTS**
- VILLAGE OF LEIALII (DHHL AND HHFDC)
 - A. NEW BOOSTER PUMP/WATERLINE TO ADDED TO WAHIKULI TANK SYSTEM. INCLUDES A 0.50 MG TANK TO SERVICE DHHL AND HHFDC DEVELOPMENT.
 - B. DHHL TO CONNECT TO COUNTY WWTP. HHFDC TO BUILD THEIR OWN WASTEWATER TREATMENT FACILITY. KEAWE TO EVENTUALLY CONNECT TO PRIVATE SYSTEM.

- WATER SYSTEM IMPROVEMENTS**
- 3 - WATER SYSTEM IMPROVEMENTS FOR DHHL VILLAGES OF LEIALII INCLUDE A NEW BOOSTER PUMP/WATERLINE TO DWS'S EXISTING WAHIKULI TANK. A NEW TRANSMISSION LINE AND 0.5 MGD STORAGE TANK. THESE IMPROVEMENTS WILL SERVICE THE UPPER LEVEL OF VOL 1-B AND PARTS OF THE HHFDC DEVELOPMENT.

- WASTEWATER SYSTEM IMPROVEMENTS**
- 2 - DHHL VOL 1-B TO CONNECT TO COUNTY WWTP.
- 1 - HHFDC TO BUILD THEIR OWN PRIVATE WASTEWATER TREATMENT FACILITY. KEAWE STREET APARTMENTS TO EVENTUALLY CONNECT TO THIS PRIVATE SYSTEM.

- INFORMATION IS BASED ON AGENCY MEETINGS AND AVAILABLE PUBLIC INFORMATION.

FIGURE 3b

IMPROVEMENTS
 WEST MAUI

Pā'ia- Ha'ikū

The plan has identified the potential of 160 affordable homes that could be made available for Pā'ia-Ha'ikū residents in Tier 1 and Tier 2 priority projects.

Community Priorities. Priorities were identified in the most recent community plan:

- Provide areas for residential development only in appropriate areas near public facilities to discourage land speculation.
- Expand inventory of affordable housing by providing opportunities including improved lots and self-help housing for a broad cross section of residents.
- Reconsider B&B term as Transient Vacation Rentals and establishing restrictions to owner occupants in a single family dwelling that has been approved.
- Maintain and preserve the rural character of the community through the preservation and protection of historic sites.
- Keep agriculture as the primary economic activity complimentary to services such as value added products to enhance and diversify economic opportunities.
- Maintain open spaces and expand recreational areas.

Community Recommendations. The following recommendations were identified through community engagement:

- Recommendation 1: Increase access to Section 8 Housing Choice Voucher program by advocating at the Federal level and request unused vouchers from other Counties in Hawaii.
- Recommendation 2: Increase number of landlords willing to accept Section 8 Housing Choice Vouchers.
- Recommendation 3: Consider development of an on-island modular (manufactured) home factory that includes energy efficiencies to achieve net-zero.
- Recommendation 4: Support community land trust and shared equity to maintain long-term affordability.
- Recommendation 5: Build homes for multi-generational families to reduce overcrowding.
- Recommendation 6: Increase the minimum affordability period to 20- or 25-years for all homes.
- Recommendation 7: Include commercial properties and hotels in 2.96 workforce housing requirements.
- Recommendation 8: Update zoning to allow for duplexes in all areas.
- Recommendation 9: Provide support to assist homeowners without the means to use their home equity to convert from cesspool to septic for development of accessory dwelling and 'ohana units.
- Recommendation 10: Require all new market rate developments to include a minimum 50% affordable homes, including development of agricultural lands with homes.
- Recommendation 11: Do not allow affordable homes to be sold at market rate.
- Recommendation 12: Increase community engagement and consultation in reviewing projects before they are approved for development.
- Recommendation 13: Create a public body to review and approve funding from the Affordable Housing Fund.
- Recommendation 14: Update the County zoning code to include 5,000 square foot lots.
- Recommendation 15: Increase taxes on investors, transient vacation rentals, and homes over \$2 million to fund the Affordable Housing Fund.

Hōkū'ula is a brand-new single-family, for-sale workforce housing development for Maui residents. The development will offer four floor plan designs featuring 4 bedrooms and 2 to 2.5 baths.



Homes will be available at 80% to 140% AMI and above 140% AMI.

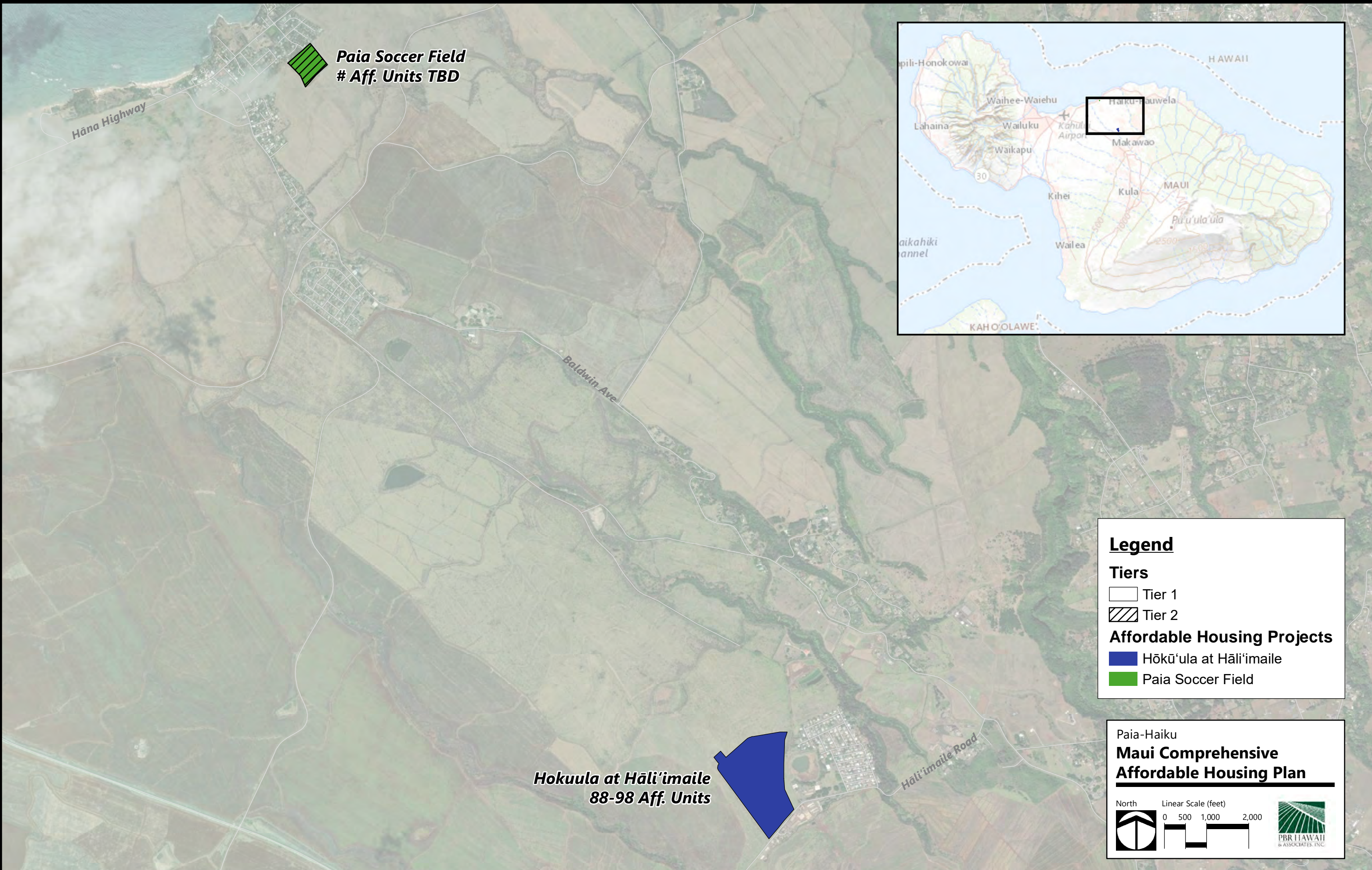
An estimated 80 homes will be affordable at or below 120% AMI and contribute toward the plan's goals and targets.

AMI Level	# Homes
80%-100%	30
100%-120%	50
120%-140%	18
Above 140%	98
Total	196



Pā'ia Soccer Field is County-owned land that has been identified as a potential development opportunity for rental and for-sale homes. The county, or a contracted third-party, should conduct a health impact assessment to determine the most appropriate uses for the property, which may or may not include affordable housing.

Project	Unit Type	Estimated # Affordable	Status	Anticipated Funding
Hökū'ula at Hāli'imaile TMK 2-5-003:029	Sale	80	Breaking ground in 2021	Private
Pā'ia Soccer Field TMK 2-5-005:060	Sale	32	County-owned land	No additional information available
	Rental	48		
Total		160		



Paia Soccer Field
Aff. Units TBD

Hāna Highway

Baldwin Ave

Hāli'imaile Road

Hokuula at Hāli'imaile
88-98 Aff. Units



Legend

Tiers

Tier 1

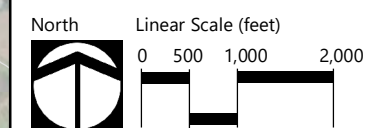
Tier 2

Affordable Housing Projects

Hōkū'ula at Hāli'imaile

Paia Soccer Field

Paia-Haiku
Maui Comprehensive Affordable Housing Plan



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FIGURE 4a

Makawao-Pukalani-Kula

The plan has identified the potential of affordable homes that could be made available for Makawao-Pukalani-Kula for local renters and homebuyers through the alternative development strategies included in the plan.

Community Priorities. Priorities were identified in the most recent community plan:

- Preserve agricultural lands
- Prioritize development of Waiohuli Hawaiian Home Lands parcel
- Develop plan for long-term viability of residential and economic base for Upcountry

Community Recommendations. The following recommendations were identified through community engagement:

- Recommendation 1: Update zoning codes to allow for manufactured and factory built housing that will include third-party site inspection and plan reviews for greater affordability.
- Recommendation 2: Support preference for LEED (Leadership in Energy and Environmental Design) certification in affordable housing developments.
- Recommendation 3: Develop a plan for the community that is longer-term that identifies infrastructure needs.
- Recommendation 4: Increase community engagement on affordable housing projects.
- Recommendation 5: Assess County-owned lands in Upcountry for affordable housing.
- Recommendation 6: Review Opportunity Zones as a Federal program to leverage.
- Recommendation 7: Prohibit “gentleman estates” that utilize agricultural lots primarily for housing rather than farming.
- Recommendation 8: Pursue appropriate density in communities with an agricultural profile.
- Recommendation 9: Increase affordable rentals as a pathway to affordable homeownership at a variety of price points.
- Recommendation 10: Consider all types of housing, townhomes, accessory dwelling units, multi-family and single-family homes.
- Recommendation 11: Prioritize affordable housing for kupuna.
- Recommendation 12: Give community members the opportunity to help address the affordable housing crisis with accessory dwelling and ‘ohana units.
- Recommendation 13: Provide down payment assistance to local residents for home purchase.
- Recommendation 14: Dedicate funding to update the Maui County Comprehensive Affordable Housing Plan every five years with the issuance of the Hawaii Housing Planning Study.

No priority projects have been identified for this community plan area, however, local renters and homebuyers should be providing access to funding through the Affordable Housing Fund so they can build accessory dwelling units and single-family homes as well as qualify for grants and individual development accounts to assist with renting and buying existing homes.

Appendix N. HUD Section 108 Loan Guarantee Program

Applications for Adaptive Reuse & Mixed-Use Projects

The Department of Housing and Urban Development's (HUD's) Section 108 Loan Guarantee Program can be a valuable financing tool for both for-profit and nonprofit developers who are seeking financing for mixed-use real estate developments. A mixed-use real estate development is a development that contains two or more uses, which can include, but are not limited to:

- **Residential**
 - o Rental Units
 - o For Sale Condominiums
- **Retail / Commercial**
 - o Grocery Stores
 - o Hospitals or Medical Facilities
 - o Restaurants
 - o Hotels
- **Office**
- **Cultural and Entertainment Venues**
 - o Museums
 - o Theaters
- **Public facilities**
 - o Recreational facilities
 - o Senior or community centers
 - o Parks
 - o Public Plazas

Securing adequate financing for mixed-use developments can often be difficult, given obstacles such as:

- Commercial loan product restrictions (e.g., residential only, commercial only);
- Divided underwriting and decision making between different lender departments; and
- Uncertain market for one or more of the project components (e.g., rental housing strong – retail/office weak or unknown)

Borrowers have structured Section 108 loan guarantees for mixed-use projects in a variety of ways, frequently as subordinate gap financing. The terms and structure of each loan will depend on the needs of the project and the community's underwriting assessment, but in general, city, county and state governments have made loans for mixed-use projects ranging from \$100,000 to millions of dollars. The sizing of each Section 108 guaranteed loan varies by community, based on the amount of Section 108 financing that the community can access*, its goals to diversify its loan portfolio, and both local and HUD program requirements. Communities can provide loans for terms of up to 20 years at lower interest rates than those that are typically available through commercial banks.

** The amount of Section 108 borrowing capacity for each community is five times its latest approved Community Development Block Grant (CDBG) allocation minus any outstanding Section 108 loan balances or existing commitments. The current borrowing authority available to Maui County based upon the CDBG allocation for 2021 is \$9,528,650.*

The Section 108 Program has also been used very successfully for adaptive reuse of vacant and/or abandoned buildings. In this instance, it can be a mixed-use of single use, such as residential to create affordable housing where none existed before, because this is considered rehabilitation and not new construction.

Use of Section 108 financing in mixed-use development projects requires allocating the financing to aspects of the project that will meet one of three program objectives: (1) benefit low- and moderate-income (LMI) persons; (2) aid in the prevention or elimination of slums or blight; or (3) meet an urgent need (e.g., natural disaster recovery). The majority of activities receiving Section 108 loan guarantees provide a benefit to low- and moderate-income persons, which can be accomplished through a variety of ways (see Step 4). A LMI person generally means a member of a household that has an income equal to or less than 80% of area median income (AMI) as defined by HUD.

Below are some examples of some adaptive reuse and mixed-use projects that have utilized Section 108 loan guarantees to make the projects work financially:

Renaissance at Civic Center Apartments

Location: Denver, CO

Owner: Colorado Coalition for the Homeless

PROPERTY DETAILS:

216 units: 202 studios with kitchenettes and 14 one-bedroom apartments

Rent: \$402 – \$600

The Coalition purchased this property from the YMCA in 2001 in order to preserve 167 SRO housing units at-risk of loss. Following extensive renovation and expansion that also preserved a smaller, dedicated space for the YMCA's fitness program, the property now provides homes for 216 households. This includes those who are homeless and at-risk of homelessness, as well as veterans and individuals with chronic mental illness and substance treatment needs. It is the primary site for the Coalition's highly successful Housing First program. Civic Center Apartments is also an option for low-income workers in downtown Denver who could not otherwise afford to live in the area. In 2008, Renaissance at Civic Center Apartments received the **2008 Fannie Mae Foundation Maxwell Award of Excellence** and the **2008 MetLife Foundation First Place Award** for Excellence in Affordable Housing. In 2004, the property received the **Colorado Housing NOW! Eagle Award** for Creating Affordable Housing in Downtown Denver, the **Downtown Denver Partnership's Celebration of Achievement Award**, and the **Community Preservation Award from Historic Denver Inc.**

The HUD section 108 Loan for approximately \$5.5 million was used to purchase the building from the YMCA and begin renovations. The Coalition used a combination of CDBG, HOME, SHP Grants along with LIHTC and Historic Tax Credits to renovate the building. The 108 loan was structured as interest only payments with a balloon due upon the equity investment from the LIHTC.

