AH Committee

From: Jeff Gilbreath <jeff@hawaiiancommunity.net>
Sent: Tuesday, March 23, 2021 4:27 PM
To: AH Committee
Subject: Draft Recommendations for Comprehensive Affordable Housing Plan - Study Guide
Attachments: Draft Recommendations and Councilmember Study Guide - FINAL.pdf

Aloha,

Please find the Councilmember study guide for the draft recommendations for the comprehensive affordable housing plan.

Mahalo,

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Draft Recommendations and Councilmember Study Guide

March 23, 2021

Tables of Contents

Introduction

The Maui County Council has tasked the Hawaiian Community Asset (HCA) team with developing a comprehensive affordable housing plan. The plan will serve as a roadmap for Maui County to provide the housing needed by local residents in the near term.

The plan will include an assessment of County policies and the availability of government and private lands for development of affordable housing. The HCA team will provide options for decision-making related to specific policy changes and projects to achieve the development of 5,000 homes affordable to households at or below 120% Area Median Income (AMI). *See Appendix A for information on HUD AMI Income Levels for Maui County households.*

This plan is being developed during a global pandemic and at a time when the median sales price of a home in Maui has reached nearly $1 million with the majority of all new home purchases in the last year being made by out-of-state buyers. Division and disagreement over long-standing issues are keeping us from bringing affordable homes to our local families. Narratives pitting "us" versus "them" are hurting our ability to build affordable homes. It is everyone's responsibility to take action on affordable housing. Only together, will we be able to meet this challenge at this most unique point in time.

This study guide is meant to assist Councilmembers in understanding the comprehensive set of draft recommendations put together by our team and how they address the issues related to getting affordable homes to local residents. These recommendations are a package. The HCA team is presenting them as a whole and considers them necessary to achieve the goal of building 5,000 new affordable rental and for-sale homes. Analysis has been provided in the appendices section for more information.

At the same time, the recommendations are intended to position the County to lead on housing development in Hawaiʻi and leverage Federal infrastructure funds anticipated with the next large bill from the US Congress this year. Through this process, the HCA team looks forward to the Council - and the community at-large – in sharing on how to strengthen these recommendations so together, we can make truly affordable housing a reality.

Partnerships with other governmental entities, private sector developers, education institutions, housing industry professionals, community development nonprofits, and local residents will be critical and necessary to implement the plan recommendations.

Based on our work to date, the biggest issues the County faces is the current 2.96 ordinance only provides workforce housing at 20% of the total housing developed without adequate supports, and that it does not target that housing to the actual affordability needs of Maui County residents.

Workforce housing needs for households with incomes below 140% AMI represent 54% of total housing need.

Developers cannot provide more than 25%, as shown by the lack of development when the requirement was higher at 50% from 2007 to 2014.

To meet the housing needs of local families, the HCA team proposes changing the 2.96 requirement from 20% of the units to 25% of the land being used for workforce and affordable housing. Land dedicated through the ordinance would then be developed at higher densities to increase the number of units built and reduce overall rental and for-sale home prices. Affordable homeownership opportunities, in particular, need developers to build market rate housing and dedicate land. For this to occur, there needs to be more certainty in the process.

Major infrastructure projects are a huge impediment to new development. The County needs to develop the community serving infrastructure and then charge infrastructure fees to recoup portions of the cost as building permits are issued.

The County needs to bring certainty to the development process. The Council needs to establish an entitlement review process that gathers community input in the beginning, moves through department review in an orderly fashion, goes to the planning commission for approval, and only in major and/or controversial developments is finalized by the council.

Finally, the County needs to provide sufficient funding to the Affordable Housing Fund to develop community serving infrastructure and preserve home affordability for local families that meets the needs identified in the 2019 Hawaiʻi Housing Planning Study.

Methodology

The HCA team includes experienced housing developers familiar with various state and federal programs that can be used to develop affordable housing and is practiced in combining resources to optimize affordability. HCA team members include more than 20 planners, engineers, data and policy analysts, attorneys, and community development professionals possessing the experience to implement the tasks required by the County Council's scope of work.

The draft recommendations have been developed through a robust public outreach to County residents and key stakeholder interviews with public and private stakeholders, including County departments, housing providers and advocates, social service agencies, developers, development consultants, industry professionals, licensed contractors, financial institutions, community development nonprofits, and community groups, including environmental, cultural, and formally or informally organized groups with expertise or interest in housing. Study sessions were held individually with Councilmembers and will be conducted with the full Council in March 2021 and June 2021. A landscape review of available research and studies is being conducted, and data used to prioritize which measures, strategies, and actions would be most effective for Maui County to pursue. Finally, the HCA team has researched affordable housing solutions in high-cost communities throughout Hawaiʻi and the continental United States.

The HCA team engaged in the following process to define draft recommendations for the comprehensive affordable housing plan:

- Community needs and priorities were identified using available research and existing community plans.
- Preliminary research was conducted on other high-cost communities in Hawaiʻi and on the continental United States.
- Community meetings and key stakeholder interviews were conducted to identify potential affordable housing solutions and recommendations.
- Additional research on high-cost communities was conducted by HCA subject matter expert team members and presented to the overall HCA team for analysis of alternatives and, ultimately, the development of draft recommendations.
- Study sessions with Councilmembers were held and allowed for shared learning process ahead of draft recommendations.

The HCA team recognizes there are constraints that impact the development of the draft recommendations and plan. These include, but are not limited to, lack of accessibility to community members and County department staff due to COVID-19 and a short, 8-month timeline. As a result, the team has done its best to utilize previously research, studies, and plans completed to identify housing demand and need, key problem areas and potential affordable housing solutions.

<u>Community Meetings</u>
From December 2020 through February 2021, the HCA team conducted 11 community meetings in partnership with Akaku Maui Community Media, 1 in 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 housing units (Central, South, and West Maui). An online survey was made available to ensure broader participation by local residents in sharing solutions to the County's affordable housing needs.

Community meetings were offered virtually to prevent the spread of COVID-19. The community meetings discussed development opportunities and changes to County's workforce housing ordinance, other housing policies, the zoning code, and tax policy.

In April 2021, the HCA team will conduct 4 additional community meetings to report out draft recommendations to community and gather feedback. An online survey will be made available to ensure broader participation by local residents in sharing ways to strengthen the recommendations to meet the County's affordable housing needs.

These meetings and survey data will be shared as community plan area specific profiles for each Councilmember's review in the final plan.

Key Stakeholder Interviews
45 key stakeholder interviews have been conducted with a cross-section of community members and multi-sector and industry-specific groups.

Key stakeholder interviews were offered virtually to prevent the spread of COVID-19. The interviews included discussion of development opportunities and changes to County's workforce housing ordinance, other housing policies, the zoning code, and tax policy.

Councilmember Study Sessions
12 study sessions were held with individual County Councilmembers and their staff. 2 study sessions are scheduled for the full Council in March 2021 and June 2021.

Study sessions were offered virtually to prevent the spread of COVID-19. The study sessions included discussion of development opportunities and changes to County's workforce housing ordinance, other housing policies, the zoning code, and tax policy.

Landscape Review
The HCA team recognizes the significant amount of research, studies, and working groups already done on affordable housing in Hawai'i and, in particular, Maui County. As a result, a landscape review of the following documents was conducted. Data from this landscape review has informed the draft recommendations.

- 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*.

Existing community plans and updates, access to services and infrastructure, future impacts of climate change, and best practices in planning and design will be incorporated into the comprehensive affordable housing plan.

<u>Research on High-Cost Communities</u>

The HCA team has conducted research affordable housing strategies of 13 other high-cost communities in Hawaiʻi and across the United States with a primary focus on the Western continental region where the team's experience is most pronounced. The following high-cost communities have been part of the team's research to date.

- City and County of Honolulu
- Hawaiʻi County
- Kauai County
- Vail, CO
- Mammoth Lakes, CA
- Naples, FL
- Key West, FL
- Aspen, CO
- Jackson Hole, WY
- Bend, OR
- Hood River, OR
- Burlington, VT
- Park City, UT

Draft Recommendations

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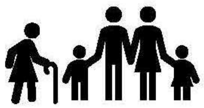

MY COMMUNITY

Family and Community Resource Management • Prepare to Qualify for a Home • Learn About Projects • Preserve Cultural and Environmental Resources • Plan Community Infrastructure	**Make Home Affordable** • Build or Apply for a Home • Dedicate Land and Identify Supports
Make Home Possible • Receive Housing Supports • Qualify for a Mortgage or Rental • Invest in Community Infrastructure • Plan and Review Projects	**Build Communities** • Approved for a Home • Move Home • Build Communities • Sale or Lease Up

Family and Community Resource Management

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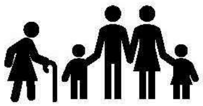

Establish First-Time Homebuyer and Affordable Renter Programs. Establish programs to prequalify local renters and homebuyers for affordable housing opportunities and provide assistance to make homes affordable. The programs should include HUD housing counseling, grants and loans for obtaining rentals and purchasing or building homes, rent assistance, and mortgage financing. The Department of Housing and Human Concerns (DHHC) would need to issue an RFP to contract qualified nonprofits to administer and deliver programs.

Referral of potential renters and homebuyers. Builders and developers would be able to refer their waitlist individuals to work with contracted nonprofits to get prequalified for affordable housing supports provided through the Affordable Housing Fund. This will reduce lease up or sales timelines for the developer and better streamline local families into affordable homes.

Invest in creative solutions to houselessness. Utilize Affordable Housing Fund monies to support creative solutions to houselessness and pilot projects, including, but not limited to, (1) development of temporary structures like yurts, tenatalos, tiny home villages, and containers on land that is not suitable for permanent housing structures, (2) use of County-owned and private commercial buildings for adaptive reuse modeled after the UH Dorms project, and (3) contracting of nonprofits for the building and maintenance of kauhale and other supportive housing models on County-owned lands.

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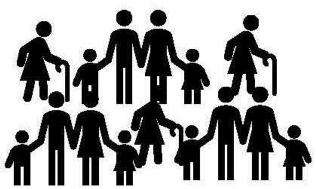

Use of Affordable Housing Fund for cultural resource preservation. The Council may need to expand eligible uses of the Affordable Housing Fund to include funding of archeological inventory surveys and partnerships for archeological monitoring. The DHHC could contract the University of Hawai'i (UH) and/or a nonprofit to certify cultural practitioners as archeological inventory survey monitors and pay certified monitors for affordable housing projects on County-owned lands to create greater certainty and reduce development costs and home prices for local families.

Contract for comprehensive cultural inventory assessments and archeological impact surveys. DHHC may need to contract a private entity for comprehensive AIS/CIA for affordable housing projects on County-owned lands.

Contract for comprehensive environmental assessment. DHHC would need to contract a private entity to conduct a comprehensive EA for developments with affordable housing units.

Family and Community Resource Management

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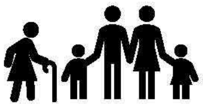

Market affordable homes to prequalified renters and homebuyers. Builders and developers would be able to market affordable homes to renters and homebuyers prequalified by contracted nonprofits as their application period opens.

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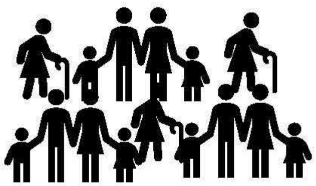


Conduct infrastructure assessments for priority areas. County Departments will conduct infrastructure assessments for 3 community plan and priority areas determined most suitable for 5,000 affordable homes. This work will include planning to identify highest priority projects and contract with design engineers to get specifications so the County can reduce the development timeline. Costs for affordable housing projects on County-owned lands could be reduced by contracting with the engineering department at UH.

Dedicate existing funds for community serving infrastructure. County Departments will need to dedicate existing resources to community serving infrastructure with a priority of unlocking opportunities for affordable and workforce housing for local families based on the most recent Hawai'i Housing Planning Study.

Analysis – Family and Community Resource Management

Issue: A lack of education about the renting and homebuyer processes, inadequate savings for first month's rent/deposit and down payment/closing costs, and poor credit are major barriers keeping local families from being able to qualify for affordable housing opportunities. Local families are being priced out of Maui County and are becoming at greater risk of experiencing houselessness.

Recommendation: The HCA team recommends the County invest in local families by contracting with housing professionals who can provide the education and tools necessary to address these barriers and qualify for affordable rentals and mortgage financing for homeownership. Regardless of the services available, there are local families who need shelter immediately and it is the County's responsibility to invest in creative solutions and pilot projects to house our houseless residents until affordable homes can be built under the plan. *See Appendix B for information on other first-time homebuyer programs.*

Issue: Identification and preservation of cultural and environmental resources are of significant importance to the community, the County, and the development of homes for local families. Costs of archeological inventory surveys and environmental assessments can be uncertain and have potential of leading to delays in the development timeline. The current process for archeological inventory surveys and environmental assessments is a condition of the entitlement process for developers. Archeological inventory surveys represent a substantial uncertainty for development of new homes for local families and can result in increased costs that increase the price of homes. In particular, site monitoring can be a significant cost that may lead to homes being priced higher for our local families one the development is done.

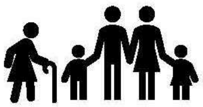
Recommendation: The HCA team recommends that the County significantly change its role in providing the climate and infrastructure for housing development. The HCA team recommends that the County take the lead conducting this analysis in key development areas to ensure the preservation of cultural and environmental resources. This, in turn, will help create certainty for developers and reduce cost and time on developments that will result in more affordable homes for local families. Partnerships with educational institutions and nonprofits may help reduce cost and time for affordable housing projects on County-owned lands.

Issue: Offsite infrastructure requests, such as sidewalks, roads, water, and sewer, increase housing cost substantially and affordable, workforce, and market housing would benefit from the County making these types of improvements. These offsite requests add significant cost per unit to the affordable housing that is being developed, resulting in less affordability and more need for the Affordable Housing Fund subsidies.

Recommendation: The HCA team recommends the County prioritize the use of existing resources to plan community serving infrastructure in key development areas suitable for housing development and to align with other public and private funds. The Council should increase funding to County departments so they can plan, design and manage the construction of the infrastructure that will be needed. Existing County resources outside of the Affordable Housing Fund should also be used to make the initial investment in community serving infrastructure so developer partners can have more certainty in being able to complete their housing developments and reduce home prices for local families.

Make Home Possible

MY 'OHANA



Make home possible for families. Renters and homebuyers will get prequalified for individual development accounts (IDAs), grants and loans with nonprofits contracted to deliver the First-Time Homebuyer and Affordable Renter Programs. IDAs will help with first month's rent/deposit and down payment/closing costs. Grants and deferred payment mortgage loans will help buy down the price of a home to make sure they are affordable for local families at or below 120% AMI. Loans will also be made to families to build 'ohana units as long as the renter is family and at or below 80% AMI. Additional project-based housing support grants will be made available through affordable housing development RFPs to target affordability for extremely-, very-low, and low-income families based on the most recent Hawai'i Housing Planning Study.

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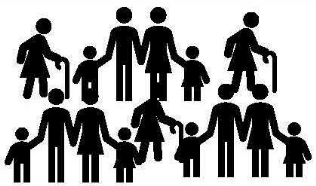


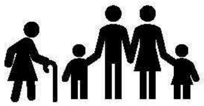
Align new and existing resources for community serving infrastructure. County Council and County Departments will need to align new and existing resources within the Affordable Housing Fund and dedicate funding specifically to the development of community serving infrastructure.

The County Departments will need funding for additional staffing, contracting, and development plans. This funding will be in addition to the County Departments' current funding which is used to maintain existing infrastructure.

The County should consider new resources to align with existing resources for community serving infrastructure, including, but not limited to resources from the County, capital improvements project allocations, funds from the State Revolving Fund and Hawai'i Housing Finance and Development Corporation, Federal funds such as HOME, CDBG, USDA, and resources through a potential Federal infrastructure bill going through the US Congress now, and private funds through community development financial institutions and foundations.

Make Home Possible

MY ʻOHANA



Access affordable mortgage financing. Local families enrolled in First-Time Homebuyer Programs will receive assistance qualifying for Federal mortgage programs, subsidies at Hawaiʻi Housing Finance and Development Corporation, and local banks and credit unions. Prequalified families at or below 120% AMI will have access to down payment assistance and deferred payment loans to reduce the first mortgage costs so that local families can afford the purchase price of new homes. DHHC, or a contracted nonprofit or nonprofits, will monitor long-term affordability of homes.

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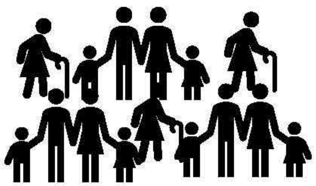

Reduce development timeline for proposed projects. The County's project review process should be updated so the Planning Department receives project proposals and review projects based on design standards that align with community plans. Projects that meet design standards will be approved and submitted to the DHHC for the public review process. Projects that do not meet the standards will be sent back to the proposer with a request for items that need to be addressed. Projects will be updated on MAPS to inform developers where their proposal is at in the entitlement process. A concierge desk and/or housing development coordinator could be created to reduce the development timeline and communicate with County staff and developers.

Review affordable housing project proposals. The DHHC may implement, or contract a nonprofit to administer, a public process to solicit development proposals from developers for County-owned lands. RFPs will specify income targeting for projects based on the most current Hawaiʻi Housing Planning Study. Proposals will be reviewed by a public review committee consisting of committee members as follows: 1/3 private with diverse sector representation (developers/builders/lenders), 1/3 community members, 1/3 public (individuals from the public sector, such as the DHHC Director, County Council affordable housing committee chair, and/or individuals appointed by Councilmembers with required skill sets). Funding recommendations by the public review committee will be forwarded to the DHHC to solicit public comment, complete final review/negotiation with developer, and submit recommendations to the County Council for approval.

Create opportunity for community engagement. The DHHC may conduct, or contract a nonprofit to conduct, community meetings for proposed housing projects. Renters and homebuyers prequalified by through the Affordable Renter and First-Time Homebuyer Programs should also be engaged in the process. Feedback will be gathered and included in project information when they go to the County Council for approval.

Analysis – Make Home Possible

Issue: Local families are being priced out of renting and buying homes in Maui County. Local families need assistance to afford upfront costs to get into homes and housing supports to make homes more affordable long-term. Mortgage loan programs exist that can help local families under 80% AMI become homeowners, however, information about these programs is not readily available or accessible.