Crosstown Concourse

Location: Memphis, TN

Owner: Crosstown Arts

The Crosstown Concourse project transformed a former Sears distribution center into a multi-use facility providing employment, medical services, education, and housing. The redevelopment of this ten-story warehouse building and associated structure as a mixed-use development created an economic anchor in the City's Midtown neighborhood. Crosstown is described historically as a working-class neighborhood, with the former Sears Distribution Center the dominant feature and economic engine from the 1940s to the mid-1980s. The original ten story Sears building was constructed in 1927. The retail store closed in the early 1980s and the building was abandoned entirely in 1993. The neighborhood entered a steady rate of decline, with its main street transitioning from a vibrant hub of activity to a strip of boarded-up and empty storefronts. The building was transformed from a beloved symbol of commerce, interaction, and economic mobility into one of the most prominent and pernicious examples of blight in the City. Crosstown Arts, a non-profit created to facilitate the redevelopment of the property, led this effort to reimagine the historic Sears Crosstown building as a mixed-use, "vertical urban village." In August 2012, Crosstown Arts provided the City of Memphis with the opportunity to change decades of abandonment by assembling eight founding partners – local well-known healthcare, education, and arts organizations – who indicated their collective commitment to inhabit nearly 600,000 square feet of the historic building. As a result, the City granted \$4 million in Section 108 loan proceeds to the project as part of a larger \$15 million contribution, which included a HUD BEDI grant, Capital Improvement Program financing, and energy credits. The property includes 260 apartments on floors seven through ten that are home to young leaders in arts, education, and healthcare. Artists, teachers, doctors, and scientists in the various residency programs of the founding partners are living in studio, one-, two-, and three-bedroom apartments. A minimum of 20% of the units are restricted for affordable housing.

NEDCO Mixed-Use Building

Location: Springfield, OR

Owner: Neighborhood Economic Development Corporation (NEDCO)

The City of Springfield will lend the proceeds of the Section 108 guaranteed loan to the Neighborhood Economic Development Corporation (NEDCO), through a subrecipient agreement, to acquire a historic, mixed-use building located on Main Street in downtown Springfield. Originally built in 1911 as a theater, the building currently consists of vacant ground floor space and four occupied affordable housing units on the second floor. NEDCO plans to lease the front half of the ground floor space to small, locally-owned businesses as commercial space. The rear portion of the ground floor will be used as classrooms and office space for NEDCO to conduct homeowner education, housing counseling, and financial literacy classes primarily for low- and moderate-income persons. The four residential units on the second floor will be maintained as permanent, affordable rental housing with the current tenants remaining in their units. The project will address several community objectives for the City, including maintaining affordable housing units and filling longstanding vacant storefront space in the downtown core. The variety of classes being taught by NEDCO is also expected to bring people downtown on weekends and in the evenings. National Objective: The CDBG national objective met by this project is benefit to low-to moderate-income persons through providing housing, creating jobs, and providing services for a limited clientele. Guaranteed Loan Features: Term: The City will repay the Section 108 loan over a 20-year term. Repayment Source: The source of repayment will be payments made by the developer from lease revenues. Additional Security: The City will pledge a first lien position on the real property. In addition, the City will agree to allow HUD to use existing pledged grants to prepay (or defease) the Guaranteed Loan if HUD determines that the standard pledge of future CDBG funds is insufficient to assure payment of amounts due.

Urban Center Mixed-Use

Carolina, PR

The Municipality will use the \$6,100,000 Section 108 guaranteed loan proceeds with \$1,424,009 in reallocated Section 108 funds from a prior commitment issued in 2000. The combined loan proceeds will be used to complete the acquisition of 22 parcels of land, which will constitute Phase I of the Municipality's Urban Revitalization Program. The goal of the Urban Revitalization Program, which began in 1987, is to revitalize the Municipality's urban center and its immediate surrounding areas. The urban center has seen dramatic changes over the years, resulting in loss of businesses and an increased demand for affordable housing. The Urban Revitalization Program has been conceptualized to return planned, balanced, attractive, and economically feasible uses to the urban center such as new housing developments, retail, recreation, multimodal transportation center, and cultural and tourist attractions. Phase I of the project will consist of acquiring both vacant and occupied residential and commercial properties in a targeted area. The existing buildings will be those that are extremely outdated, deteriorated, or obsolete. In Phase 2, demolition of the existing buildings on these parcels will occur to make way for the construction of eight new three- to five-story mixed-use buildings. The construction of the new buildings will constitute Phase 3 of the project. Each of the new buildings will include a commercial area on the first floor and three-bedroom residential units on the remaining floors. The entire 23,500 square feet in commercial space will be offered to businesses that can provide essential everyday services to the residents of the buildings. National Objective: The CDBG national objective to be met by this project is benefit to low-to moderate-income persons through housing and through an area benefit. The project will create a total of 109 new, for-sale residential units for low-income families and will be located in two census tracts that are 91.5% and 65.9% low- and moderate-income residents, respectively. Guaranteed Loan Features: Term: The Municipality will repay the Section 108 loan over a 20-year term. Repayment Source: The source of repayment will be the Municipality's annual CDBG allocation. Additional Security: The Municipality will pledge a first position lien on real property. In this project no Section 108 funds were used for construction of the "new" affordable housing units, other sources were utilized for that purpose.

The breadth and scope of these projects highlight the exceptional flexibility of the Section 108 Program. Virtually anything that can be done with CDBG (one of the most flexible federal funding sources) can be accomplished using the 108 Program, as long as a National Objective is met. The terms and conditions are extremely flexible as well. The applicant names their own repayment schedule (up to 20 years) and the conditions, i.e., interest only payments for x number of years, balloon payments, fixed or escalating principal payments, etc. and all with below market financing.

The section 108 can be a catalyst for additional financing as well. Quite often Private Sector funds will flow to a project when a HUD guaranteed loan is in place. The fact that HUD will subordinate to other financing partners also helps in this regard.

This is a non-competitive program and therefore can be applied for at any time during the year. Section 108, since it is tied to CDBG and labeled as local, can also be used to match other federal grants and/or financing sources.

Since the grantee does not pledge the full faith and credit of the local governing body involved in the application and does not (by contract) use any tax income to pay back the loan, then this is not considered a long-term debt or general obligation incurred by the local government. In the majority of cases, there is usually a third party business, nonprofit or other quasi-governmental agency that actually incurs the debt and repays the loan, also.

HUD is very flexible on the security arrangements and will accept a wide variety of collateral from land and improvements to loan portfolios and equipment. HUD will accept just about anything, as long as the value needed to cover the debt service ratio requirements of the underwriting is met. If you have an RLF, you can pledge the Portfolio income. If the project is within an area with a parking district, parking revenues can be pledged. Any non-tax revenue sources are eligible - Sale-leaseback or lease-leaseback proceeds. The best security for any loan of course is a project that has positive cash flow or an identified revenue stream to pay back the loan or the assets created by the project itself - Any business buildings, redevelopment properties, etc. Redevelopment is great because it creates value. Section 108 works exceptionally well with commercial development that is creating a revenue stream to pay back the loan. It also works well with redevelopment projects which are creating value where none existed before. This is especially true with Brownfield property redevelopment where value is or perceived to be usually less than nothing due to the "feared" level of environmental problems.

Appendix O. Renter and Homebuyer Program Models

Potential Model – Kauai County First-Time Homebuyer Program

Kauai County administers a more comprehensive First-Time Homebuyer Program in which the County contracts with HUD certified housing counseling agencies to deliver homebuyer workshops and counseling. The County-funded services are provided for free to island residents. County residents who complete a homebuyer workshop are eligible to join the County's affordable housing list. Once on the list, residents can qualify for deferred payment mortgages up to \$150,000, first mortgages up to \$450,000, and affordable homes managed by the County. HUD counseling agencies, the County and developers work together to inform the individuals on the County's affordable housing list about affordable projects as they become available. Developers also refer interested homebuyers to HUD housing counseling agencies to help them obtain a mortgage prequalification.

While the homebuyer workshops provide information on the homebuying process and key strategies for families to mortgage qualify, it has been found that workshops are often not sufficient to assist local residents' overcome income, credit, debt, and savings barriers to qualify for mortgage financing. Individualized pre-purchase counseling is not required under the Kauai County program, but has been critical for homebuyers to develop action plans and access to grants, individual development accounts, and loans to obtain mortgage qualifications. Without requiring individualized counseling as a condition of being on the affordable homebuyer list, Kauai families have found themselves high on the list yet still unable to take advantage of County offerings when they come available. No similar renter program is active in Kauai County.

Potential Model – City and County Honolulu Renter Program

The City and County of Honolulu funds HUD certified housing counseling agencies to deliver renter workshops and counseling. The County-funded services are provided for free to island residents. When County residents complete a workshop and counseling they receive a certificate of completion that qualifies them for Section 8 Housing Choice Vouchers and the County's Rent-to-Work program. Renter program participants also gain access to individual development accounts and loans for first month's rent and deposit through the HUD housing counseling agencies that partner with Treasury certified CDFIs. HUD counseling agencies administering the program partners with developers to inform the individuals in the program about affordable projects as they become available and accept referrals from developers.

Deferred Payment Mortgages

are loans that are made to low-income homebuyers to reduce the home sales price so it is affordable. A lien is placed on the property and the deferred payment mortgage does not have to be paid back until the home is resold or refinanced. Under other deferred payment mortgage programs, if the home is sold to a low-income homebuyer, the mortgage remains as a lien on the property, helping preserve affordability for the next homebuyer.

Individual Development

Accounts (IDAs) are grants that match participant savings to assist with first month's rent/deposit or down payment/closing costs. Participants are required to complete financial education to enroll in IDAs and save for a minimum amount of time to receive their matching funds which are paid directly to landlords or mortgage lenders.

Potential Maui County Model

A potential Maui County model for both an affordable renter and first-time homebuyer program should improve upon lessons learned from other county models. The following are recommended program elements for the county to consider:

First-Time Homebuyer Program

- HUD workshops and counseling to learn the homebuying process, protect homebuyer rights, create household budgets, review credit, and establish action plans to increase income and savings, reduce expenses and debt, improve credit, and qualify for affordable mortgage financing
- Grants and individual development accounts to provide up to \$25,000 in assistance for down payment and closing costs
- Deferred payment mortgages administered by Treasury certified CDFIs up to \$150,000 (\$200,000 for residents in Lanai, Molokai, Hana) to buy down the sales price of homes
- Limit grants, individual development accounts, and deferred payment mortgages to prequalified homebuyers, at or below 100% AMI, who can demonstrate 3 years of residency and workforce or public benefit history with copies of State tax returns and W2s or public benefits statements
- Referrals and assistance applying to affordable mortgage financing programs including Federal mortgage programs with down payment requirements as low as 0% to 3%
- Partner with developers to serve their waitlist homebuyers
- Maintain a list of homebuyers who have obtained a mortgage prequalification
- Partner with DHHC and developers to inform prequalified homebuyers of upcoming affordable housing projects

Affordable Renter Program

- HUD workshops and counseling to learn the rental process, protect tenant rights, create household budgets, review credit, and establish action plans to increase income and savings, reduce expenses and debt, improve credit, and qualify for affordable rentals
- Grants and individual development accounts administered by Treasury certified CDFIs to provide up to \$4,000 for first month's rent and deposit
- Loans administered by Treasury certified CDFIs up to \$5,000 for first month's rent and deposit
- Limit grants, individual development accounts, and loans to prequalified renters, at or below 100% AMI, who can demonstrate 3 years of residency and workforce or public benefit history with copies of State tax returns and W2s or public benefits statements
- Partner with developers to serve their waitlist renters
- Maintain a list of renters who income and credit qualify for affordable housing projects
- Partner with DHHC and developers to inform prequalified renters of upcoming affordable housing projects

Appendix P. Supportive Housing Project Models

Potential Models – Housing for Extremely Low-Income Residents

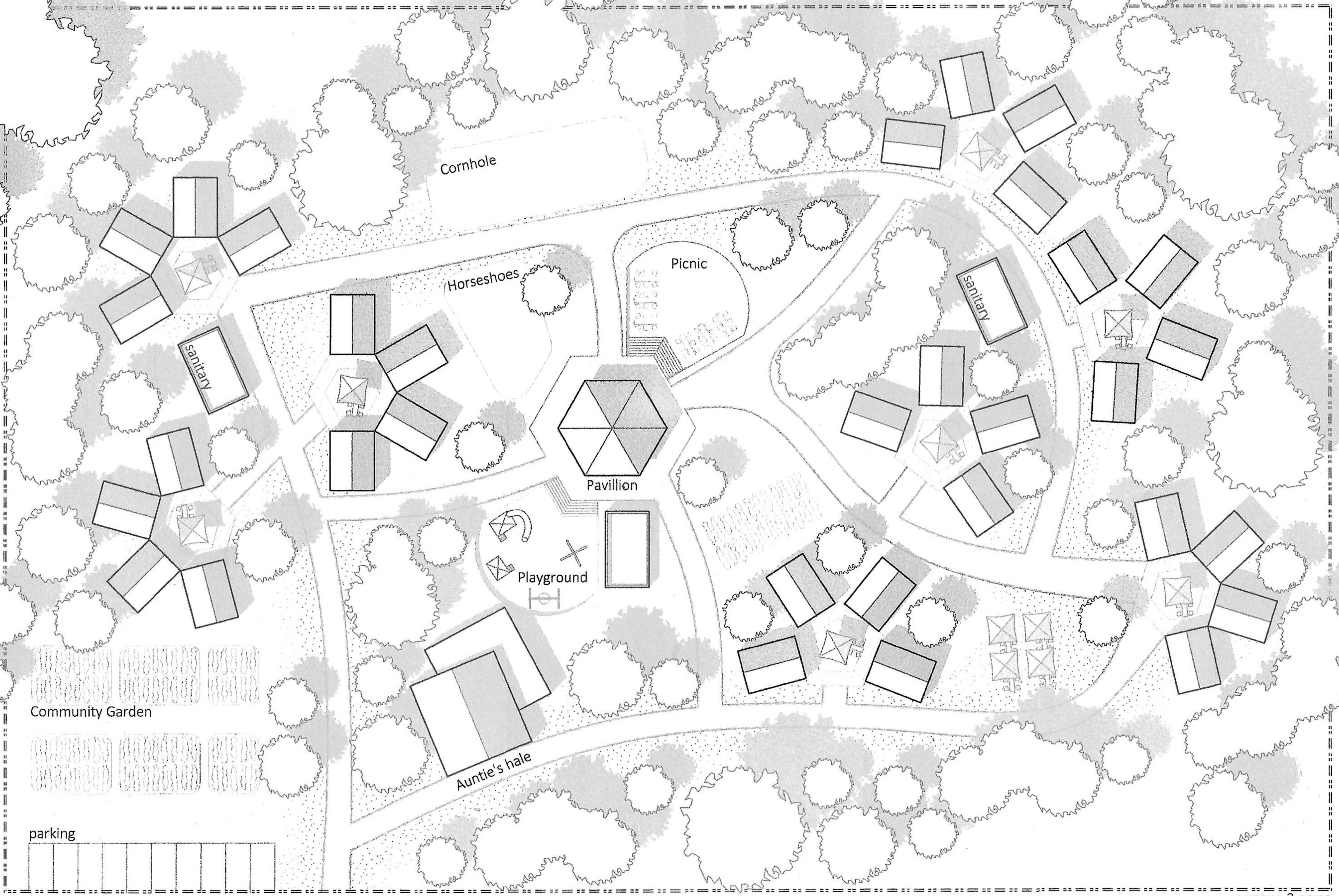
Due to a lack of public investments in housing for houseless residents at or below 30% AMI, creative solutions are in high demand across the state. To address this demand, Maui County has used county-owned land and public resources to develop a pilot project of 12 units of affordable housing for houseless residents at a project cost of \$4,690,730.