Recommendation: The HCA teams recommends the County use the Affordable Housing Fund to provide IDAs, grants, and loans to make homes more affordable for local families. Affordable Housing Fund resources should also be used to reduce monthly rents and home purchase prices for projects so a larger number of affordable homes are coming onto the market for local families. The County should contract nonprofit housing professionals to assist local families in applying for affordable mortgage financing and other supports available in the public and private sector.

Issue: 1 in 5 Maui County households are "doubled up" or overcrowded according to the 2019 Hawaiʻi Housing Planning Study. There is a lack of loans from mainstream lenders for local homeowners, without necessary resources, to create room for growing, multi-generational families.

Recommendation: The HCA team recommends the County use the Affordable Housing Fund to provide financing to local homeowners for the building of ʻohana units as rentals for their family members earning less than 80% AMI.

Issue: Currently, the County requires a developer to pay for the infrastructure upfront to build new homes for local families. The cost of water supply projects, wastewater treatment capacity and transportation infrastructure are now beyond the financial capacity of all but the wealthiest of developers, and the economics of providing this infrastructure does not make sense in nearly every development scenario. Without the County taking responsibility on infrastructure, local families will not have the opportunity to rent or buy affordable or workforce homes.

Recommendation: The HCA team recommends the County align new and existing resources and use real property tax revenue and its bonding capacity to expand the Affordable Housing Fund to invest in community serving infrastructure. Monies would be used to develop the infrastructure needed to support housing development. Developers will have the ability to pay a significant portion of their share of the cost of this infrastructure by paying fees as part of the building permit process. However, the County currently exempts affordable housing from having to pay these fees, and we suggest that exemption continue. If the County finances and develops the community serving infrastructure, then developers will move their projects forward, dedicate land for workforce and affordable housing, and repay their share of the infrastructure costs. By dedicating an annual revenue stream from real property tax to the Affordable Housing Fund, the County will have the ability to sell bonds to finance construction of infrastructure. The HCA team estimates that with $57 million of real property tax revenue into the Affordable Housing Fund annually, the County could bond up to $855 million to develop community serving infrastructure and have the tools to ensure affordability for 5,000 local families at or below 120% AMI. This approach will strengthen the County's ability to secure state and federal resources to share in these development costs. Shovel-ready projects are always the most competitive projects when scarce resources are being allocated to projects. *See Appendix C for an example of a new resource the County could use for affordable housing development.*

Issue: Delays in a project timeline increase the hours spent on a project by developer partner staff and consultants. It affects also increases the amount of interest paid on loans taken out by develop partner both in pre-development and in construction. While a zone changes have to go to the County Council, having last minute changes to the design of the units, which have already been approved by planning and permitting and gone through the approval process leads to delays – and potential derailment - of projects. Having to repeat the process adds time to development, increasing costs dramatically which in the end, lead to increases in the prices of homes for local families. *See Appendix D for information on survey responses from affordable housing and workforce developers.*

Recommendation: The HCA team recommends the County improve the predictability in planning, permitting and council review processes by adopting design guidelines to streamline the review of proposed housing developments. The HCA team also recommends the County adopt the review process currently implemented by the County of Hawaiʻi. *See Appendix E for process maps comparing the Maui County and Hawaiʻi County review processes for 201H projects as an example.* The County is currently working on developing a system known as MAPS that would inform developer partners where their project is at in the planning, permitting, and review process and should consider creating a concierge desk and/or housing development coordinator position to help move projects through this process in a timely manner.

Issue: Local families and communities often do not hear about affordable or workforce housing projects until they have been approved. Community members want to engage in the process earlier on to ask questions, share concerns, identify opportunities, and propose potential solutions. Without community engagement, the likelihood of NIMBYism (Not in My Back Yard) increases and has potential to delay or completely stop a housing development that will serve our local families.

Recommendation: The HCA team recommends the County adopt the review process currently implemented by the County of Hawaiʻi and create a process for review of affordable housing projects by individuals representing the community and the public and private sectors. The Council should determine how the individual representatives are appointed. The County should administer, or contract a nonprofit to administer, the affordable housing review process and ensure community engagement prior to the project being recommended for Council approval.

Make Home Affordable

MY ʻOHANA

Help build ʻohana units. The DHHC will contract a nonprofit to directly, or through contracts with one or more nonprofit organizations, manage requests for Affordable Housing Fund financing for ʻohana units. ʻOhana units will be fast tracked through the 2.97 process and families should be allowed one or more units on residential and/or agricultural lands. Property owners wishing to build units can secure financing from the Affordable Housing Fund as long as they agree to keep the home affordable which will be monitored by DHHC or a contracted nonprofit. Affordable Housing Fund loan amounts, rates and terms will depend on the level of affordability the owner agrees to. Community development financial institutions, credit unions and banks can serve as lending partners. A partnership with UH could provide architecture students to assist County residents with ʻohana unit plans and save money for the family.

Promote pre-approved home plans. The Planning Department should contract a private entity to establish a website that makes existing pre-approved home plans easily accessible for the public and work with developer partners, architects, and private experts to pre-approve additional home plans for more streamlined building by owner-builders, nonprofits, and developers.

Invest in manufactured housing plant and locally-sourced building materials. The County should identify land within its portfolio suitable to establish a manufactured housing plant. The DHHC could issue an RFP for building and management of the plant on County-owned lands to increase the number of home models that can be produced in bulk, put together onsite in a short amount of time, reduce development costs on local families, and create training opportunities for next generation home builders. The site could also serve as grounds for piloting development of locally sourced building materials, such as bamboo and hempcrete.

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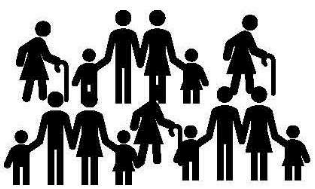
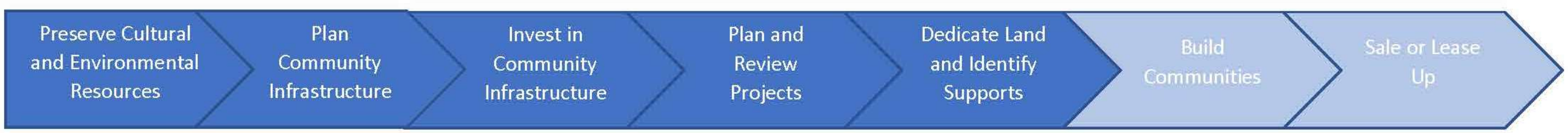




Contract nonprofits for land management. Developers, under the proposed revisions to the 2.96 ordinance, will dedicate 25% of the land for each development to the County. The DHHC will move land into a contracted nonprofit or nonprofits, including existing County-owned land identified as suitable for housing development.

Affordable housing review. Developers of affordable housing projects will go through the 2.97 process only and meet standard design guidelines. The public review committee responsible for accepting development proposals would award affordable housing supports for projects in order to target affordability based on the most recent Hawaiʻi Housing Planning Study. The County should update its Maui Sales Price Guidelines to limit monthly principal, interest, taxes, insurance, mortgage insurance, and HOA fees at 30% of gross monthly income of homebuyers. Affordable rents should include rent plus utilities and be capped at no more than 30% of gross monthly income.

Analysis – Make Home Affordable

Issue: 1 in 5 Maui County households are "doubled up" or overcrowded according to the 2019 Hawaiʻi Housing Planning Study. Local residents with both residential and agricultural lands are in need of building ʻohana units on their properties to address this issue. Local families need assistance in going through the process of building an ʻohana unit.

Recommendation: The HCA team recommends the County use the Affordable Housing Fund to provide financing to local homeowners for the building of ʻohana units as rentals for their family members at or below 80% AMI. Partnerships with lending institutions can assist with making loans to local homeowners for this purpose.

Issue: Delays in permitting lead to increased costs on developer partners and local families wishing to build their own homes and/or ʻohana units. Currently, the County has pre-approved home plans to help streamline the permitting process, however, the number of pre-approved plans are limited and hard to find.

Recommendations: The HCA team recommends the County coordinate with developer partners, architects, nonprofits, and UH to identify, review, and approve home plans to increase the number of pre-approved home plans available to the local community. The County should contract with a private entity to develop a user-friendly website for accessing the pre-approved home plans.

Issue: Costs of shipping building materials and home packages are costly, continue to increase, and drive up the price of homes for our local families.

Recommendation: The HCA team recommends the County identify a parcel of land in its portfolio to dedicate as a manufactured housing plant and use the property to also pilot research and development of locally sourced building materials to help reduce costs and prices on our local families.

Issue: Currently, the 2.96 ordinance requires 20% of units in a development be affordable for households at or below 140% AMI, however, the 2019 Hawaiʻi Housing Planning Study tells us that Maui County needs 54% of all new homes to be affordable for this target population and 46% of new homes need to be affordable for households above 140% AMI. Permit data from the County demonstrates there was a lack of development of workforce and affordable homes between 2007 and 2014 when the requirement was higher, at 50%. Affordable homeownership opportunities, in particular, will only be built as developers can build market rate housing. For this to occur, there needs to be more certainty in the process and land that can maintain long-term affordability.

Recommendation: To increase the supply of affordable and workforce housing, the HCA team proposes changing the 2.96 requirement from 25% of the units to 25% of the land being used for affordable and workforce housing. Land dedicated through the ordinance would then be managed by nonprofits, including community land trusts. *See Appendix F for a brief overview of the operations of a community land trust.* The nonprofits/land trust would oversee developments on the land at higher densities to increase the number of units built and reduce overall rental and for-sale home prices for local families. *See Appendix G for more information on recommended changes to the 2.96 ordinance.*

Issue: Community members are unaware how funding awards from the Affordable Housing Fund are made and want more transparency in this process.

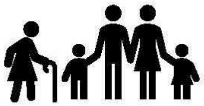
Recommendation: The HCA team recommends a public review process overseen by the County, or a contracted nonprofit, to assess affordable housing projects and align resources from the Affordable Housing Fund to target the price of homes to the affordability levels of local families from 30% AMI and below up to 120% AMI.

Issue: The current Maui Sales Price Guidelines limit the monthly payment of a local homebuyer to 28% of their monthly income, however, this monthly payment cap only includes mortgage principal and interest. It does not include taxes, insurance, and mortgage insurance, which are part of the local family's monthly mortgage payment, and does not include Home Owner Association fees, which can be substantial. As a result, the sale prices deemed affordable by the current guidelines are often not affordable for local families at or below 100% AMI. Similarly, the current Maui Rent Guidelines limit the monthly payment of local renters to 30% of their monthly income, but this cap does not include utilities which can be substantial.

Recommendation: The HCA team recommends the County update their sales price guidelines to cap the monthly payment for local homebuyers at 30% of their gross monthly income and include mortgage principal, interest, taxes, insurance, and HOA fees in this cap. The HCA team also recommends the County update its rent guidelines to cap the monthly housing payment for local renters at 30% of their gross monthly income and include in this cap both rent and utilities.

Build Communities

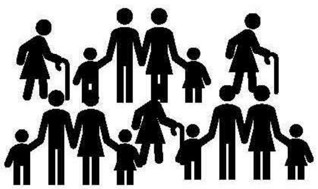
MY 'OHANA



Partner with mortgage lenders for affordable mortgages and grants. Families in the First-Time Homebuyer Program will work with nonprofits and local mortgage lenders to secure affordable financing to buy a home. Banks and nonprofits will partner with the County to bring more grants and support to local families for affordable homes.

Reduce wait time and marketing period. Developers will not be required to maintain waitlists under 2.96. Nonprofits contracted to administer Affordable Renter and First-Time Homebuyer Programs will maintain a pipeline of pre-qualified renters and homebuyers. Developers, DHHC, and nonprofits will work together to get pre-qualified families into affordable homes as soon as possible to reduce the sale or lease up timeline. Affordable homes will have no marketing period to ensure no units go to market prices. In the event a developer is unable to sell the affordable home, DHHC, or a nonprofit, may purchase the home with Affordable Housing Funds and market for sale to local families prequalified through the First-Time Homebuyer Program.

MY COMMUNITY



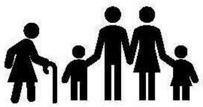
Invest in capacity building. The DHHC will use funds from the Affordable Housing Fund to contract a community development nonprofit to coordinate and facilitate a comprehensive capacity building and training for community members, public officials, developer partners, and community development nonprofits to help implement the plan. County Departments will contract for training to achieve a common understanding of what constitutes best planning practices, how to access Federal funds not currently being utilized by the County, and engage in the revisioning of a community planning process to bring alignment to the various plans governing property in Maui County, zoning code reform, and identify areas with boundary issues and resolve them. Working groups of County staff could cross-train one another on ordinances of other County Departments to promote cross-department collaboration required to move forward on affordable housing projects.

County Departments will need additional staff and contract with education institutions, nonprofits, and other private entities to implement the plan. An implementation plan guidebook that clearly defines the roles and responsibilities of all public and private partners may be necessary.

Build homes. County will partner with developers to build homes where community serving infrastructure has been developed. A preliminary project list has been provided to the County Council along with initial infrastructure assessments that prioritize: (1) smaller development projects (primarily rental), projects on County-owned lands, and pilot projects for houseless persons, (2) DHHL-County cost sharing for West Maui and Lanai, and (3) larger entitled projects in 3 target plan areas for affordable homeownership opportunities.

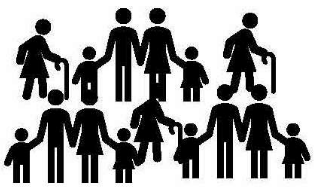
Build Communities

MY 'OHANA



Prepare families for long-term ownership. Local families will receive support through the First-Time Homebuyer Program to develop a homeowner budget and support for sustained ownership. Families will be encouraged to have next generation homeowners in the households enroll in the First-Time Homebuyer Program to establish a culture of homeownership in our families.

MY COMMUNITY



Contract for sale and lease up. Developers will contract realtors and other property management professionals for sale and lease up. A partnership with the realtor industry could be formed to potentially reduce costs of services for affordable rental and for-sale projects on County-owned lands.

Monitor affordability. All County-supported affordable housing units will be monitored by the DHHC or contracted nonprofits or a private entity to ensure long-term affordability.

Annual report out progress on affordable housing plan. The DHHC, with data from other County Departments, developers, and contracted nonprofits, will track and report out progress on the affordable housing plan to the County Council and in meetings with local resident in each community plan area. The DHHC could contract with a private entity to develop an online dashboard for public viewing that can be updated regularly to share progress on the affordable housing plan and inform data-driven decisions.

Analysis – Build Communities

Issue: There are a lack of local financial institutions offering Federal mortgage programs, which provide opportunity for local families to purchase affordable homes with down payment requirements as low as 0%. Closing costs can be significant and prohibit local families from qualifying for mortgages to purchase affordable homes.

Recommendation: The HCA team recommends the County partner with local financial institutions and nonprofit housing professionals to increase access to Federal mortgage programs and develop portfolio mortgage loan programs with more flexible underwriting guidelines to meet local families where they are at financially. The HCA team recommends the partnership also encourage local financial institutions to access grants through the Federal Home Loan Bank to provide up to $15,000 in support for down payment/closing costs and up to $500,000 for the development of affordable homeownership opportunities with developer partners.

Issue: Currently under the 2.96 ordinance, developer partners are required to maintain a waitlist of individuals for their projects. Developer partners are not experts at preparing local families for rentals and homeownership opportunities. As a result, local families on the waitlists may not have the financial capacity to qualify for the rental or a mortgage when homes become available. This creates delays in lease up and sales and has resulted in intended workforce housing units being sold at market prices.

Recommendation: The HCA team recommends developer partners not be required to maintain waitlists and instead work with the County and contracted nonprofits that will maintain pre-qualified renter and homebuyer lists to streamline lease up and sales. The HCA team recommends the 2.96 ordinance be amended to ensure no affordable or workforce housing unit is allowed to be sold at market prices and to allow the County or nonprofits to use the Affordable Housing Fund to purchase the home and make available to local families on the pre-qualified list maintained by partner nonprofits.

Issue: There is a lack of understanding among public and private partners of the housing planning process and housing development more generally. The County has limited capacity to implement a comprehensive approach to affordable housing due to the constraints of their current funding, staffing levels, and expertise. Nonprofits also need additional capacity in order to build more affordable homes for local families. Community members want more opportunities to learn about housing development and the planning process so they can engage further in the process.

Recommendation: The HCA team recommends the Council approve budgets that will increase the capacity of County Departments to implement plan activities with in-house staff or through contracting nonprofits and other entities with specific expertise. The HCA team also recommends the County to dedicate funds to capacity building training for community members and individuals from the public and private sectors in order to create a learning community that can identify opportunities for partnership, alignment, and additional resources to achieve the goal of building 5,000 affordable homes for local families at or below 120% AMI.

Issue: There are a lack of housing developments currently planned that will produce the amount of affordable homes needed for local families based on the 2019 Hawaiʻi Housing Planning Study. Some projects that will produce affordable and workforce homes have received entitlements, but continue to be stalled or facing major infrastructure costs to move the project forward. This is costing the County and developer partners time, which in turn, increases the rental and sales prices for our local families.

Recommendation: The HCA team recommends the County consider prioritizing smaller, mostly 100% affordable housing developments primarily in Central, South, and West Maui. There are additional in-fill and redevelopment opportunities that are likely available and the HCA team is working to identify for presentation with the final housing plan recommendations. *See Appendix H for a list of planned and priority projects identified by the HCA team to date. See Appendix I for information on needed infrastructure for the planned projects identified by the HCA team to date.*

Issue: Local families and communities are not made aware of the number of affordable and workforce homes that have been developed. The Council is unable to hold the County accountable for meeting the affordable housing needs of local families. Without real-time data, the County, the Council, developer partners, and local communities cannot monitor progress toward meeting the affordable housing needs of local families.