	UH Dorms	Pāhoa
Developer	County	Nonprofit
# Units	12	12
Income Level	30% AMI	30% AMI
Funding	\$4,690,730	\$2,175,381
Sources	Public Funds	Private Donations
Cost/Unit	\$390,894	\$181,288

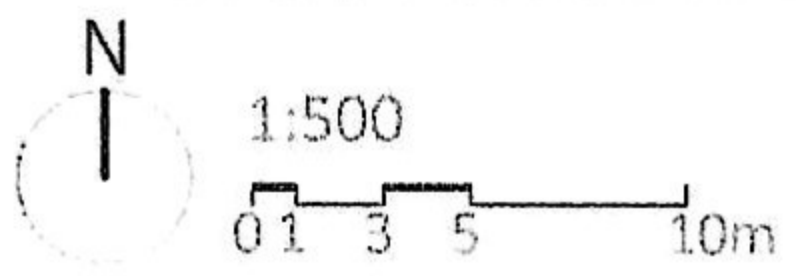
A similar project in Hawaii County is targeting houseless kupuna at or below 30% AMI with an equal amount of units. Unlike the Maui County pilot, the Pāhoa Affordable Housing Project has been led by nonprofit, HOPE Services Hawai'i. The total project cost was \$2,175,381 which was covered with private donations. Overall, the nonprofit-led Pāhoa project will result in a cost of \$181,288 per unit. Additional funds will be raised to provide supportive services for the kupuna who reside in the project.

Both types of approaches relied on the Governor's emergency housing proclamation and relationships with public agency staff and housing industry professionals to streamline their development schedules.

Aloha Ranch



approx. 3 acres





PREPARED BY

Denise “Neeseey” Nussbaum, Ph.D.

Aloha Ranch Director

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Jelena Dackovic

Aloha Ranch Director

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ALOHA RANCH PROPOSAL DRAFT

MISSION STATEMENT

Aloha Ranch serves individuals and families who need both immediate emergency shelter and/or transitional housing. We are a communal village dedicated to providing the unsheltered a safe and healthy place to live as they are given assistance and support so they may transition into more permanent housing. Our team is comprised of teachers, business owners, philanthropists, service club members, students and neighbors who care about our community and have compassion for those in need. We offer skills and services in a traditional Hawaiian family-oriented setting that encourage commitment to community, personal responsibility, and self-reliance.

BACKGROUND

The founder of Aloha Ranch, Denise “Neesey” Nussbaum, has been working with marginalized populations since 1982. After a career as a Professor of Sociology and a leader in diversity training in California for over 20 years, Dr. Nussbaum retired and settled on Maui. After 5 years of serving with local charities and seeing first-hand the need of so many in west Maui, a plan slowly emerged.

Dr. Nussbaum has assembled a team of local community members to direct and manage Aloha Ranch, each with a different skill set to contribute to the project. Additionally, there is a veritable army of volunteers excited to help in every area from heavy construction to beautification (planting, painting, etc.); from education to outreach; from childcare to cooking meals.

CONTEXT

Today, nearly half of Hawaii families are unable to afford the most basic necessities. Since the pandemic, the unstable economy has disproportionately affected the unsheltered and low-income individuals and families. Once the moratorium on evictions has lifted, there will likely be significantly more people in need of shelter and emergency services. Maui has the highest per capita of homelessness anywhere in the United States. Currently, the numbers of unsheltered on west Maui exceed 200 and are growing.

For a variety of reasons traditional “homeless shelter” models have not effectively addressed the many and various problems of the populations they aim to serve, especially here in Hawaii, where culture and community differ in many significant ways from the mainland. To some people experiencing homelessness, their choices are bleak: autonomy or soft incarceration.

Living life on the streets is exceedingly difficult, however, it allows a person experiencing homelessness autonomy. They can choose where to lay down, where to sleep and where to eat (subject to local law enforcement). They are free to interact with the city they call home. They are able to form communities and to build the resource networks that are so important in finding jobs and housing.

Life in the shelter system provides a much different experience of homelessness. First, it is not easy to get admission into a shelter. Stringent rules and regulations make it impossible for a significant portion of the unsheltered to be admitted. Guests must have a “homeless verification letter” and proper identification.

Once admitted, the experience has been referred to as “soft incarceration” due to the many restrictions placed on shelter guests. Guests are often subject to strict curfew requirements that, if violated, may result in the loss of their bed. There are also strict limitations on what possessions a person may store at the shelters. Moreover, families and pets are often not welcomed.

Shelters also have strict time limits that, sadly, often serve to perpetuate the cycle of homelessness. Once admitted to a typical shelter, a guest traditionally has 90 days to find permanent housing. If housing is not found in the time allotted, guests are sent back to the street and not allowed to be readmitted until they re-qualify as homeless (often 30 days).

Maui Rescue Mission (MRM) has been helping individuals and families experiencing homelessness on Maui since 2018. They bring their mobile resource center to Lahaina every Wednesday and Friday providing showers, laundry services, counseling and help in obtaining information and resources.

Today, through a partnership of volunteers and various community groups, a growing number of our unsheltered friends have access to showers, laundry, medical services, hot meals, haircuts, and help getting identification, government checks, etc. But we need to do more.

On the west side, the numbers of unsheltered are daunting ... much higher than County estimates. During the first 5 months of 2021, the MRM trailer welcomed 2,119 guests; hosted 376 showers; did 338 loads of laundry and helped 528 people access resources like identification, birth certificates, food stamps, legal assistance, medical, etc. All with an only 2 day a week presence. Our goal is to broaden the scope of the aide we can give our struggling community members while building on the trust and relationships we have been growing.

The founders of Aloha Ranch have been sponsoring the outreach program at the Maui Rescue Mission and we see firsthand the dire need in our community. In addition to the people served at the Rescue Mission twice a week, Jelena (MRM West Maui Outreach Director and Aloha Ranch Board Member) personally delivers lunch to anywhere between 60-100 unsheltered people SIX DAYS A WEEK. Jelena’s outreach covers the area from Wahikuli to Cut Mountain (please see map). However, there are many more we haven’t reached.

PRINCIPLES

Denise “Neeseey” Nussbaum

Dr. Nussbaum is a retired Professor of Sociology and has been working with marginalized populations for 40 years. A grant writer and a diversity scholar, she was honored with the prestigious Stanback-Stroud Diversity Award conferred by the Foundation for California Community Colleges for her work in Diversity and Diversity Training. Neeseey is a founding member of the West Maui Community Task force, an organization born out of the needs of our local community and a desire to make a difference.

Jelena Dackovic

Ms. Dackovic grew up in war torn Serbia and has a passion for helping those in need. With 13 years of experience working with the unsheltered both in Serbia and on Maui, Jelena is currently the West Maui Outreach Director for Maui Rescue Mission. She personally delivers food, water, clothes, first aid supplies, blankets, and tarps to numerous West Side homeless encampments. Jelena knows most of our west Maui unsheltered by name and has garnered the trust and respect of a traditionally distrustful population. Jelena is on the Board of Aloha Ranch and will be the Outreach Director for the project.

R. Brian Nelson

Mr. Nelson, “The Homeless Architect”, has worked with over 75 Rescue Ministry projects across the US, Canada, and Jamaica since 1984. He is the cofounder and Board Chair for Maui Rescue Mission and is dedicated to addressing the unique needs of Maui’s unsheltered population. Brian has designed 88 rescue mission projects and has served on several Boards of Directors, including 10 years with the Santa Barbara Rescue Mission.

P Denise La Costa

Ms. La Costa has been actively involved with nonprofit organizations for 40 years and was a charter member of the Domestic Violence Task Force in 2004. A founding member of the West Maui Community Task Force, P Denise’s many awards and accomplishments are too many to list. Working with Women Helping Women, PD helped to purchase and renovate a domestic violence safe house. Currently, P Denise is a Maui County Land Commissioner as well as the Real Estate Commissioner for the State of Hawaii. P Denise is well known and well respected on Maui and will be pivotal in moving our project forward. P Denise’s mantra is “We are all here to help each other!” and she strives to do so every day.

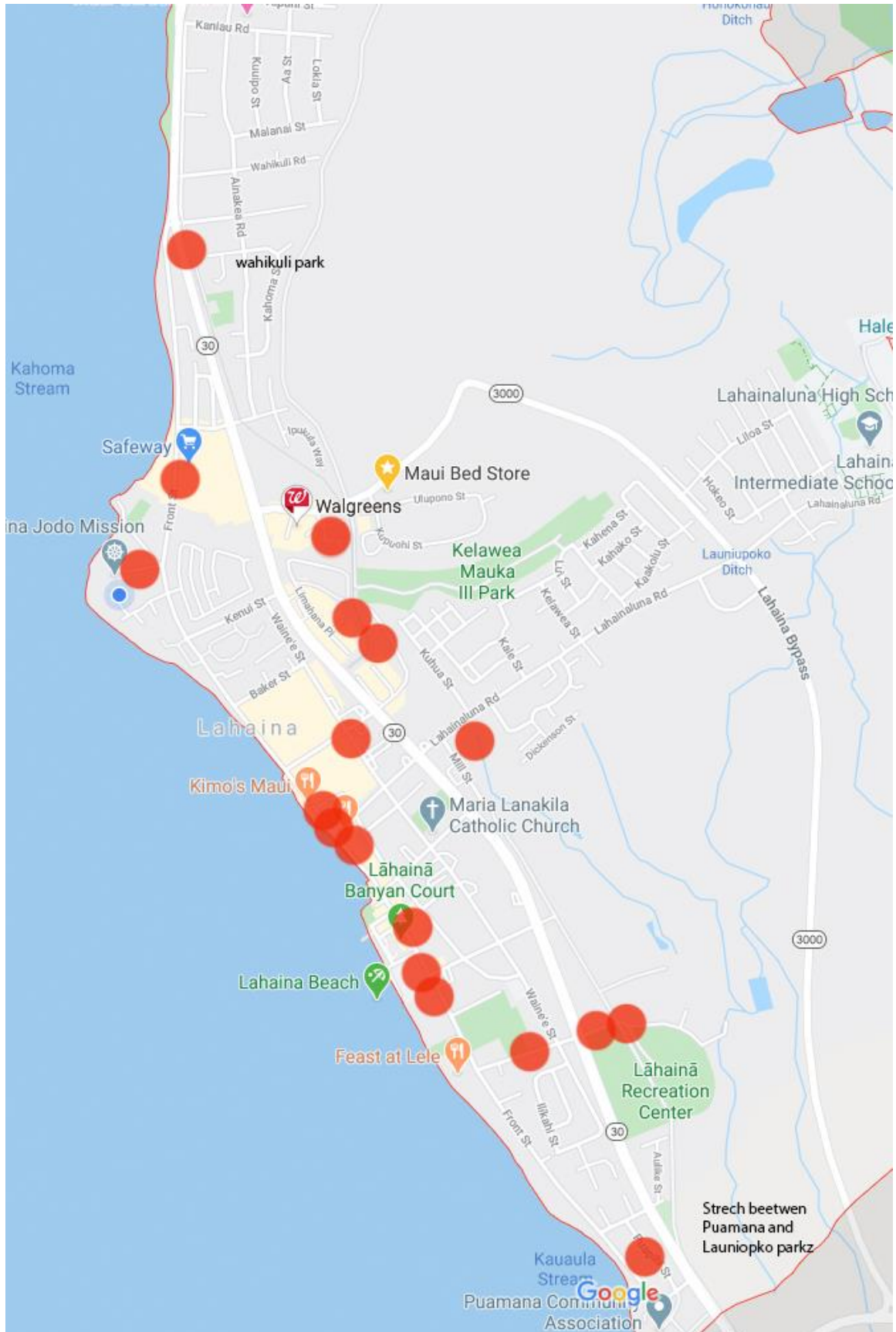
PRINCIPLES (continued)

Jack Naiditch

Mr. Naiditch is a well-respected local attorney and a longtime resident of Maui. His areas of expertise include Community Organizations and Environmental/Land concerns and is an esteemed Board Member of the Maui Arts and Cultural Center. Jack is dedicated to improving the lives of those in need and has the passion and expertise to navigate the legal roads that lead to fulfilling our project mission.

Elizabeth May

Ms. May has been a community leader in the west Maui community since 2009. As the Vice President and Manager of 5A Rent-a-Space in Lahaina, Liz has been a shining example of volunteerism in her community. She has served her neighbors in need in countless ways and has done so with a smile on her face and with love in her heart. Liz and her staff at 5A have worked alongside Women Helping Women, West Maui Community Task Force, Maui Food Bank, Maui Rescue Mission, Salvation Army and Malama Maui Nui. Liz is Past President of the Lahaina Rotary Club, and Charter Past President of The Rotary Club of Lahaina Sunset. Liz is a force of nature and represents an army of community volunteers who support our vision.



Appendix Q. ADU and Tiny Home Program Models

Potential Model – City and County of Honolulu

The City and County of Honolulu has passed legislation that includes a ‘One Time Review’ (OTR) process for accessory dwelling and ohana units. The OTR process is meant to reduce the building permit processing time and is as follows:

1. Owner may complete pre-check form and submit to Department of Planning and Permitting to determine if their lot qualifies for an accessory dwelling unit or ohana unit.
2. During the pre-check process, owner is required to gather signatures from multiple agencies to confirm that the building site meets the code requirements and has access to sufficient utility infrastructure.
3. Once the pre-check form is signed by all appropriate departments, owner files a notarized declaration of restrictive covenants and description of the property, such as the deed or other conveyance document with the original to the State Bureau of Conveyances and a copy to the Department of Planning and Permitting.

The City and County has also partnered with community development nonprofits to develop an owner guidebook, building industry and design professionals to develop a range of options that can be pre-approved under a master permit, and financial institutions to offer lending options. Once the owner-builder obtains a master permit for a particular model, the model needs a site permit showing where and how it will be constructed on the lot. Finally, appropriate inspections occur during construction. In addition, the City and County of Honolulu has passed legislation that implements a similar OTR process for single- and two-family home permits, shortening the process timeline to within two months. However, an audit of the program cited the Department of Planning and Permitting did not properly administer the OTR rules which resulted in delays and backlogs for owner-builder permits¹. This strategy could be implemented to reduce development timelines and costs on owner-builders in order to increase the number of in-fill affordable housing opportunities through the County.

Potential Model - LA ADU Accelerator

The LA ADU Accelerator is a government program that was established to assist seniors (kupuna) in Los Angeles County obtain housing through affordable accessory dwelling unit rentals. Owner-builder landlords commit to accepting Housing Choice Vouchers and in exchange receive subsidies and exemptions in the planning, permitting, and construction process when building with pre-approved home plans. US Department of Treasury certified community development financial institutions are offering financing programs with flexible underwriting criteria to assist with the building of tiny homes and accessory dwelling and ohana units. In March 2021, the Biden administration proposed to increase the Housing Choice Voucher program so it can assist 200,000 more low-income families, potentially providing resources to follow the LA ADU Accelerator program model and incentivize new program landlords.

Potential Model – Tiny Home Program, Molokai

A tiny home program recently launched on Molokai and is still in the early stages but is a promising prospect for housing residents on that island, while at the same time training residents in carpentry.

¹ City and County Honolulu, Department of Planning and Permitting Permit Processing Final Report, 2020

Tiny Homes on Wheels for Moloka'i Very-low Income Residents

Through pre-assessment surveys distributed within the very low income residential and agricultural areas on Molokai, it has been determined that these residents would be willing to explore alternative affordable housing options such as Tiny Home on Wheels.

With the very-low income of Molokai residents being within the \$800.00-\$1,700.00 a month, a traditional mortgage payment would be outside of their available means. The tiny home on wheels would come in at around \$175.00-\$275.00 a month leaving these residents with sufficient funds to cover the cost of living (e.g. food, utilities, etc) and enough to set aside a designated savings account for emergency expenses (e.g. medical, funeral, etc) and strive toward self sufficiency.

Mockingbird Tiny Home, LLC (located on Hawaii island) who also has a non-profit organizational arm has agreed to dedicate a Molokai designated Bay to build these Tiny Homes on wheels for our very-low income residents of Molokai.

Of the very low income residents who completed the surveys they either have access to family owned fee simple lands or are DHHL leases with a designated agricultural lot. The tiny home on wheels will be parked on at these specified lands/lots.

Collaborated efforts to help with off-setting the cost of the Tiny Home on Wheels for the identified residents would be of great help and support toward empowering these residents toward a self-sufficient lifestyle.

TINY HOME ON WHEELS (Description)

This is a high estimate but prefer to come in under that over.