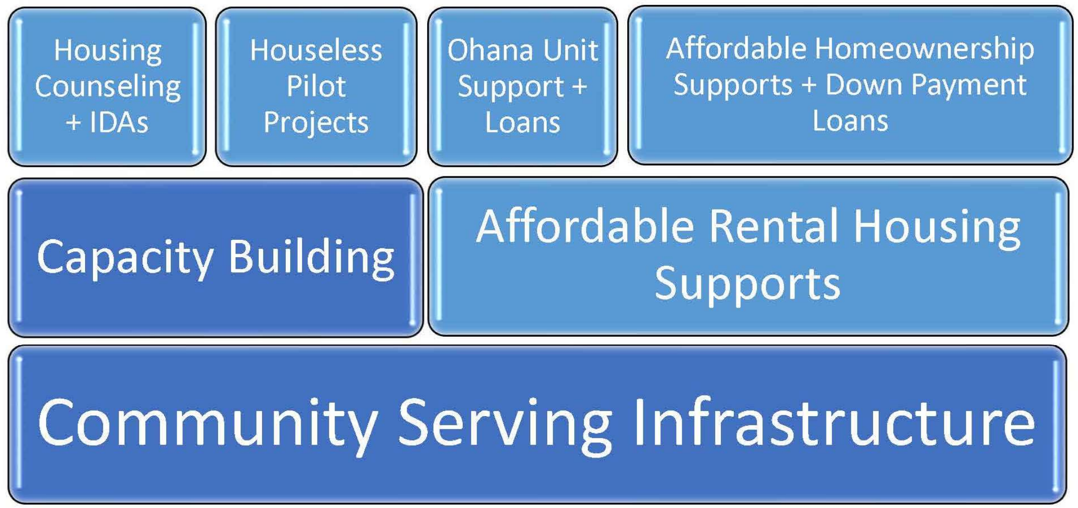
Recommendation: The HCA team recommends the County monitor progress of the affordable housing plan and report out to the Council and local residents in each community plan area. The County should create a dashboard that is easily accessible and user-friendly to create more transparency in our progress on building the affordable homes local families need.

Financial Plan

The HCA team recommends the County invest $1.6 billion to build 5,000 homes that are affordable for households earning at or below 120% AMI.

$1.6 Billion Comprehensive Affordable Housing Plan

Support to local families: $863 Million



Support to local communities: $741 million

Support to Local Families

The plan includes directing resources to support local families to become renters and buyers of County-support affordable homes, fuel the building of 'ohana units as affordable rentals for households at or below 80% AMI, and invest in pilot projects and creative solutions to address the County's entrenched houseless issue and create opportunities for locally sourced building materials and manufactured housing. In particular, the financial plan supports the delivery of HUD housing counseling and IDAs to assist local families in qualifying for affordable rentals and for-sale homes. It includes making investments in creative solutions to the houseless issue and in families so they can build 'ohana units and create affordable rentals. Finally, it includes support for local families to make rental and for-sale homes affordable for local families at or below 30% AMI and up to 120% AMI.

Support to Local Communities

The plan also directs resources to capacity building and community serving infrastructure as the key impediments to housing development and the building of workforce and affordable homes for our local families. By aligning new and existing resources, the County can take responsibility on infrastructure development and ensure its departments, staff, and private contracted partners can join together to implement the proposed plan. This approach will position Maui County, development projects, and nonprofits with supportive services to attract additional public and private capital from outside of the County, including a Federal infrastructure bill going through the US Congress, to make affordable homes and communities possible.

Plan Budget

Revenue	Amount (in Millions)
Bonding Capacity (estimated with $57 million annual RPT revenue)	$805
Market Rate Housing Connection Fees ($40k/unit @ 5,000 units)	$200
Other New Resources (0.5% GET increase, $3 rental car surcharge, HUD 108, Federal infrastructure bill)	$600
Estimated Total Plan Revenue	**$1,604**

Expenses

Support to Local Communities	Amount (in Millions)
Four (4) new wells in West Maui	$50
New water storage capacity and transmission lines to connect with existing distribution system Central Maui	$40
Interceptors and trunk lines to connect to new Central Maui Sewer Plant	$40
Finance transportation gap from Maui MPO	$600
Capacity building (County department staffing, engineering consultants, AIS/EA assessments)	$11
Estimated Total Support to Local Communities	**$741**

Support to Local Families	Amount (in Millions)
Rental supports for 500 units per year @ $175,000 for 5 years	$438
Homeownership supports for 500 units per year @ $150,000 for 5 years	$375
Funding for land trust/housing counseling agencies/pilot projects/supportive services for 5 years	$50
Estimated Total Support to Local Families	**$863**

Estimated Total Plan Expenses to Build 5,000 Affordable Homes **$1,604**

Budget Considerations for Fiscal Year 2021-22

Expenses	Amount (in Millions)
Housing Supports	$40
County Department Staffing	$3
Engineering Consultants	$6
AIS/EA Work	$3
Pilot Projects	$3
Counseling/Land Trust Contract	$2
Estimated Total for Fiscal Year 2021-22	**$57**

Impact

This plan will build 5,000 rental and for-sale homes with long-term affordability for local residents earning less than 30% AMI to 120% AMI. *See Appendix J for more information on the HCA team's housing affordability analyses.*

2,500 Affordable Rentals		
# of Homes	**AMI %**	**Monthly Rent***
1,875	<50	$560-$1,300
425	51-60	$1,150-$1,600
200	61-80	$1,800-$2,100

*Includes utilities

75% of the homes will be affordable for local families at or below 50% AMI. 25% of the homes will be affordable for local families 51%-80% AMI.

2,500 Affordable For-Sale Homes			
# of Homes	**AMI %**	**Monthly Mortgage****	**Est. Purchase Price**
800	51-80	$868-$1,660	<$350,000
800	81-100	$1,661-2,114	$350,001-$400,000
900	101-120	$2,115-2,464	$401,000-$450,000

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

5,000 market rate homes estimated at a sales price of $550,000 and above will be required to make land available through nonprofits/community land trusts for the development of affordable for-sale homes.

Total Home Built	10,000
Market Homes Built	4,450
Workforce Homes Built***	550
Affordable Homes Built****	5,000
81-120% AMI Homes Built	1,700
51-80% AMI Homes Built	1,425
<50% AMI Homes Built	1,875

***For households 121-140% AMI
****For households at or below 120% AMI

Immediate Action Steps

The HCA team proposes the following immediate action steps by the Council during its budget deliberations.

1. Increase funding for appropriate County departments to plan, design and manage the construction of community serving infrastructure for priority areas.

2. Increase funding for County Department of Housing and Human Concerns for staff to draft and issue RFPs for partnerships with nonprofits, UH, and developers.

3. Identify real property tax revenue to increase the Affordable Housing Fund to $57 million annually.

Appendices

Appendix A – 2020 HUD Area Median Income Table

Appendix B – First-Time Homebuyer Programs

Appendix C – HUD 108 Program

Appendix D – Developer Survey Responses

Appendix E – Comparison of Project Review Process

Appendix F – Proposed Changes to Ordinance 2.96

Appendix G – Land Trust Operations Sample

Appendix H – Planned and Potential Priority Projects

Appendix I – Infrastructure Needs Assessment for Planned Projects

Appendix J – Housing Affordability Analyses

Appendix A

MAUI COUNTY INCOME SCHEDULE BY FAMILY SIZE 2020

THE FOLLOWING TABLE PRESENTS INCOME LIMITS BY FAMILY SIZE AND BY PERCENTAGES OF THE VERY LOW INCOME LEVELS ESTABLISHED BY HUD. THESE INCOME LIMITS SERVE AS GUIDELINES TO ESTABLISH SALES/RENTAL PREFERENCES.

	LIMITS BY FAMILY SIZE							
MEDIAN $97,500	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Adjustments for family size	0.7000	0.8000	0.9000	1.0000	1.0800	1.1600	1.2400	1.3200
% of Income 10%	$7,180	$8,200	$9,230	$10,250	$11,070	$11,890	$12,710	$13,530
20%	$14,360	$16,400	$18,460	$20,500	$22,140	$23,780	$25,420	$27,060
30%	$21,540	$24,600	$27,690	$30,750	$33,210	$35,670	$38,130	$40,590
40%	$28,720	$32,800	$36,920	$41,000	$44,280	$47,560	$50,840	$54,120
50%	$35,900	$41,000	$46,150	$51,250	$55,350	$59,450	$63,550	$67,650
60%	$43,080	$49,200	$55,380	$61,500	$66,420	$71,340	$76,260	$81,180
70%	$50,260	$57,400	$64,610	$71,750	$77,490	$83,230	$88,970	$94,710
80%	$57,440	$65,600	$73,840	$82,000	$88,560	$95,120	$101,680	$108,240
90%	$64,620	$73,800	$83,070	$92,250	$99,630	$107,010	$114,390	$121,770
100%	$71,800	$82,000	$92,300	$102,500	$110,700	$118,900	$127,100	$135,300
110%	$78,980	$90,200	$101,530	$112,750	$121,770	$130,790	$139,810	$148,830
120%	$86,160	$98,400	$110,760	$123,000	$132,840	$142,680	$152,520	$162,360
130%	$93,340	$106,600	$119,990	$133,250	$143,910	$154,570	$165,230	$175,890
140%	$100,520	$114,800	$129,220	$143,500	$154,980	$166,460	$177,940	$189,420

The U.S. Department of Housing and Urban Development (HUD) sets income limits that determine the eligibility of applicants for its assisted housing programs. HUD typically uses the Very Low-Income Limit (VLIL) as the basis for deriving other income limits. The VLIL is calculated by taking the 4-person income limit equal to 50% of the estimated median family income (based on the U.S. Census Bureau's ACS median family income estimates) and making adjustments if this income is outside formula constraints. For example, the VLIL is increased for areas where rental housing costs are unusually high in relation to the median income or if it is less that the relevant State non-metropolitan median family income level. See "FY2020 Briefing Materials" at https://www.huduser.gov/portal/datasets/il/il20/IncomeLimitsMethodology-FY20.pdf

HHFDC uses the HUD income limits for households at the 50% and 60% income levels as calculated for the Multifamily Tax Subsidy Project (MTSP) charts. For HHFDC programs, the 80% income level is calculated as the Multifamily Tax Subsidy Project (MTSP) VLIL (for FY 2020, it is also the HUD Section 8 VLIL) multiplied by 1.6 (or 80/50). The limits for households at other income levels are calculated in the same way. For further information see "Multifamily Tax Subsidy Income Limits" at https://www.huduser.gov/portal/datasets/mtsp.html

NOTE: This chart is provided as a guide only. You are responsible to ensure the accuracy of the numbers.