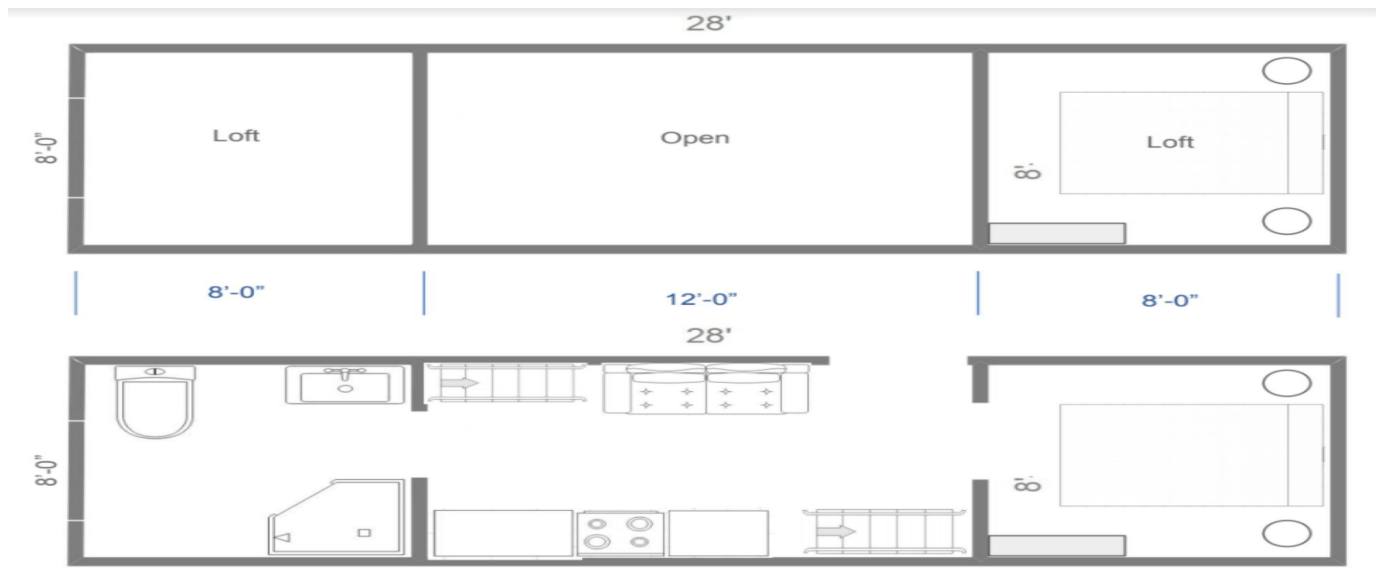
Standard TH 65,000 USD

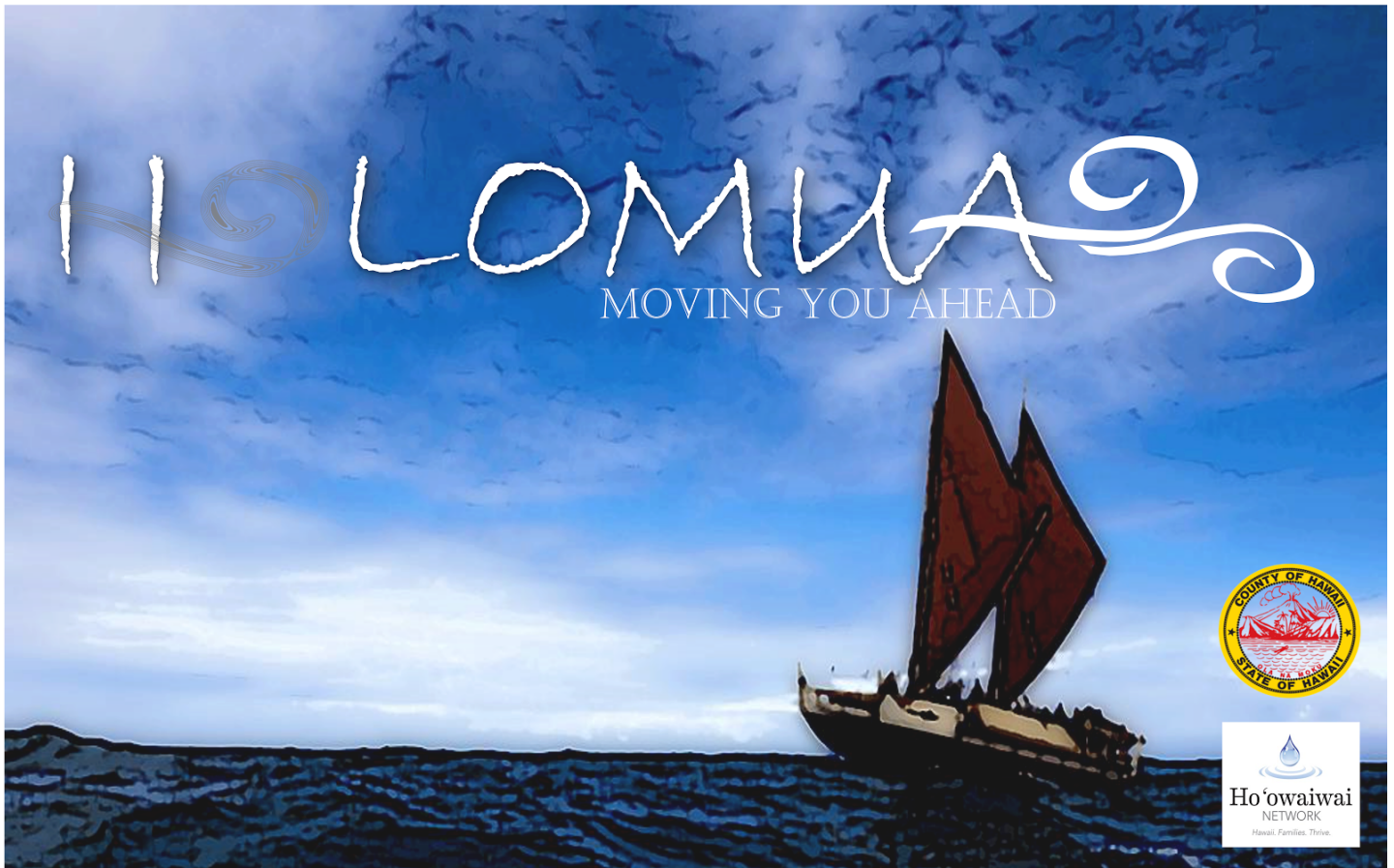
Design based on image below:

- 28' trailer
- 2 lofts
- galley kitchen
- Main bedroom on 1st floor
- Bathroom with a regular toilet.

2 additional options:

1. add a composting toilet +1,200 (leaving some buffer incase prices or shipping go up)
2. add + 8,500 for Solar (includes 6 solar panels, wiring, battery bank, and outback one system) the price includes high end batteries.





HoloMUA: Building Community Resilience through Interagency Collaboration

NWCOP Final Report 2018

**This collaboration was generously supported by the County of Hawai'i
Office of Housing & Community Development**

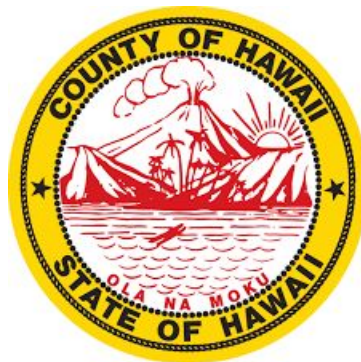
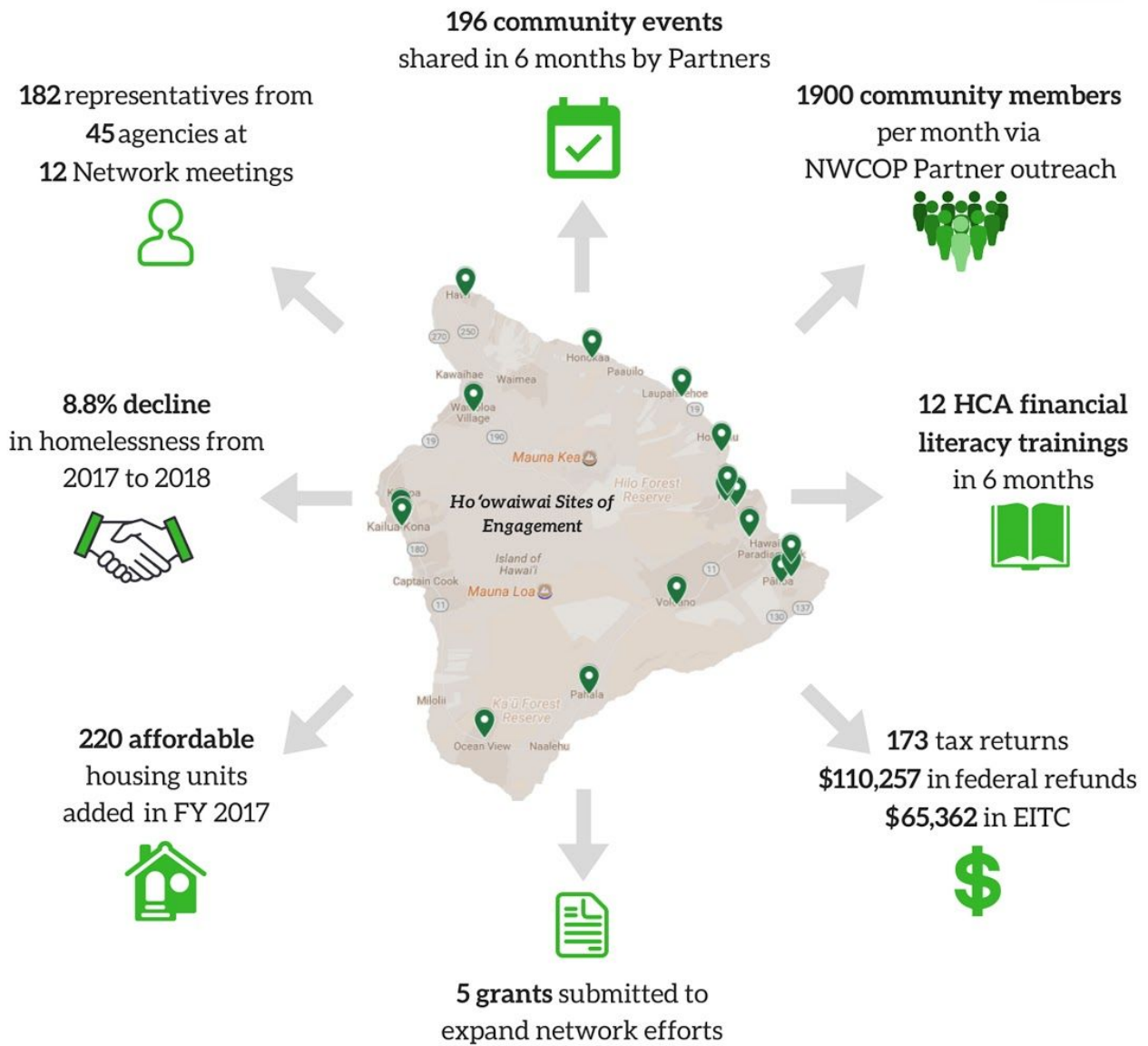


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2018 Network Summary



2018 Puna Lava Flow

2 Disaster Preparation Trainings for NWCOP Partners with Civil Defense and American Red Cross

25 Partners participating in response through the County Recovery Information & Assistance Center

8 Partners mobilized to create Recovery Information & Assistance Center within 48 hours of Puna Lava Flow

1226 Unmet community needs identified by partners through triage at the County Recovery Information & Assistance Center

Introduction

With support from the County of Hawai‘i, Office of Housing and Community Development, this initiative worked to support the network of organizations as well as the Network Weavers who are carrying out pilots to develop, sustain, and expand their delivery of Ho‘owaiwai Empowerment Services (HES). Partners focus on increasing community resilience for Hawai‘i Island families, particularly using food as an entry point to other services. The Network support for building community resilience will increase the genuine well-being of those families by better connecting food resources and services with existing Network Weaver services, which will build and strengthen the communities in which they live and thrive and thus become more healthy and sustainable. Its intent was to realize outcomes at three levels:

- *Build Genuine Wealth & Financial Security at the Individual & Family Level;*
- *Improve Productivity & Viability at the Private & Public Sector Level; and*
- *Nurture Sustainability & Resilience at the Community Level.*

It was envisioned that synergistic and mutually beneficial employer/employee relationships, entrepreneurial opportunities, and public/private partnerships would be generated by tapping a network of public, private, and community sector partners. This would help to nurture layers of resiliency to create a supportive environment for individuals and families as they pave their own pathways to social and economic success.

Underlying Framework and Guiding Principles

The underlying framework for the HES model is rooted in the concept of ‘ohana economics that focuses on the root word of economics, oikonomia (οἰκονομία), a Greek word meaning “management of household.”¹ The idea of “managing the household” is then integrated with Annie E. Casey Foundation’s Earn It, Keep It, Grow It framework that encourages strategies that help families to:

- *Earn It* – IF we increase earning opportunities through economic localization and development . . . THEN families will have a stable employment base for building assets.
- *Keep It* – IF we support families as they manage risk and reduce expenses . . . THEN families can better manage their household expenses and increase their options for building assets.
- *Grow It* – IF we help families increase their assets . . . THEN families will increase their self-sufficiency and have more choice and control in their lives to have financial security against difficult times; to create economic opportunities for themselves; and to leave a legacy by protecting our island community and environment for future generations’ quality of life.

The following are the guiding principles for the HES initiative:

- *Ho‘owaiwai Hawai‘i Island Framework.* The concept of ho‘owaiwai (to enrich) is rooted in the time tested indigenous wisdom of Native Hawaiians that to be, thrive, and prosper in these islands, we must hold sacred our interrelationship and interdependence with ‘āina – that which feeds us.

¹ Leshem, D. (2016) "Retrospectives: What Did the Ancient Greeks Mean by *Oikonomia*?" *Journal of Economic Perspectives*, 30(1): 225-38.

- Thus, the County of Hawai‘i’s approach to family and community financial empowerment and genuine wealth building involves strategies to Earn It, Keep It, Grow It, Share It within the values base and context of cultural, environmental, and community sustainability and supported by ongoing learning.
- *More Than Just Financial.* For Hawai‘i Island families, wealth is more than the accumulation of money and goods, it relates to ‘ohana, the quality of relationships, the resilience that comes through the support of community networks, and the ability to share and leave a legacy for future generations.

In addition to the above, the following principles provide further guidance for the establishment and development of Ho‘owaiwai Empowerment Services (HES):

- *A Network & Embedding Approach.* Using a network and embedding approach to ho‘owaiwai empowerment efforts will ensure their long term viability and contribute to building and strengthening the communities in which our families live, work, and play. This involves:
 - using a network strategy to weave relationships, assets, and local wisdom to advance family and community financial empowerment efforts.
 - embedding asset building strategies in existing public, private, and community sector programs and services.
- *Invest In Our Children & Youth.* Hawai‘i Island’s children and youth have a critical role to play and, thus, there is a need to make intentional and deliberate investments in building their assets and positive development, including intergenerational mentoring relationships that encourage the transfer of knowledge and help strengthen their capacity to become the future agents of positive change in their families and communities.

See Appendix 1 for more information on the underlying framework and principles of the Network.

The concept for the HES is loosely based on lessons learned from New York City’s municipal-based financial empowerment centers and the additional demonstrations of the model nationwide by the Cities for Financial Empowerment.² It builds on these models but ensures that the design is responsive and relevant to an island context and capitalizes on the unique assets and resources of Hawai‘i Island communities. The HES are services that can be lodged at physical or mobile centers that provide families and communities easy access to a range of asset and genuine wealth building products and services through a continuum of support tools such as children savings accounts, Resources Match, free tax preparation services (VITA – Volunteer Income Tax Assistance), and other educational, financial, entrepreneurial, social, and health services support.

See Appendix 2 for more information on the Financial Empowerment Center model.