Appendix B

First-Time Homebuyer Programs

The HCA team has identified First-Time Homebuyer Programs that have informed the recommendation for the creation of a similar program at the County of Maui.

1. **The Kauai County Homebuyer Loan Program** is administered by the County of Kauai Housing Agency.

   The program is limited to Kauai residents, who are at least 18 years old and older who have not owned a home in the last 3 years and whose annual income is at or below 80% area median income. The program requires participants to complete a homebuyer workshop with a HUD housing counseling agency and complete the Kauai Resident Affordable Home Buyer Registration Form to join the County's Affordable Housing Waitlist. While on the list, Kauai residents receive notifications for any affordable for-sale development, single family homes or projects on Kauai. Currently, there are more than 400 households on the waitlist due to the lack of affordable housing stock.

   In addition, residents on the County's Affordable Housing Waitlist are eligible for low-cost loans, including primary and gap mortgages to assist with the home purchase. The maximum loan amount for a Primary loan is $450,000.00. The interest rate is based on the borrower's Kauai Median Household Income level, amortized for a period of 30 years, with a 15-year balloon payment.

   The maximum loan amount for a GAP mortgage is $150,000.00. The interest rate is based on the borrowers Kauai Median Home Income level, amortized for a period of 30 years, interest only payments for the first seven years. Primary and GAP mortgage financing is limited to properties located on Kauai outside of the FIRM 100-year flood boundary and are a single-family detached dwelling or condominium unit that must pass Federal minimum Housing Quality Standards for existing homes and if newly constructed, built to County Building Code. Financing is restricted to owner-occupants.

   Fee Simple sales are subject to the County's 50-year Restriction on Sale, Transfer, Debt and Use and Shared Appreciation (if applicable). Leasehold sales are subject to the County of Kauai 90-year Ground Lease.

2. **The Hawaii Family Finance Project** was $3.1 million first-time homebuyer pilot project funded by the US Department of the Treasury and administered by the Council for Native Hawaiian Advancement in 2011 to 2013.

   The pilot was limited to Hawaii residents, age 18 and older who had not owned a home in the last 3 years and were low-income (80% area median income or below) or low wealth (own less than $120,000 in net assets). Participants had to enroll in HUD housing counseling to gain access to individual development accounts for down payment/closing costs and closing cost grants.

   Under the 3-year pilot, 1,545 individuals were enrolled in HUD housing counseling, 777 participants opened individual development accounts, 948 individuals improved their credit scores, and 500 participants obtained or qualified for a home mortgage.

Appendix C

HUD Section 108 Loan Guarantee Program

Background:

The Section 108 Loan Guarantee Program has existed for as long as the CDBG Program. It gets its name from the fact that it appears in Section 108 of the legislation establishing CDBG. It is a much misunderstood and maligned program that actually is a powerful financing tool to assist communities in meeting their revitalization needs.

Section 108 can fund economic development, housing, public facilities, infrastructure, and other physical development projects, including improvements to increase their resilience against natural disasters. This flexibility of uses makes it one of the most potent and important public investment tools that HUD offers to states and local governments.

The CDBG regulations require that grantees spend their annual allotment in a timely fashion. This can create problems in trying to do larger projects, where the amount of the annual allotment is not sufficient to cover the cost of the project. HUD in its infinite wisdom had Congress attach the Section 108 Loan Guarantee Program to CDBG in order to assist communities with financing larger projects without affecting their timeliness requirements.

Section 108 assistance can be deployed in two ways:

- Directly by the community or its governmental or non-profit partner to carry out an eligible project, or
- Indirectly with a community or its partner re-lending (or, in limited circumstances, granting) the funds to a developer or business to undertake an eligible project

How the Program Functions:

The flexibility of the program is outstanding. 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 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.

The applicant pledges their future CDBG as back-up collateral to HUD. HUD then guarantees repayment of the loan either to the Interim Lender or the Investors in the Public Offering. The funds then flow directly to the recipient from the Private Sector Source.

The long term nature of the 108 financing allows the payments to be spread out over a longer period of time making the pay back more affordable. The flexibility and long term of the loans along with the below market financing and the potential for subordination makes this a very powerful financing tool.

- Recipients can pick their own terms from one to twenty years.
- 5X's the annual CDBG allotment gives states and localities a large additional resource upon which to draw for larger projects.
- There is incredible flexibility with the structuring of the repayments. On redevelopment projects for instance where value is being created down the road, interest only payments can be made for the first few years until the value of the project begins to materialize.
- The Public Offering has always been below market and in the most recent years has been outstandingly low. This past year the first few years of the offering were at or below 1%.
- The OMB has required since the passage of the Credit Reform Act of 1995 that **all 108 loans be fully collateralized above and beyond the CDBG pledge.** This greatly reduces the risk of having to use CDBG to repay any 108 loans for the grantee.

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. Real estate deals are a particularly good fit for the use of 108, because the property can be used as collateral and HUD will accept the as-built value of the property to determine LTV. If the value of the on-site improvements doesn't meet the required value, other "off-site" assets or revenue streams can be added.

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 , such as any business buildings, redevelopment properties, mixed-use developments, etc. Redevelopment is great because it creates value. Section 108 works exceptionally well with 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. Many Urban Renewal Authorities have used Section 108 in conjunction with Tax Increment Financing Districts, where the value of the project due to "blighted conditions" is zero or close to zero. The pledge of the tax increment created by the redevelopment project can be used both as the collateral and repayment source.

Section 108 funding is meant to be "gap" financing and not to replace private sector financing but rather to enhance it by reducing risk. However, if there is no private financing available or the cost of private financing would reduce the or eliminate the feasibility of the project, then Section 108 funding can be the sole source for the project.

- Flexibility in structure
  - Subordinated debt instrument - Senior debt instrument
  - Up to 100 percent financing

Recommendation:

1. Maui County Council and staff should receive training on the Section 108 Loan Guarantee Program in order to fully understand the risks and rewards of the Program.
2. If the decision is made to make utilization of this funding source, then the County's CDBG ConPlan must be amended to include using the program as one of the sources of funding available to their community.
3. Recommended uses:
    a. Multiple Project Financing:
        i. Loan pools provide a community an opportunity to borrow a larger amount of Section 108 guaranteed loan funds than would be needed for a single project
        ii. Loan pools are used to provide financial assistance for multiple projects in targeted areas/neighborhoods in a community or in a State/County
    b. **Adaptive Reuse:** Section 108, like CDBG, funds may be used to renovate closed/vacant or underutilized buildings, such as abandoned school, retail, or office buildings for use as an eligible public facility or to rehabilitate such buildings for affordable housing.
    c. **Infrastructure** in support of Affordable Housing - Since new construction of housing is generally ineligible except in very limited situations, the Section 108 loan can only fund acquisition or infrastructure supporting the project.

4. Use of CFD in conjunction with Section 108. As mentioned above in many parts of the Country, Tax Increment Financing is used as collateral for Section 108 Loans. The County designates a CFD area around a proposed project and pledges the "incremental" taxes generated by the improvements completed withing the area as collateral for the Section 108 loan and potentially as a repayment source if other revenues from the project are not sufficient to meet the obligation.

Appendix D

Maui Housing Plan Affordable Housing Developer Survey Responses

Surveys were completed by 15 developers including a mixture of nonprofit and for-profit builders. Developers who create housing affordable to people at or below 140% of median income were clear and consistent regarding the issues they encountered with development in Maui, whether they used additional subsidies or not to create the housing. The three core areas that any developer is concerned with are 1) time, 2) Capital and Entitlement risk, and 3) cost. Affordable Housing Developers are doubly concerned with these areas because there are smaller profit margins available to cover significant cost overruns. The profit margin required to encourage someone to develop is based on how much risk is in the deal as the profit margin is what is used to mitigate risks that arise as well as pay for the developer's investment of capital and time. Each of these risk areas have a monetary effect on the project.

- **Time:** Reducing time saves money, because time is very costly: It impacts the hours spent on a project by the developer and consultants, it affects interest carry both in predevelopment and in construction. Related to that, we saw comments about streamlining processes.

- **Risk:** is really about the amount of money the developer is responsible for prior to realizing sales or rental revenue. In financial terms it is the chance that an outcome or actual gains from investments will differ from what is anticipated. *Anything that reduces the risk of a project not going forward will help reduce the cost of development.* Therefore, we heard many comments about improving planning/permitting predictability.

- **Cost:** Increased costs directly increases the "rent" burden on the tenant/ home owner of affordable housing, therefore concerns like added costs of offsite infrastructure were voiced. Below are a summary of the primary concerns and some possible solutions that warrant additional discussion.

The number one concern at 78%:

1. **Offsite infrastructure requests** increase housing cost substantially and affordable housing (and perhaps other projects) would benefit by being exempt from having to make those types of improvements. By Offsite infrastructure requests, I mean infrastructure that benefits other properties and not the subject property. Offsite improvements to Sidewalks, Roads, water, sewer that about the property line are not typical requests. These types of requests that developers reported are atypical compared with what other communities request of a developer. This indicates there is a significant need for funding for infrastructure from outside of affordable housing. These offsite requests add significant cost per unit to the affordable housing that is being developed, resulting in less affordability and more need for the Affordable housing fund subsidies. In essence this results in affordable housing funds being diverted to offsite infrastructure.

   To further complicate matters, many of the sources for affordable housing that developers use to fund homes for people with income at or below 60% AMI either don't allow offsite infrastructure costs at all (such as HOME) or allow only what is directly attributable to the project (LIHTC), e. g., street, sidewalk improvements along the property line of the project but

NOT items related to improvements where the primary beneficiary is a different property. This type of offsite request would reduce the profitability of the project to the point where it may not be feasible to take on the project given the amount of risk the developer faces or the lack of funding resources. Options for the county to consider include:

a. Driving development of housing affordable to working families by investing in infrastructure in the areas/communities in which they want to see that development. This is a great tool for directing development. To implement it would mean having a community plan that indicated infrastructure priorities and would assist the county in determining where development should take place and identifying areas where it should not take place. We would recommend having an experienced consulting firm come in and lead the community planning process so that it is open, transparent, and meets some of the other concerns that are listed below.

b. Pay for offsite infrastructure improvements for any project with bond financing and bill users of the infrastructure for their share of the cost as projects come on line. In other words, if you have to develop 1,000 lineal feet of roadway for a particular project but only 500 feet serves the project, bill the other 500 lineal feet to the developer that improves the property abutting the remaining roadway. This can be done by creating special improvement districts. Again, it is using bond financing that can be paid back by the user fees in the future. Putting in the infrastructure will encourage these areas to be developed.

Tied for second place at 67%:

2. **Streamline Zoning regulations** so that affordable housing developers don't have to go through a zone change, which they report as typically a 1-2 year process. There are a number of concerns in relation to going through a zoning change that contribute to the risk of a project. First there is the time involved. HHFDC is now considering time limits on their awards to 3 years. This means that a project would have to be under construction within a shorter time frame or lose the funds it has been awarded. This is devastating for a project as it means an additional round of funding applications which are costly and time consuming.

   Secondly, there is the added risk of NIMBYism affecting the outcome of the zone change. Many communities fear having housing affordable to populations with lower incomes in their neighborhood and strongly associate the term affordable housing with slums. While there may be no legitimate reason to stop a development from a planning or land use perspective people will find all sorts of reasons to try and stop it including pressuring council members. To the extent the county can avoid stirring up NIMBYism because of the zone change process (which simply provides the opportunity for people to voice concerns, merited or not) the projects are better off. This is **not** to say that community outreach should be avoided, good development of homes for people with incomes below average typically incorporate a solid community outreach plan.

   Finally, developers noted that there is a lack of alignment between State, Island and Community plans. This points to the need for a community planning process that the County can spearhead to bring the various plans into alignment and resolve boundary issues. This provides the opportunity to create zones where higher density housing can occur without having to go through the zone change taking some of the risk out of the development process.

a. **Improve the predictability in planning, permitting and council review processes**. While a request for a zone change has to go to city council , having last minute changes to the plat or design of the units, which have already been approved by planning and permitting and gone through the approval process leads to derailment of the project and having to repeat the process adding time to development and increasing costs dramatically. It is recommended that zone change approvals be limited to acknowledging that the zone change is a good (or poor) use of the land. However, council may desire tools with which to direct design. In that case:

    i. Council's opportunity to opine on design is at the design standard level, and the recommendation is for Council to create a basic framework of design standards that planning and permitting would enforce for higher density housing developments (and other projects) and so long as the design standards have been met the project would be evaluated only on the basis of whether it is appropriate to change the land zoning to accommodate the project.

    ii. Council could also consider actual plans that are pre-permitted if a developer follows a pre-permitted plan for housing design that would help expedite the process.

Third Place 56%:

3. **Common Best Practices:** It would be beneficial for the Maui community to have a common understanding of what constitutes best planning practices. To that end, we recommend a two-step process. First, is an open training that provides an overview of planning best practices and key concepts for both council and the planning permitting department as well as developers. Training would discuss issues such as density trade-offs, connectivity, smart growth, how communities are created current tools municipalities are using. Council would then determine which of these best practices they want to promote and let those best practices guide the community planning processes and with which to evaluate current zoning change requests. Second would be to engage the community planning process to:

    a. Bring alignment to the various plans governing property in Maui County. This may include working with the state plan as well as determined in the community planning process.

    b. Identify where higher density housing should be placed and make sure those areas are zoned as such.

    c. Identify areas with boundary issues and resolve them.

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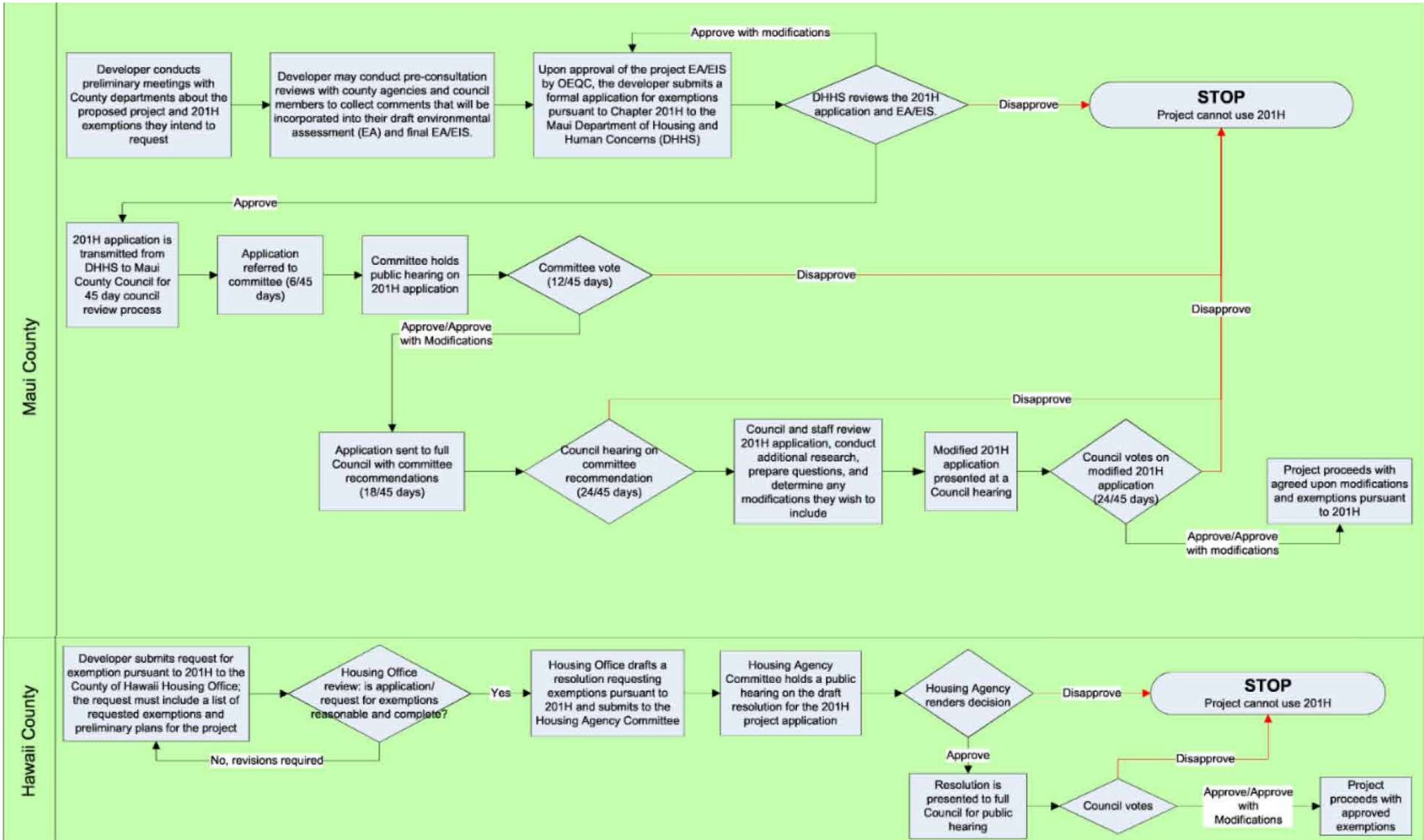
Appendix E

Comparison of Project Review Process

The HCA team has provided process maps, based on the 201H process, from the Hawaiʻi Housing Planning Study to compare the review processes of Maui County and Hawaiʻi County.