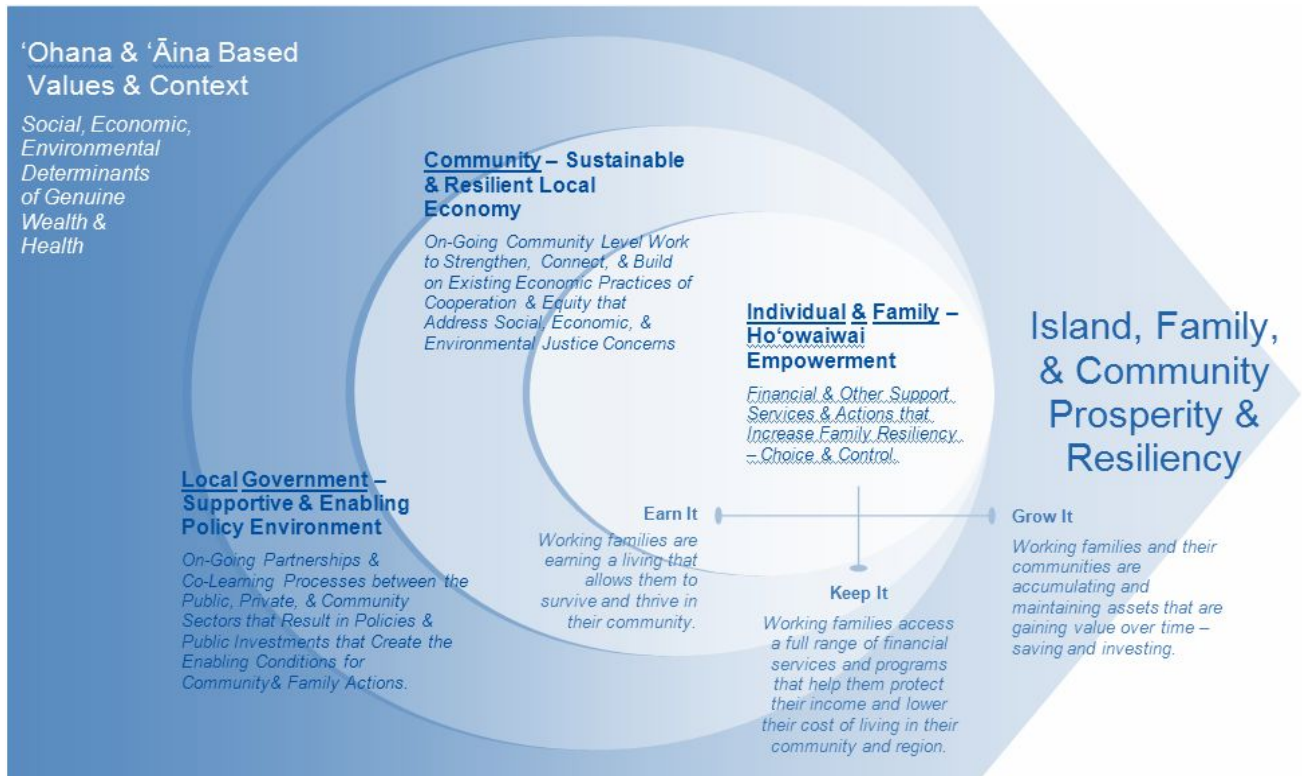
The delivery of HES relies heavily on a network approach led by organizations who serve as Network Weavers and the opportunities to reflect and weave in Network Weaver Communities of Practice (NWCOP) sessions. A critical ongoing component are the regular NWCOP sessions during which Network Weavers engage in a co-learning process to support each other in order to weave their delivery of HES. NWCOP sessions ensured that the design of the HES is responsive and relevant to an island context and capitalizes on the unique assets and resources of Hawai‘i Island communities.

The Network partners worked together to create a Framework that would provide consistent information about the group’s vision in order to educate staff, other partners, and partner government agencies. The framework begins with the values espoused in the County’s asset policy roadmap as

² Department of Consumer Affairs, New York City (2011) *Municipal Financial Empowerment: A Supervitamin for Public Programs.* <http://www.nyc.gov/html/ofe/html/publications/research.shtml>

expressed by families across the island with the end goal of prosperity and resiliency on a family, community, and island-wide basis.

As a part of this framework, individuals and families, community, and local government each play key roles. The local government – the County – plays a key role in creating a supportive and enabling policy environment that support families where they are at and facilitate where they would like to end up. On a community level, business entities should work across sectors to create opportunities that support a sustainable and resilient local economy for individuals and families. Subsequently, such an enabling policy environment and sustainable local economy will allow individuals and families to earn it, keep it, and grow it and achieve family economic resiliency and their vision of genuine wealth and prosperity.



With the above framework providing the conceptual foundation for the work, the Logic Model provides the details in how the Network strives towards that vision with four concrete goals and related activities that demonstrate individual member core competencies, and potential collective impact:

- *Network & Embedding Approach to Support an Articulation of Wealth That is More Than Just Financial* – using a network strategy to weave relationships, assets, and local wisdom to advance and family and community financial empowerment efforts and embedding asset building strategies in existing public, private, and community sector programs and services within the values base and context of cultural, environmental, and community sustainability and supported by ongoing learning.
 - Establish Network Vision & Values
 - Establish Mode of Operations
 - Outreach & Sustainability

- *Ho‘owaiwai Empowerment Services* – embedding services into physical or mobile centers that provide families and communities easy access to a range of asset and genuine wealth building products and services through a continuum of support tools.
 - Assessment During the Intake Process
 - Financial Education & Capability Services
 - Incentivized Savings Programs
 - Free Tax Preparation Assistance
- *Building Shared Wealth & Strengthening Community* – creating opportunities that increase the shared wealth of the community and thus strengthen the resiliency of the community.
 - Workforce Development & Employment Opportunities
 - Community-Based Initiatives
 - Community Development Financing & Funding
- *Investing in Our Youth* – strengthen youth by increasing their financial capacity to become future agents of positive change in their families and communities and offering opportunities for intergenerational mentoring relationships.
 - Financial Education
 - Incentivized Savings Programs
 - Entrepreneurship Opportunities & Activities

“The community appreciates it when the agencies come to the food distributions. Even if they don’t walk up up the first time, knowing it’s an option for them is great--they’re really thankful.”

~ The Food Basket

Traveling Resilience-Building Services

The Ho‘owaiwai Network Weavers Community of Practice (NWCOP) engages Ho‘owaiwai Empowerment Services (HES) partners and other leaders in “learning circle” opportunities to grow leadership capacity and form close, collaborative peer-to-peer relationships. This relationship building strengthens the Ho‘owaiwai Network – Hawai‘i Island to deliver services in rural areas through the expansion of the Rural Outreach Services Initiative (ROSI), a place-based approach to the delivery of HES.

Communities of Practice (COP) sessions continue to provide a space for reflection, dialogue, information sharing, and relationship building to help practitioners lift up best practices and lessons learned. It provides the opportunity to more deeply understand the complex issues related to building networks and developing specific tools and strategies that work best in a range of contexts and situations, such as responding to natural disasters.

With the ongoing 2018 lava flow in Puna, the Network has facilitated cross-agency collaboration and on-the-ground resource sharing for affected communities. The COP sessions provide a valuable space to share information on community identified needs while also sharing agency resources that can be leveraged to fill any gaps. Additionally, HoloMUA has expanded to include more health-focused partners that leveraged NWCOP sessions to share information on the 2017 health insurance open enrollment period. Partners also increased connections to rural communities and hard-to-reach populations through HoloMUA, building trust and increasing the visibility of empowering programs and services.

Building community resilience requires looking at people and communities holistically. Research is increasingly demonstrating the impact of social determinants of health, such as economic well-being, education, and social and cultural well-being.³ Providing rotating services based on the needs of the community, including vision, dental, and medical services, ensures underserved communities have opportunities to increase their well being. This approach also greatly increases the efficiency and impact of service delivery for Network partners.

³ Look, M et al. (2013). *Assessment and Priorities for Health & Well-being in Native Hawaiians & Other Pacific Peoples*. Honolulu, HI: Center for Native and Pacific Health Disparities Research, University of Hawai‘i.

Results

A. HoloMUA - Moving Communities Towards Greater Resilience

NWCOP partners shared information and resources, often using food as an entry point, to rural communities in 8 out of the 9 districts on Hawai'i Island. This outreach was facilitated by the Office of Housing & Community Development's efforts to adapt a decommissioned Civil Defense RV. In 2017, the RV was retrofitted with wireless internet, printers, laptops, a television, and a refrigerator, equipping the partners with all the necessities for providing mobile services to rural sites across the island. The Network renamed it HoloMUA, which stems from the Hawaiian word *holomua* and is roughly translated as "to move forward." The M U A provides an acronym, "Moving You Ahead," to convey to the community the intention of the services the network is providing.

As we continued to pilot the HoloMUA, it became clear that not all sites demanded the use of the mobile unit, such as events where other mobile service providers are already attending or when there was not adequate space. Also, during Spring of 2018 the OHCD Mobile Unit was returned to Civil Defense. Thus, HoloMUA activities, with or without the van, continued to be carried out across Hawai'i Island.

Through talk stories and discussion sessions with NWCOP partners and other mobile service delivery organizations, the Network developed lessons learned and best practices in mobile service delivery on the Big Island. Through these discussions, the Network also explored potential new sites of engagement and future collaborations with institutional partners such as public schools. Further, the NWCOP meetings have continued to enable partners interested in HoloMUA to coordinate their programming to provide a suite of empowerment and health services to communities.

Recurrent Sites - approximately 1900 community members per month reached through NWCOP partner outreach

- Sacred Heart Pāhoa Food Pantry - strengthened by HACBED's partnership with the Office for Social Ministry, NWCOP partners connected with the Sacred Heart Pāhoa Parish to share resources at their monthly food distribution.
 - November - Partners served 276 individuals, including 135 adults, 103 children, and 38 seniors
 - December - Partners served 736 individuals, including 197 families with 355 children, 293 adults, and 88 seniors
- Collaborative ROSI Sites - working with the Food Basket Hawai'i's food distributions, NWCOP partners regularly provided resources to vulnerable community members at the below listed rural outreach sites:
 - *Ocean View St. Jude* - Partners regularly attended the Ocean View St. Jude's Food Pantry, serving between 200 and 300 community members monthly
 - *Nanawale with the Bodacious Women of Pāhoa* - Partners often shared resources in Nanawale, where approximately 800 bags of food are distributed per month
 - *Pahala Community Center* - Partners provided resources at the Pahala food distribution which serves 100 people per month
 - *Ka'u Gym* - Partners shared information and resources at this distribution which typically serves 100 kūpuna per month

Community Events - Network partners used NWCOP sessions as a space to discuss upcoming events, community needs, and coordinate resource sharing and outreach.

- Interfaith Summits to End Family Homelessness
 - Kona - September 27, 2017
 - 20 faith groups gathered in West Hawai‘i to discuss solutions to homelessness and learn about programs such as safe overnight parking, dome housing, and more.
 - Hilo - October 4, 2017
 - 28 faith groups convened, with 11 indicating they would be willing to house a homeless family resulting in the launch of Family Promise Hawai‘i Island.
- North Kohala Community Library - May 14, 2018
 - 11 partners shared resources to 60 community members in North Kohala
 - 12 community members signed up for medical insurance
 - 12 community members received vision screenings from Project Vision Hawai‘i
- Tropic Care 2018 - June 22-28, 2018
 - 1800 community members served by a broad coalition of agencies

Service Providers: OHCD, BIKSP, HIHAF, HOPE Services Hawai‘i, Arc of Kona, PATCH, Civil Defense, The Food Basket, Bodacious Women of Pāhoā, West Hawai‘i Mediation Center, Catholic Charities, Legal Aid Society of Hawai‘i, Goodwill Industries, Hilo Vet Center, Hawaiian Community Assets, Kohala-Hamakua Health Center, Hawai‘i Homeownership Center, and Partners in Development

Mobile Partners: HoloMUA, Project Vision Hawai‘i, Bay Clinic



Community Resource Event at North Kohala Community Library



HoloMUA at the Sacred Heart Pāhoā Food Pantry



Community Resource Event at North Kohala Community Library



West Hawai‘i Faith Based Summit to End Family Homelessness

Rural Outreach Services Initiative:
Mobile Unit Food Distribution Lessons Learned

Pre-planning:

- Share your flyers with other agencies to take with them in case you cannot attend
- Work with coordinators to let the site know a month in advance so can put flyer in food distribution bags
- Share a bit about your organization and programs to the food distribution coordinator
- Be mindful of other agency's service areas
- Keep in mind travel times and how long you can commit to a site

What to bring:

- Pop-up tent
- Table and chairs
- Water
- Pins or paperweights in case of wind
- Lights (if after dark)
- Wear shoes
- Free stuff (Off, candy, etc)

At the event:

- Let community know day of event that you will be coming (flyers, local bulletins, social media, etc.)
- Talk story with people while they're in line or help carry bags/boxes to cars to build relationships
- Let people know they won't lose their food if they pop over to talk to you
- Get an idea of the needs of the community to bring to the Network and connect relevant partners
- Wifi is variable across different sites, be prepared to do applications online or on paper
- Offer appointments or walk-ups (helpful to schedule extra time for walk-ups)
- Provide cards (or name/number) for people to follow-up with so they don't walk away empty handed

Mobile Unit Considerations:

- Ensure the roads leading up to site can accommodate an RV (be careful of speed bumps and bridges) and that lots are large and flat enough
- Be mindful of unit needs such as access to internet or access to county water
- It can be expensive to maintain units
- Depending on service, attending every month may be too much. But, plan to come back within a certain amount of time (ex: in 3 months)
- There is potential for mobile units to respond to emergencies
- It can be challenging to get the word out to rural communities, best way to share varies by community



Feedback from Community:

- Even if people didn't walk up, they appreciated knowing it was an option for them. Matter of presence and trust.
- Even if your services do not directly benefit the population at the pantry, they might be able to refer others to your services.
- Follow-up with related services and support (i.e. sign up for insurance, keep in mind need to file taxes)
- The Food Basket distributions and wellness events are a great entry point to interface with community

Opportunities:

Pilot Sites

- Sacred Heart Pāhoa Food Dist, (3rd Th) 10-12pm
- St Jude's Ocean View Food Pantry (Last Tu), 9-12pm
- Bodacious Women at Nanawale (Last W), 2pm

Potential Collaborations

- Partnering with schools or libraries to provide services
- Identifying access points for hard-to-reach populations (Micronesian)
- Collaborating with medical, dental, or vision as an entry point



B. Sustain Existing Sites & Expand to New Sites

Neighborhood Place of Puna (NPP) at Kea 'au – Network partners provide HES out of NPP's offices and families may receive unlimited school supplies for their students from Neighborhood Place of Puna if they complete Hawaiian Community Assets' Kahua Waiwai financial education trainings.

Nā Kahua Hale 'O Ulu Wini – Workshops were offered by the Office of Housing & Community Development and Hawaiian Community Assets.

North Hawai'i Education and Research Center – NHERC serves as a meeting place for Network Partners, a site for the delivery of mobile services through HoloMUA, and allows for the delivery and planning of HES to serve residents of North Hawai'i.

Hawai'i Community College – Increased collaboration with HCC's Office of Continuing Education and Training as well as their HINET program have enabled the integration of HES on campus.

Sacred Heart Pāhoā Church – Partners shared resources at monthly food distributions. Additionally, immediately following the start of the 2018 Puna Lava Flow, Network partners leveraged this relationship to open an information and recovery center at Sacred Heart.

North Kohala Community Library – Through an emerging partnership with the Kohala Community Partners (KCP), NWCOP piloted a HES event at the library on May 14, 2018. Network partners hope to continue periodic outreach in partnership with the library and KCP.

C. Growth of the Network

The Network Weavers Communities of Practice has continued to grow each year through new connections and partnerships. This year the Network expanded to include other mobile service providers, as well as a number of health related organizations, and continued engagement with other County and State offices for a total of **48 partners**.

The COP was expanded this year to include:

- Arc of Hilo
- Bay Clinic
- Big Island Kokua Services Partnership
- Center for the Study of Active Volcanoes
- DHS MedQUEST Division
- Goodwill Industries Hawai'i
- Hawai'i Island HIV / Aids Foundation (HIHAF)
- Office of the Mayor
- Office of the Prosecuting Attorney
- Partners in Development Foundation, Hui Ho'omalū
- Partners in Development Foundation, Ka Pa'alana Preschool
- Pono Home
- Salvation Army



Continued partners:

- Aloha Independent Living Hawai‘i
- Bank of Hawai‘i
- Bodacious Women of Pāhoa
- Catholic Charities Hawai‘i
- Community Resources Branch of Developmental Disabilities Division of State Department of Health
- County of Hawai‘i Civil Defense
- Department of Health Chronic Disease Prevention & Health Promotion Division, State of Hawai‘i
- Department of Labor & Industrial Relations, Hawai‘i County Branch
- Department of Veterans Affairs
- Easter Seals Hawai‘i
- EPIC ‘Ohana
- Financial Benefits Insurance
- Hawaiian Community Assets
- Hawai‘i Community College Office of Continuing Education and Training (OCET)
- Hawai‘i County Economic Opportunity Council
- Hawai‘i Island Community Development Corporation
- Hawai‘i Island United Way
- HI-AWARE KPP Complex
- HOPE Services Hawai‘i
- Hui Mālama Ola Nā ‘Ōiwi
- Ku‘ikahi Mediation Center
- Legal Aid Society of Hawai‘i
- Lion’s Club of Hawai‘i
- Neighborhood Place of Puna
- NHERC
- Office of Housing & Community Development, Existing Housing Division
- Office of Housing & Community Development, Grants Management Division (Workforce Investment & Opportunity Act Programs)
- PATCH
- ‘Ohana Health Plan
- The Food Basket Hawai‘i
- Project Vision Hawai‘i
- United Health Care
- University of Hawai‘i Hilo, College of Continuing Education & Community Service
- Youth Challenge Academy
- *a variety of interested community members*

D. Continued Delivery of Ho‘owaiwai Empowerment Services

Financial Literacy – The Network continues to support partners like Hawaiian Community Assets (HCA) in its delivery of financial literacy and counseling services. HCA delivered the following financial literacy services with the support of the Network:

- TBD* financial education workshops with TBD* participants graduating and TBD* reporting an increase in knowledge in budgeting, savings, banking, or credit;
- TBD* participants completed individual financial assessments; and
- TBD* participants received one-on-one financial counseling, including the creation of a realistic budget with savings plan and receiving and reviewing their credit report; with TBD* increasing their credit scores, TBD* increasing their savings, and TBD* reducing overall debt.

**Data will be updated to reflect HCA’s final report for FY 2017.*

Resources Match – an online platform developed by Mission Asset Fund that matches families with resources and services to streamline the process for both families and service providers. The system was launched in summer 2015 with a small cohort of partners. The cohort used 2015-2016 to identify additional changes and modifications to make the system more efficient by testing it with clients. In May 2016, the cohort was expanded to include 7 new partners and formal internal pilots began.

Throughout 2017-2018 we have continued to improve the system including the deployment of a community calendar function. In order to facilitate the piloting of Resources Match, HACBED and OHCD conducted 5 training sessions.

Additionally in January 2017, the Big Island Workplace Connection (now American Jobs Center) voted to adopt Resource Match as their official tool for tracking referrals. Resources Match was also included the partner MOUs as the referral tracking tool for WIOA in fall of 2017.

At this time it is difficult to quantify the impact of Resources Match due to organizations using the platform differently, for example HOPE Services primarily uses the portal to store intake information rather than for referrals. As more partners become familiar with the platform and the tools for case management and collaboration there is potential to more thoroughly integrate Resources Match into the day to day operations of partner organizations.

Key Resources Match Partners from FY2017 Include:

- Office of Housing and Community Development (Section 8 Family Self Sufficiency Program)
- Catholic Charities
- Workforce Development Division
- Division of Vocational Rehabilitation
- Big Island Workplace Connection (BIWC) [now American Jobs Center]
- Waipahu Community School for Adults
- Alu Like, Inc.
- Hawai'i Community College
- HOPE Services Hawai'i
- Hawaiian Community Assets
- HCEOC



The online platform connecting 'ohana to services.

Incentivized Savings Programs

- *Hawaiian Community Assets Managing Assets to Change Hawai'i (MATCH) Savings Accounts* – individual development accounts that provide youth and families with a match on savings toward the purchase of an identified savings goal. Interested participants are required to complete *Kahua Waiwai* housing/financial education workshops, establish long-term savings habits, and receive individualized housing/credit counseling from HCA or an approved partner organization. Over this past year Network partners helped HCA enroll TBD* participants in its savings and micro-loan programs.
- *EARN Starter Accounts* – an online savings platform that helps qualified users build a habit of savings over a six-month period by offering incentives that encourages users to save on a monthly basis without withdrawing any funds. Network partners, such as EPIC 'Ohana, have begun piloting this program at their organizations and others continue to discuss the potential of incorporating this program into their work.
- *Cities for Financial Empowerment (CFE)* – OHCD continues to be a member of the CFE Coalition, benefiting from trainings, peer to peer learning, and online resources tailored to support county and municipalities striving to increase financial empowerment.

**Data will be updated to reflect HCA's final report for FY 2017.*

Free Tax Preparation – Federal Volunteer Income Tax Assistance (VITA) Program: supports working families that make under \$54,000 to file their taxes, receive their returns, and claim valuable tax credits for free. Below is a table that summarizes efforts since 2007.

	# Sites/ Clinics	Federal Returns	Federal Refunds (\$)	Earned Income Tax Credits (\$)	Child Tax Credits (\$)
2018	3	173*	\$110,257*	\$65,362*	N/A*
2017	2	404*	\$764,872*	\$441,600*	N/A*
2016	3	1252	1,108,879	544,358	12,680
2015	5	1024	1,148,884	456,065	29,587
2014	5	271	384,765	197,525	39,678
2013	6	221	296,369	141,237	45,914
Prior to 2013 (since 2007)	---	964	1,148,849	554,582	158,862
Totals	---	4,136	4,852,718	2,335,367	286,721

**HACBED no longer coordinates the VITA Program, as it spun out the program to become its own nonprofit, Hawaii Tax Help and Financial Empowerment Solutions, beginning in 2017.*

Goodwill Industries – In 2018, Goodwill Industries offered free tax preparation services to residents of Hawai‘i Island. Through a collaboration with a Network partner, Goodwill expanded their tax preparation options to better serve members of Hawai‘i Island’s COFA community.

E. Collaborations

Community Alliance Partners – The Network provides a space for updates and deeper collaboration on the Mayor’s CAP Task Force to end homelessness. The Task Force, which includes a number of Network Partners, aims to identify potential resources and areas of collaboration and support which can be leveraged to prevent and end homelessness.

Interfaith Hui on Ending Family Homelessness – The Interfaith Summits (Hilo and Kona) on Ending Family Homelessness in September and October 2017 were supported by a number of Network partners. The resulting Hui include both East and West Hawai‘i faith and service based organizations involved in action planning to end family homelessness on Big Island. The Hui continues to use Network meetings as an opportunity to share information and discuss potential collaborations such as the piloting of a Family Promise initiative on Hawai‘i Island.

Big Island Kokua Services Partnership – Joining the Network in fall of 2017, members of the Big Island Kokua Services Partnership, including Arc of Hilo, HIHAF, and MedQUEST, shared information

on medical insurance Open Enrollment as well as participated in a significant number of outreach events throughout the year.

Collective Impact Model – Beginning in 2017, a hui of community leaders hoping to reduce poverty on Big Island came together to form a Collective Impact Model with the the Chancellor of Hawai'i Community College. The Ho'owaiwai Network shared their work with the CIM and will continue to collaborate as the initiative develops.

Disaster Response – Over the past year the Network has devoted 2 NWCOP sessions to receive training in disaster response and preparation from the County Civil Defense Agency and American Red Cross. These activities proved very timely as in May an active lava flow began in Puna District. Leveraging relationships and past disaster experience, 8 Network partners were able to launch a Recovery Information and Assistance Center within 48 hours of the start of the disaster. Additionally, the Network Convener, the Office of Housing & Community Development, in collaboration with partners, began facilitating weekly Recovery Information & Assessment Center meetings to coordinate resources, share updates on existing and emerging community needs, and to increase federal, state, and local collaboration. These weekly sessions are integral to addressing both the short and long-term needs of affected communities and have also informed and guided discussions at the monthly NWCOP sessions. Although the response is ongoing, Network relationships have played an integral role in beginning to meet the long-term needs of the over 2,000 individuals and families displaced by the lava flow.

Hui Laulima – Over the past year, Network partners have increased connection with Hui Laulima, a similar coalition of nonprofit and government agencies in West Hawai'i. Hui Laulima also meets on a monthly basis and the Network Convener and HACBED are working to strengthen relationships to facilitate whole-island HES and outreach.

Kohala Community Partners – The Kohala Community Partners are another hui of social service and nonprofit partners that meet quarterly. Partners from the Ho'owaiwai Network connected with the group in early 2018 and successfully hosted a community resource fair on May 14, with 11 partners and 60 community members served. This collaboration strengthens the network's outreach in North Hawai'i, an often hard to reach community.

On-Going Capacity Building through Communities of Practice

The COP sessions provided Hawai'i Island Ho'owaiwai Network Weavers a space to reflect on opportunities, collaborate on service delivery, discuss articulations of asset building more specific to Hawai'i Island families, including family stability and a focus on assets instead of an emergency mindset, as well as exploring opportunities for specific collaboration.

The following summaries draw from the NWCOP Next Steps and include events discussed and supported by Network partners, new collaborations and programs, as well as highlighting guest speakers for the deeper-dive conversations.

- “Network Weaver’s Learning Circle” on August 16th, 2017
 - UH Hilo Community Service looking for resource partners
 - Shared information on:
 - Kona Faith Based Summit to End Family Homelessness on 9/27, 8am-3pm
 - Hilo Faith Based Summit to End Family Homelessness on 10/4, 8:30-2:30 pm
 - Explained Double Bucks program
 - Civil Defense shared Hurricane Preparedness Pamphlet
 - HCC explained HINET program

- “Network Weaver’s Learning Circle” on September 20th, 2017
 - Pono Home presentation on Hawai'i Energy Programs
 - MedQuest looking for places in community to table for open enrollment
 - HoloMUA to attend November Food Pantry at Sacred Heart Pāhoa
 - Mayor’s Office shared about Camp Kikaha
 - PATCH shared information on scholarships

- “Network Weaver’s Learning Circle” on October 18th, 2017
 - HOPE Services looking for resources for their Homeless Luncheon at Aunty Sally’s on 11/17, 3-6 pm
 - Veterans Day Parade on Nov. 4th
 - AILH new peer support group in Hilo
 - HCA shared information on Financial Opportunity Fair on 11/4
 - Ulu Wlni waitlist open

- “Network Weaver’s Learning Circle” on November 15th, 2017
 - HoloMUA schedule coordinated for November and December
 - Big Island Kokua Services Partnership shared Open Enrollment outreach sites
 - Bay Clinic outreach at Ocean View and Pāhoa
 - Hui Mālama Ola Nā ‘Ōiwi shared new programs
 - OHCD received an additional \$300,000 for Residential Emergency Repair Loan Program

- “Network Weaver’s Learning Circle” on December 20th, 2017
 - Discussed calendar for 2018, mapped organizations’ events for the year
 - Shared information about upcoming bills for 2018 legislative season
 - Discussed lessons learned from Sacred Heart Pāhoa outreach

- Went over disaster and emergency planning information
 - Affordable housing at Hala Makana ‘O Kūpuna and Hale Makana ‘O ‘Ohana opened and occupied
- “Network Weaver’s Learning Circle” on January 17th, 2018
 - Updated community calendar, piloted online calendar
 - Discussed outreach at St Jude Ocean View and Sacred Heart Pāhoa
 - Civil Defense shared disaster preparation information related to nuclear threat
 - Discussed foster care caseworker cap bill progressing through legislature
- “Network Weaver’s Learning Circle” on February 21st, 2018
 - HoloMUA explained in more detail
 - Shared information from Kohala Community Partners
 - Distributed information on VITA and free tax preparation
 - Civil Defense presented on disaster preparedness
 - TBRA waitlist closed on 3/19
 - Mohouli Phase II fully occupied
 - Check if agency is up to date in Resources Match
- “Network Weaver’s Learning Circle” on March 21st, 2018
 - Bodacious Women Food Pantry begins again
 - American Red Cross presented on disaster response
 - Discussion around supporting communities to access free tax preparation
 - Discussed upcoming outreach events
 - Legal Aid explained how they provide services for kūpuna
- “Network Weaver’s Learning Circle” on April 18th, 2018
 - Discussed HoloMUA partnering with Kohala Library to share resources on 5/14
 - Shared lessons learned from outreach at St Jude Ocean View and Pahala food pantries
 - HCA explained new Financial Opportunity Center in Keaukaha
 - HCEOC accepting applications for Senior Farmers Market Nutrition Program
 - Legal Aid providing support for homeless to get vital documents
 - OHCD Fair Housing events on 4/27 and 4/30
- “Network Weaver’s Learning Circle” on May 16th, 2018
 - Summary of response to Lava Flow in Puna
 - Shared reflections on Kohala Community Resource Day
 - HCEOC LIHEAP applications open in June
 - Presentation on Tropic Care
 - HINET shared summer programs for K-12
- “Network Weaver’s Learning Circle” on June 20th, 2018
 - Puna Lava Flow update, federal disaster declaration
 - HACBED organizing discussion on SNAP on 7/18
 - HCA working on curricula for Emergency Financial First Aid
 - NPP doing case management for evacuees
 - OCHD shared info on housing for evacuees (Kokua.alohaliving.com)

“What we’ve done here is amazing. I’ve been trying to put in community programs, like the Community Health Worker Certificate, at HCC. Last year, I came here to recruit and spread the word about the program--I got 40 people in the door.

~ Hawai‘i Community College

Lessons Learned

A. Usefulness of deeper-dives on in-demand topics

Over the past year the Network piloted a series of “deeper dives” on topics of interest to NWCOP partners. Nine deeper-dives were organized with guest speakers:

- Energy Efficiency Home Audits - Pono Home
- How to Use Resources Match - HACBED
- 2018 Network Planning & Calendar - HACBED
- Disaster Response - Civil Defense
- Disaster Preparedness - American Red Cross
- St Jude Ocean View Outreach - UnitedHealthcare
- Kohala Outreach - Kohala Community Partner
- Tropic Care - Public Health Nursing
- Puna Lava Flow - OHCD

These sessions arose out of requests from network partners to learn more about the above topics, as well as to respond more actively to their clients’ and broader community needs. In addition to gaining literacy in the requested topics, NWCOP members also had an opportunity to network, build new partnerships, and increase collaboration to address any gaps in services.

B. Time to strategically plan as a Network strengthens approach for the year

In December 2017, the Network undertook a planning discussion to increase collaboration and pilot activities in the first half of 2018. NWCOP partners brought their 2018 calendars and shared the core activities they will be taking in to the new year. This resulted in an interactive session where NWCOP partners identified the important events and activities for the year. The Network Coordinator (HACBED) then facilitated a strategic discussion to gauge interest in activities such as the HoloMUA.

After the session, the Network Coordinator integrated all the information into a shared Network calendar. This information also became the foundation for the community calendar available at www.resourcesmatch.org. This calendar enables NWCOP partners to avoid redundancy as well as collaborate on upcoming events. Additionally, Network meetings themselves have become less repetitive as NWCOP partners can refer to the calendar rather than reiterating the details for upcoming

events. Finally, the calendar serves as a basis for group discussions about communities that are in need of services and potential upcoming events which may serve as an entry point.

C. Alignment of multiple partners' goals enables stronger rural outreach

Through the past year, Network partners developed increased collaboration around a number of issues, such as the healthcare open enrollment period and related tax challenges. Network partners shared information relating to healthcare enrollment, including the reduced time frame and increased outreach. Through sharing information across the Network and among partners, the Big Island Kokua Services Partnership was able to surpass their 2016 enrollment numbers despite a shorter open enrollment period. Additionally, BIKSP partners participated in HoloMUA and Network ROSI events and enrolled hard to reach and at-risk populations, such as the COFA community, in health insurance. Further, after the enrollment cycle closed, healthcare partners continued to collaborate and share challenges such as the importance of tax preparation options for the COFA community. Goodwill Industries free tax preparation was essential to this process and Network partners were able to effectively collaborate to ensure their clients had access to appropriate free tax preparation.

D. Disaster Preparation & Response as a key function of the Network

A recurrent theme of Network discussions over the past 12 months has been the importance of disaster preparation and response. As a result of the topic coming up multiple times, the Network Coordinator worked with partners to organize two "deeper dives" relating to disaster preparation and response. As a result, Network members received a suite of resources they could then pass on to their clients to ensure they would be prepared in case of disaster. This was especially valuable after the 2018 Puna Lava Flow began in May.

Also, given the groundwork laid by the Network related to disaster response, partners were able to quickly respond to the disaster, setting up a Recovery Information & Assistance Center (RIAC) in the affected area within 48 hours. Further, relationships built through the Ho'owaiwai Network enabled a coalition of partners to begin meeting weekly to address the disaster affected community's needs. These RIAC meetings drew from NWCOP sessions including the format of the agenda and note taking. Broadly, NWCOP sessions built partner capacity to lead external networks, leverage community partnerships, and collaborate to effectively meet community needs.

E. Value of the Network Coordinator

As the Network incorporates new partners, HACBED plays the role of the Network Coordinator in helping to keep track of NWCOP membership, meeting notes, calendar events as well as identifying follow-up actions and next steps. The Network Coordinator provides general support for the continuation of the Network as well as more specific support to projects that are developed within and outside the network related to HES. Additionally, the Coordinator serves an important role in guiding the Network, for example, after discussions with Network Partners the decision was made to reformat NWCOP sessions to allow for in-depth discussion of particular issues and opportunities as well as the coordination of the community calendar.

Finally, the Network Coordinator leverages past experience to support partner activities and emerging community needs, such as responding to the lava flow in Puna. After the 2014 Lava Flow and Hurricane Iselle, Network sessions provided a space to debrief on disaster response and lift up lessons learned. These experiences were captured by the Network Coordinator and revisited in May 2018 to inform the County and nonprofit partners' response to the ongoing lava flow.

Next Steps

The following are some immediate and long-term next steps taken from the key lessons learned from the Hawai'i Island Ho'owaiwai Network Weavers Communities of Practice. These efforts will continue to build community resilience through the expansion of the Rural Outreach Services Initiative model and the delivery of Ho'owaiwai Empowerment Services. They form the basis for strategies needed to expand the reach and impact of asset building efforts to increase the economic empowerment and resiliency of Hawai'i Island families and communities.

A. Supporting and Expanding Delivery of ROSI Services in both East and West Hawai'i

With the piloting of HoloMUA over the past year, the Network expanded its ability to connect with vulnerable populations by partnering with trusted local organizations and food distribution centers. With this expansion the Network is striving to better serve the whole of Hawai'i Island, both East and West. Further, as collaborations continue to emerge with other sites and partners such as the American Jobs Center, Hui Laulima, Kohala Community Partners, and community health-centers, NWCOP meetings play a key role in facilitating co-planning and resource alignment for rural service delivery as well as sharing out best practices and lessons learned for each site. As the HoloMUA initiative expands, efforts should continue to be made to collect qualitative and quantitative feedback to guide the continued development of rural outreach.

B. Development of Regional Network Nodes

As the Network continues to grow and additional partners join with similar interests it makes sense to develop nodes to support targeted action in specific regions. Further, nodes enhance network connectivity and "connectivity makes each 'node' more productive and supports the creation of innovations, which arise from combinations of ideas."⁴ Developing nodes can serve to improve the productivity of the network while also allowing for increased responsiveness to the needs of partners and communities. This past year's NWCOP meetings showed the expansion of the Network across the island, incorporating harder to reach communities. For example, the partnership with the North Kohala Community Library on May 14, 2018 showed the community need for resources as well as connected new partners. Additionally, the ongoing lava flow in Puna which has displaced over 2,000 community members demands increased collaboration and attention to support these vulnerable families. The creation of regional nodes in Kohala and Puna would allow the Network to more nimbly respond to community needs as well as develop new partnerships and pilot programs. Further, the addition of nodes can serve to revitalize the Network by spurring engagement with prior as well as new partners and projects, including the implementation of Community Development Plans, in addition to more coordinated actions to address homelessness.

C. Support Puna's Long Term Recovery

As the lava flow continues and communities begin to rebuild, the Network can play an important role in supporting vulnerable families by discussing any gaps in services, connecting clients to relevant resources, sharing up to date information, and broadly working to capture the response process

⁴ Plastrik, P. and Taylor, M. (2006) *Net Gains: A Handbook for Network Builders Seeking Social Change*. Wendling Foundation: Alexandria.

including lessons learned and best practices for future use. This process to capture lessons learned is especially valuable since Hawai‘i Island is vulnerable to many natural hazards.

Additionally, the communities affected by the lava flow may need support over the next 12 months to ensure they are able to return to self-sufficiency. Network partners can play a key role in developing or adapting current programs and services to serve the needs of this vulnerable population holistically.

D. Continued Expansion of Ho‘owaiwai Empowerment Services

As the work proceeds, expansion of HES focuses in the following areas:

- *Financial Education & Counseling* – continued support of partners like Hawaiian Community Assets to expand access to a variety of financial education workshops and one-on-one financial counseling.
- *Resources Match* – the BIWC / American Jobs Center has adopted resources Match as their preferred tool and the platform is expected to expand to new partners and continue to be iteratively improved. Trainings will continue to be offered to support the integration of the platform into existing and new partners’ programming.
- *Incentivized Savings Accounts* – the Network has committed to supporting partners who are already carrying out or are planning incentivized savings account pilots.
- *Accessing Credit Reports & Scores* – continue to support partners by pulling scores and reports in a short and long-term fashion through the Experian platform.
- *Rotating Services* – leverage HoloMUA partners to providing rotating services in rural areas, often in collaboration with The Food Basket at food distributions to provide broader HES.
- *HCA Financial Opportunity Center* – partner with HCA to support their new Financial Opportunity Center in Keaukaha and explore potential points of collaboration to provide financial education to disaster survivors and promote broader financial empowerment on Hawai‘i Island.

E. On-Going Technical Support to Network Partners

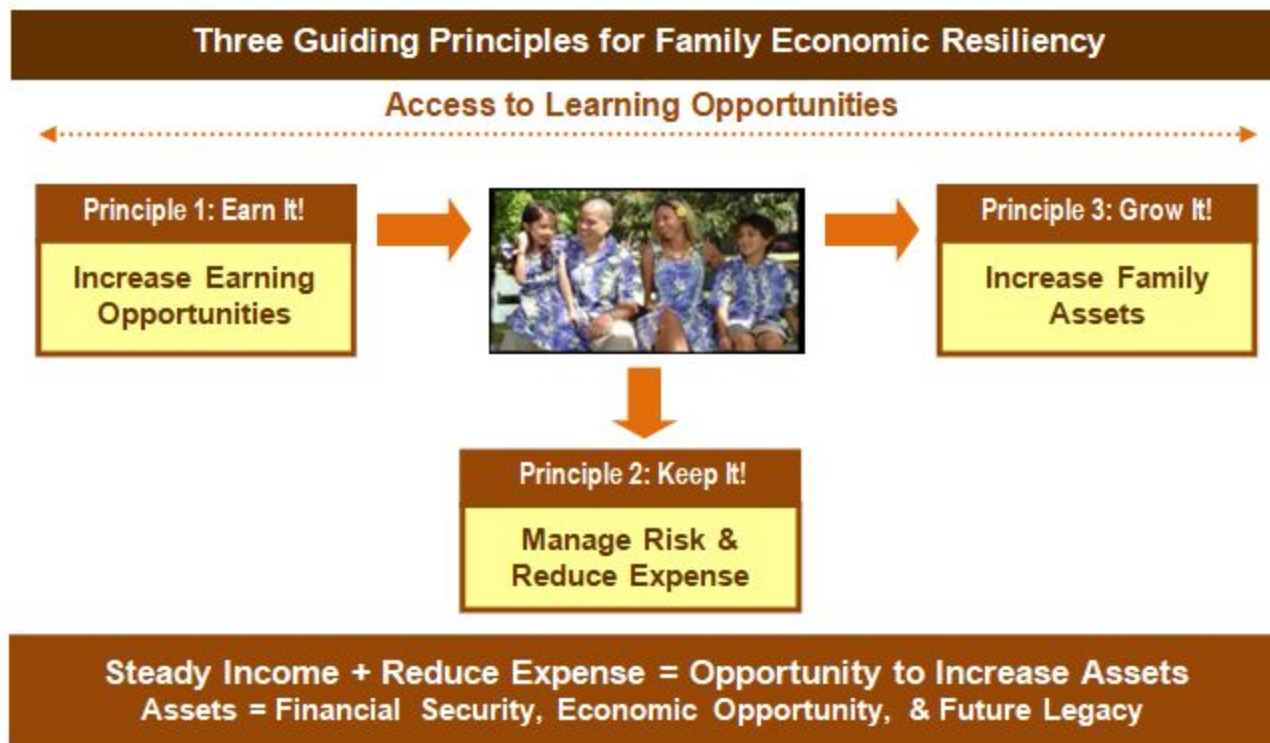
HACBED will continue to play the role of a backbone organization to provide the following support to the Network so as to support the Network’s ongoing and expanding activities in a measured and deliberate way:

- *Standardize & Formalize Technical Assistance* – continue efforts to weave and convene with the eye of tightening up systems and processes.
- *Create Shared Resources* – support direct service providers by continually iterating the introductory material, encourage sharing of resources and lessons learned, conduct group trainings as needed on financial empowerment outcomes and individual service provider contributions.
- *Continue to Develop Partnerships* – support outreach efforts such as Resource Fairs to service provider line staff and small businesses to inform them of Network partner activity and services.
- *Provide Space to Reflect on Network Structure* – As the Network continues to evolve there is a need to provide spaces for partners to reflect on their experiences and share ways to innovate and improve Network convenings.

APPENDIX

1. UNDERLYING FRAMEWORK & PRINCIPLES

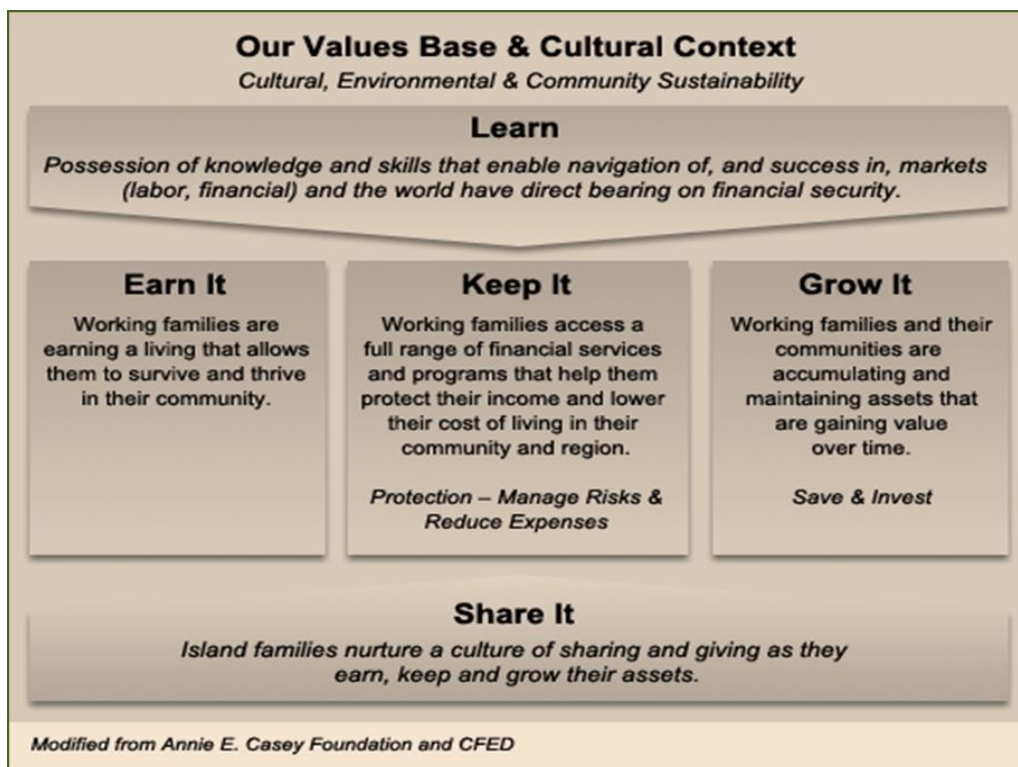
The graphic below captures the resulting framework for family economic resiliency:



Beyond the *Earn It, Keep It, Grow It* frame, families and communities across Hawai'i Island see wealth as being more than just about financial concerns – it is also about building assets from the perspective of island people, taking into account an island context, lifestyle, values, and culture. Within an island context, any wealth-building policies should focus on families and their extended 'ohana. When faced with adversity, people survive and thrive by receiving support from family, non-profit organizations, and local community networks. The following graphic shows the *Earn It, Keep It, Grow It* framework within this island perspective – underpinned by Hawai'i's culture of sharing and giving.

The County of Hawai'i's asset policy roadmap, *Ho'owaiwai Hawai'i Island: Building Genuine Wealth*, established this underlying framework for asset building on Hawai'i Island and offers a range of policy strategies and actions for implementation.⁵ The *Ho'owaiwai Empowerment Services* is one of the recommended implementation strategies.

⁵ Hawai'i Department of Research and Development, County of Hawai'i. *Ho'owaiwai Hawai'i Island: Building Genuine Wealth*. June 2011, pg. 3.



Ho’owaiwai Framework

Network Weavers aimed to support individuals and families on their “ho’owaiwai journey” to achieve outcomes at three levels:

- Build Genuine Wealth & Financial Security at the *Individual & Family Level*;
- Improve Productivity & Viability at the *Private & Public Sector Level*; and
- Nurture Sustainability & Resilience at the *Community Level*.

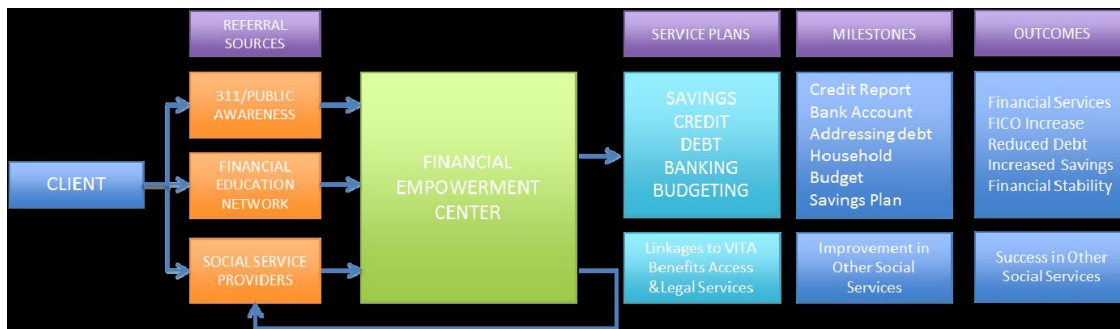
Realizing intended outcomes at three levels develops *layers of resiliency* that will not only serve to increase individual and family financial security and self-sufficiency but also strengthen the public, private, and community sectors. In addition, goals, actions, and outcomes for individuals and families will be continually developed to address the key asset building components of *Earn It, Keep It, Grow It, Share It*.

2. HO’OWAIWAI EMPOWERMENT SERVICE MODEL

Bloomberg Philanthropies and Living Cities, through its newly established Cities for Financial Empowerment (CFE) Fund, is currently testing how New York City’s evidence-based Financial Empowerment Center model can achieve impact in various marketplaces around the country. Most financial education open to the public is offered in the form of classes, workshops, websites and seminars with general content and little tracking of the impact on participants. For most consumers in crisis, their financial situation is complex and not easily identifiable. Financial Empowerment Centers offer a new approach to financial education delivery: free, professional, one-on-one financial advice and guidance that is both targeted to the specific financial situation of the individual and delivered at scale across cities.

The Financial Empowerment Center model:

- conducts triage with consumers to determine the nature of their financial situation, set goals, and establish a specific plan of action with each client;
- delivers services at scale by locating within an existing multi-service organization to provide on-site opportunities for cross-referrals;
- systematically tracks data and outcomes for client management and evaluation;
- integrates counseling into a range of city and non-profit service delivery systems to make interventions and implementing programs more effective;
- leverages infrastructure, established relationships and resources from the city and non-profit lead entity;
- establishes an on-going coaching/mentoring relationship; and
- provides linkages to benefits access, legal assistance, and tax assistance (VITA).



The Ho’owaiwai Empowerment Services initiative builds on the above Financial Empowerment Services model by providing a comprehensive set of services that bring to life the underlying principles and guiding framework described in Section II above. Some of these services include, among others:

Assessment During the Intake Process -

HES uses *Resources Match* to conduct a *basic assessment* during the intake process of a household’s financial situation and other factors interfering with self-sufficiency. Resources Match is an online screening tool developed by the Mission Asset Fund that connects low-income clients with the services they need. Built on the Salesforce CRM platform, Resources Match is an online matching and referral application software that facilitates the intake, screening, and referral process to effectively and efficiently connect low-income people to an array of different government programs, community-level services, and financial products. The following provides additional information of RM features:

- *Match* – RM matches individual socio-economic profiles against eligibility criteria from an array of different government benefit programs, community programs, and financial products. At the heart of the RM application is a scoring engine that takes data from the client intake form and matches it with data from services in the system.
- *Sort* – the RM application produces an individually customized results page listing programs and services that the client may be eligible for and sorted based on a 5-star rating system.
- *Refer & Link* – the RM application allows for partner organizations to send, track and report on referrals of clients. Referrals are made with the client’s permission of sharing basic contact information that includes name, phone, and email address. The receiver of the referral then has

the option of contacting the client directly. After three-weeks of receiving the initial email, a follow up email is sent to both partners asking for a status update on the referral.

- *Forms* – the RM application has the ability to complete application forms for a select number of services. Clients can elect to complete application forms after reviewing service descriptions in the results page which they can then print as a PDF document. The system is set up to prompt questions necessary to complete specific forms.
- *Tracking & Reports* – the RM application has the ability to create custom reports. HACBED, as the lead entity, has the ability to report on activity from its network of affiliated partner organizations. Partner organization will have the ability to report on their activity only. Lead and partner organizations sign a contract stating their relationship and granting permission to report on aggregate client information that provides data and information that can inform evaluation, program design and improvement, and policy development efforts.

HACBED works with community partners to integrate and implement this tool into their existing intake processes to conduct basic financial assessments, benefits screenings, and referrals for participating youth and families.

Financial Education & Capability Services –

- *Diverse Financial Education Offerings*, such as financial education workshops, trainings, and one-on-one counseling opportunities, are provided through partner organizations such as Consumer Credit Counseling Service of Hawai'i, Legal Aid Society of Hawai'i, Hawaiian Community Assets, and Bank of Hawai'i. These offerings will be provided in response and tailored to the needs and demands of program participants. Additional partners provide financial capability workshops that use a range of entry points to engage families in dialogue around planning and management of household finances. Examples of entry points include homeownership, food, energy, among other topics of relevance to families. Financial counseling certification is also offered to ensure that service providers have staff who are trained and certified to provide sound financial advice and guidance.

Incentivized Savings Programs –

- *Hawai'i Island Kids Savings Initiative* uses a simple model comprised of the following components:
 - *Schools* – an elementary school that provides [a] access to the children and their parents and family; [b] support to promote the program to parents and children; [c] the venue to allow in-school collection by the credit union of regular deposits made by the children on a monthly (sometimes bimonthly) basis; [d] assistance and a venue for parent/children gatherings around kids savings (i.e., orientations, updates, focus groups); and [d] coordination support with the credit union and the County of Hawai'i.
 - *Financial Institutions* – a federal credit union that provides [a] a range of services and products to encourage children savings and parent support and involvement; [b] staff support to coordinate and implement regular monthly/bi-monthly in-school deposits; [c] development and implementation of promotional materials and activities to encourage kids savings; and [d] support to collect savings data.
 - *Savings Incentive* – funding support to provide \$25.00 per child that would be used to [a] open the account (\$5.00/child provided to the credit union and deposited directly into the child's account) and [b] provide an incentive to every child that meets their savings goal by the end of the school year (\$20.00/child provided to the credit union and deposited directly into the child's account).

- **'Ohana Based Youth Savings Initiative** – provides support 6th to 10th grade students from low-income families in establishing a 3-in-1 account which is a single account that earmarks savings for short-term, intermediate, and long-term goals. While this entails a greater degree of accounting, mechanisms already exist to establish such accounts. The savings in these accounts can be used for:
 - *short-term account* – available for discretionary spending but would not be interest-bearing and money deposited would not be matched or incentivized.
 - *intermediate account* – would encourage savings for intermediate goals such as school fees, books, supplemental tutoring, SAT/ACT preparation and/or fees associated with advanced coursework, and computers. A \$50 incentive will be awarded to students that meet their savings goal. Money deposited can only be withdrawn a limited number of designated times during the school year to be eligible for the incentive.
 - *long-term account* – matched and interest bearing account for longer term goals such as savings for college. Students meeting their savings goal will receive a dollar for dollar match up to \$2,000.
- **Family IDAs** – providing support to families as they strive to increase their financial stability is critical to children and youth savings efforts. Early experience and lessons learned with youth IDAs in Hawai'i have shown that one of the challenges for very low income families has been protecting youth IDAs when the family is in economic crisis. Providing savings products and complementary financial education support can help to address this concern while increasing the ability of parents to set aside investments in their child's future through savings.

In addition, the Family Independence Initiative – Hawai'i (FII-Hawai'i) found that many families saved, despite relatively low incomes, and demonstrated their commitment to long-term financial planning. The father of a young family of three who participated in the initiative shared that "We saved and now we have an emergency fund." The critical aspect to the FII-Hawai'i IDA effort was that the families had the flexibility to use the funds according to what they felt was critical to addressing and advancing their situation. At times, it was an expenditure that helped them stabilize and prevented them from "sliding backwards". At other times, they were stable enough to invest in their future plans and goals through savings.⁶ The act of saving and having savings on hand has multiple positive effects on family well-being.⁷

Family IDAs are structured as a 50% match for every dollar saved up to \$2,000 per household. The savings can be used to establish a contingency fund equivalent to three months of expenses as verified during the intake process. Families accessing free tax preparation assistance (VITA) are encouraged to consider using the "split refund" option to establish a contingency fund IDA and/or make a deposit in their child's 3 in 1 savings account.

- **EARN** – Earn is an online platform that encourages a behavior change toward saving by incentivizing monthly savings deposits. For each monthly deposit made, participants can earn \$5. For consecutive monthly payments, participants will receive an additional \$5. Over the 6 month period, users have the potential to earn \$60 in incentives.

Free Tax Preparation Assistance –

⁶ HACBED. 2006. Progress of the Families in the Family Independence Initiative – Hawai'i: 2006 Report.

⁷ Sherraden, M., A. Moore-McBride, et al. (2005). Saving in low income households: Evidence from interviews with participants in the American dream demonstration. St. Louis, MO, Center for Social Development.

- **Family & Individual Self-Sufficiency Program (FISSP)** – FISSP provides free tax preparation assistance (VITA – Volunteer Income Tax Assistance) to working families through the following types of services:
 - *Outreach To Low-To-Moderate Income Taxpayers To Inform Them About EITC, Other Tax Credits, & Availability Of Free Tax Preparation Assistance.* Through outreach utilizing print media, radio, the internet, partnering community-based organizations, partnering financial institutions, and other community entities, Hawai'i Island families are informed about their possible eligibility to claim Earned Income Tax Credit (EITC), other valuable tax credits, and receive free tax assistance preparation.
 - *Free Tax Preparation Assistance.* At *Free Tax Assistance Sites* (VITA sites) sponsored by HES partners, financial institutions, and other entities, trained tax preparation volunteers provide free tax assistance to low-income individuals, individuals with disabilities, non-English speaking taxpayers, the elderly, and individuals who qualify for the earned income tax credit and other credits.
 - *Outreach & Free Tax Assistance To Low-To-Moderate Income Self-Employed.* Through the same methods described above, 205 self-employed taxpayers are provided assistance in filing Schedule C-EZ returns. To encourage greater numbers of low-to-moderate income entrepreneurs to formalize and grow their businesses and better link them to additional business and asset building support services, FISSP is increasing free tax preparation services and support service linkages to the self-employed by: [1] providing tax workshops for the self-employed, including independent contractors; [2] promote and offer free tax assistance at VITA sites for Schedule C-EZ filers; and [3] promote and offer free tax assistance at non-VITA sites established to help low-income self-employed with their Schedule C filing.
 - *Tax Preparation Volunteer Recruitment, Training, & Support.* The foundation for providing free tax assistance to low-to-moderate income taxpayers is having a cadre of well trained and experienced volunteers. As such, FISSP provides the following volunteer support services: [1] recruitment of volunteers through community-based partners and multi-media promotional efforts; [2] classroom and online training and mentoring/shadowing opportunities for tax return preparers, VITA site coordinators, electronic return originators, screeners, and interpreters; and [3] volunteer management, including coordination of volunteer support to provide services at VITA sites and conducting end-of-tax-season recognition events for volunteers.
 - *Linkage To Asset Building.* Through information, materials, and referrals offered at VITA sites, low-to-moderate income taxpayers are linked to asset building programs and opportunities provided by community-based organizations and financial institutions.

2. NWCOP Notes



HAWAIIAN TRADES ACADEMY

KICKSTART YOUR TRADES CAREER



00:07 / 03:00

our purpose

The Hawaiian Trades Program launched in 2019 to provide workforce development for economically and socially disadvantaged communities. The goal of the program is to raise the household income of families in Hawai'i.

This program consists of an accelerator class that takes place over a 10-week span (3 hours per week). Participants leave the program with numerous certifications like CDL licenses, OSHA-10 certification, respiratory and first aid training, financial literacy and job placement assistance.

Since inception just over a year ago, CNHA has successfully supported over 160 students. In the next year, CNHA projects to triple that number to 500.

We specialize in

- Carpentry
- Firefighting

- Firefighting
- Police
- Solar Technicians
- Electrical
- CDL Licensing

WANT TO JOIN THE ACADEMY?

Fill out the interest form below to receive future announcements and notifications about upcoming programs.

INTEREST FORM



**HAWAIIAN
TRADES ACADEMY**
O'AHU SOLAR PROGRAM
2021 GRADUATION



OUR TRADES PROGRAMS

► **CARPENTRY**

O'AHU, MAUI, MOLOKA'I, HAWAII ISLAND

The Carpentry Program gives students hands-on opportunities to learn and hone skills necessary for entry level carpentry positions. The program introduces students to the foundational knowledge needed to prepare for employment in the carpentry trade and further opportunities for a career in the construction industry. Program graduates will receive trade certifications, such as, OSHA-10, Respiratory, or First Aid that add value to a resume. The course is taught by experienced industry professionals.

The program includes cultural and financial education where students will gain cultural perspective of the industry/trade/community through a Native Hawaiian lens, and will walk away with information to strengthen economic self-sufficiency.

► **CDL LICENSING**

O'AHU

O'AHU CLASSES - STARTING MAY 22, 2021

Living on an island means many of our goods are shipped or flown in. The trucking industry is vital for moving cargo from Hawai'i's ports and airports to their final destination. CNHA's Hawaiian Trades Academy is excited to launch its first Commercial Driver License (CDL) Program to help train the next generation of truck drivers and heavy equipment operators.

The program is broken down into three phases: permit testing, simulator training, and truck training. All instruction will be conducted in-person in west O'ahu and last a total of 13 weeks (about 3 months).

Phase 1: Permit Testing

Participants are provided the Hawai'i CDL Manual and have two weeks to study on their own to prepare for the permit test. During those two weeks, students have access to CDL instructors during pre-set office hours on Monday, Wednesday, and Friday evenings in the event anyone has questions or needs help. Students are also emerged in mandatory Native Hawaiian cultural education and financial empowerment classes on those same nights.

Phase 2: Simulator Training

After passing the permit test, instruction moves to a simulator. Small groups of students will learn how to operate a truck by sitting in the seat of a TransMaster 3 Screen, Linear Motion Driver Training Simulator. This state-of-the-art machine is self-paced and provides adaptive training, including interactive shifting and backing modules. Students will be supervised by a CDL instructor and guided to move at a comfortable pace within a five-week period.

Phase 3: Road Training

The last section of training occurs in a real truck. Each participant will have the opportunity to get behind the wheel of a rig and take to the roads with their instructor. All information learned from the manual and skills practiced in the simulator will merge and culminate in this practical setting. This step is critical to a successful performance at the CDL skills test, which participants take on their own at the end of the class.

A graduation ceremony will celebrate everyone's hard work and accomplishments at the end of the class.

Requirements:

Eligible applicants must be 21 years of age, possess a valid driver's license, and present a current medical examiner's certificate completed by a certified medical examiner. The fee for the class is \$250 and does not include industry related fees and expenses. Space is limited.

Due to the hybrid approach of both classroom and on-the-road training, locations for this class may vary between downtown and west O'ahu. Participants will be provided full location details upon acceptance into the program.

► **FIRE**

O'AHU, KAUAI, MAUI

The Firefighter Program helps students prepare for a career in the Fire Department at select counties in the state of Hawai'i. Tailored to the specific county, the program aims to help students learn about the Fire Department's application process, develop skills and critical thinking tools to prepare for the written exam and physical agility test, and gain first-hand knowledge and mentoring from influential leaders and veteran staff.

The program includes cultural and financial education where students will gain cultural perspective of the industry/trade/community through a Native Hawaiian lens, and will walk away with information to strengthen economic

self-sufficiency.

Graduates will be equipped with the knowledge and preparation to be more successful when applying as a firefighter trainee recruit.

KAUA'I CLASSES - STARTING MAY 3, 2021

This program prepares students for a career with any fire department on Kaua'i. Students will be taught knowledge including information on the application process, development of skills and critical thinking tools to prepare for the written exam and physical agility test, and first-hand knowledge and mentoring from current firefighters. Students will be more successful when applying as a firefighter trainee recruit. [View the printable flier.](#)



**TAUGHT BY
FIRE CAPTAIN
KILIPAKI VAUGHAN**

► POLICE

O'AHU, KAUA'I, MAUI

The Police Program helps students prepare for a career in the Police Department at select counties in the state of Hawai'i. Tailored to the specific county, the program aims to help students develop skills and critical thinking needed in law enforcement. The course is designed to assist students in successfully navigating the Police Academy examinations through an intimate learning environment and mentoring from influential leaders and veteran staff of the police department.

The program includes cultural and financial education where students will gain cultural perspective of the industry/trade/community through a Native Hawaiian lens, and will walk away with information to strengthen economic self-sufficiency.

Graduates will be equipped with the knowledge and preparation to be more successful when applying as a police officer recruit.

► SOLAR

O'AHU, KAUA'I, MAUI

CNHA's Solar Program is your gateway to a career in the solar industry. It all starts with the fundamentals, and a solid understanding of various components, system architectures, and applications for photovoltaic (PV) systems. Other topics include site analysis, system sizing, array configuration, and performance estimation; electrical design characteristics such as wiring, overcurrent protection, and grounding; a detailed look at module and inverter specifications and characteristics; mounting methods for various roof structures and ground-mounts; and an introduction to safely and effectively commissioning grid-direct PV systems. This course focuses on grid-direct PV systems, but covers material critical to understanding all types of PV systems.