Appendix F

Proposed Changes to Ordinance 2.96

2.96 Workforce Housing Ordinance

1. Change from requiring the construction of units to the dedication of land.
   a. 25% of the land will be deeded to the county and then transferred to a land trust/nonprofit or nonprofit to develop as affordable housing.
   b. Units built by the developer will count towards land dedication
   c. County/land trust/nonprofit/ will select developers to complete projects on dedicated land leased from the county/land trust/nonprofit.
   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 units built by developers will be monitored by the county/land trust/nonprofit 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 to lower the rental or selling price 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 the useful life of the development.
5. The county will be a party to any sale of workforce housing projects and credits accruing to a developer who receives subsidy from the county and the proceeds of such sale will be used to reimburse the county subsidy, including land and infrastructure provided to developer, and including subsidies to first time home buyers. Credits may only be sold to developers in the same community plan area.
6. All workforce housing projects developed on leased land will be 100% affordable and will participate in the 2.97 fast track process for approval.
7. Workforce housing owners on leased land, when they sell, will be allowed to sell their homes at fair market value up to the maximum affordable price affordable to a household in the original income category in which the house was sold, but then the value of the lot will be deducted from the sales price. The county will have the option to provide subsidy to the new buyer so the home continues to be affordable to the original income group.
   Workforce housing owners not on leased land will be required, when they sell, to price their homes so the original target group can buy the home, and the county will have an option to provide a first-time homebuyer subsidy to make the home affordable based on the buyers income.
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 donate 25% of the land being developed to the residential workforce housing program. (Land donations 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 25% 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 25% 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 so the improvements are consistent throughout the development.

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, the developer may only satisfy 50% of the donation 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.

Affordable to households at or below these percentages of the Area Median Income:	Credit against land dedication requirement
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 25% of the developed units as workforce housing with an average affordability 60% of median, or to provide sufficient land off-site to allow the development of workforce units equal to 25% of the total units being developed in the project, with an assumed density of 20 units per acre, 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 25% of their units as workforce housing with an average affordability of 100% of median, or less, or donate 25% of the lots to the workforce housing program, rounded to the nearest whole number of lots. If the development is a rental housing project, then 25% 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 units developed under this program will have a deed restriction ensuring that they remain affordable for the useful life of the units at the income level first identified for the unit. 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 a land trust/nonprofit and/or housing counseling agencies to market its homes and they have not been able to supply a qualified buyer within six months, then the land trust/nonprofit 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, 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, 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 Land trust/nonprofit will use County Ordinance 2.97 to up-zone property to any density needed to meet these goals.

2.96.050

Workforce housing credits will only be issued for each residential workforce housing unit sold or rented to an income eligible individual in the appropriate income group, that is in excess of the residential workforce housing requirement set forth in section 2.96.040, and which is not built on land donated as part of the workforce housing ordinance. The county will be a party to any sale of such credits so that the original county subsidy provided to the development can be paid down or repaid in full. The allocation of the credit sales will be negotiated prior to the issuance of a building permit.

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 be permanently restricted to the income group identified in the application. If a buyer needs additional subsidy to qualify for a unit not on land owned by the Land trust/nonprofit, the county may provide Affordable Housing Fund debt to qualify the buyer and ensure affordability.

Units constructed on land not previously dedicated to the program, will pay a small fee ($100 per year, initially) to the Land trust/nonprofit which will monitor unit occupancy and sales to ensure compliance with the original deed restrictions.

The land trust/nonprofit(s) will solicit developers to develop ownership housing opportunities in proportion to the housing needs identified in the housing needs analysis. Land will be leased to developers at nominal rates ($100 per year), 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. All units developed on land not leased from the land trust/nonprofit will be constrained to selling at no more than the price affordable to a household at the income target originally agreed to in the development agreement, and the new buyer must have an income which is not higher than the next income tier (if the home originally sold below 100% of median the new buyer could have an income as high as 120% of median). The county may provide Affordable Housing Fund debt to eligible buyers so that the resulting housing costs will be affordable to the new owner.

Homeowners on land leased from the land trust/nonprofit will be allowed to sell their homes at fair market value minus the value of the lot, up to the maximum affordable price affordable to a household in the original income category in which the house was sold.

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

Rental housing units developed on land, which has not been used to meet the requirements of this ordinance or county owned, to the workforce housing program may satisfy the requirements of the program by accepting subsidy from the Affordable Housing Fund and entering into a regulatory agreement with the county to ensure the long-term affordability of the units developed. Units constructed on land not previously dedicated to the program, will pay a small fee ($10 per unit per year, initially) to the Land trust/nonprofit which will monitor unit occupancy and sales to ensure ongoing compliance with the original deed restrictions. The county will provide Affordable Housing Fund financing to support the targeting of units to the income groups as identified in the housing needs analysis.

The Land trust/nonprofit(s) will solicit rental development proposals on land dedicated to the workforce housing program. The land will be leased to the developer at no more than $10 per unit per year. The lease will require developers to maintain the affordability levels originally agreed to for the useful life of the development. The Land trust/nonprofit 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.

Units in excess of the number required by the workforce housing ordinance or not associated with any specific development proposal will be eligible for credits to other developers. Fees earned through the sale of credits will be split between the developer and the Affordable Housing Fund in the manner agreed to as part of the subordinate debt instruments.

B. Deed Restriction
Useful life of the improvements/perpetuity

F. Income Graduation

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.

As long as an owner stays in their home the owner will be considered a part of the income group under which they originally qualified.

296.090

A. Wait List Procedure--

2. Add: the developer will also work with the Land trust/nonprofit and housing counseling agencies to market the availability of housing and the creation of a wait list for the project.

B. eligibility

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 or 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.

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.

2.96.160 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

A Brief Overview of the Operations of Trust Montana

Trust Montana is a non-profit CLT with 4 staff members: Director, General Legal Counsel, Stewardship Coordinator, and an Advocacy and Outreach Coordinator. The Board of Directors is statewide and includes professionals from the fields of city planning, non-profit housing development, accounting, law, state government, and real estate. Trust Montana is actively working to recruit homeowners to the board in order to eventually be governed by at least 1/3rd CLT homeowners.

Trust Montana holds its land across the state in a disregarded LLC. This LLC has a separate bank account and EIN.

- Because Trust Montana aims to adequately serve communities statewide, the organization made a choice to specialize in stewardship, with the goal of reaching an economy of scale that will allow the staff to efficiently monitor the affordability of units in a vast geographical area. As a result, Trust Montana is not a developer – instead, the Trust partners with non-profit developers, municipalities, and community groups to bring projects together. The developers are either Habitat for Humanity affiliates or other non-profits who want to create home ownership opportunities and ensure the subsidy is locked into the home to serve multiple generations of low-income home buyers rather than just one family. Trust Montana is also exploring buyer-initiated programs and partnerships with for-profit developers.

- Because part of the Trust's mission is to support all CLTs in Montana, the staff also consistently develops and presents educational programs about CLTs for professionals in the fields of real estate, city planning, law, lending, and real estate appraisals.

- Trust Montana can also hold farm and ranch lands, commercial properties, and historical properties and preserve the affordability for the benefit of the community using a ground lease, but currently only hold land under affordable homes, as well as one community garden that is managed by a food bank. Trust Montana stewards 12 permanently affordable homes in Red Lodge, Livingston, Belgrade, Bozeman, and Missoula, and has between 15 and 25 additional homes in the pipeline that will enter the portfolio by the end of 2022.

- When Trust Montana takes on a new unit to steward the affordability in perpetuity, the organization charges a stewardship fee, collected at the time of closing, usually from the developer (this fee can be taken out of the developer fee, or added to the purchase price, just like a resale admin fee). This fee goes into a special account to ensure adequate long-term maintenance and legal monitoring of the home. Considering many developers are transferring the land to Trust Montana at no cost, this fee may sound unreasonable, however, developer partners understand that hiring their own stewardship staff to oversee the resale restrictions, and providing ongoing home owner support and foreclosure intervention systems would cost a lot more, and so they are happy to pay the $2,000 - $4,000 fee to Trust Montana to ensure their project remains affordable.

- Trust Montana homeowners pay a $40 per month ground lease fee. There is also an administrative fee at resale that is added to the resale price to support Trust Montana program costs.

Appendix H

MAUI COUNTY AFFORDABLE HOUSING PROJECTS - STATUS UPDATE (MARCH 2021)
CENTRAL MAUI

PROJECT NAME	Tax Map Key	Acreage	STATUS	UNIT TYPE	TOTAL (Workforce and Market):	TOTAL Workforce Units	WATER SYSTEM	WASTEWATER SYSTEM	DRAINAGE SYSTEM	TRANSPORTATION
Maui Lani Phase 8 (Gentry Homes) *Developer: Maui Lani Village Center, Inc.*	(2)3-8-007:151	46.698		TBD	**TBD**	**TBD**	Connect to waterline on Maui Lani Parkway	Connect to existing sewerline on Maui Lani Parkway	Convey to underground storm drainage system to be discharged ro retention basins within the Maui Lani Golf Course	TBD
The Heritage at Maui Lani *Developer: Maui Lani Partners*	(2)3-8-007:157	2.57	Closed housing applications	SF For Sale	**25**	**25**	Connect to existing 12" waterline on Kamehameha Ave.	Connect to existing 12" sewerline on Kamehameha Ave.	Connect to existing drainlines on Kamehameha Ave.	LT lane on Kamehameha Ave. into project site at SW entrance. Add flexible delineators to prevent LT into NE entrance
Wailuku Apartment Rental Housing Project *Developer: Legacy Wailuku LLC*	(2)3-5-001:064	14.42	LUC CIZ from Ag to Urban	MF Rental	**324**	**129**	[Iao] Connect from existing waterline on Waiale Rd. Source TBD for market rental buildings.	Connect to existing sewer line on Waiale Rd. May require upgrade of existing sewerline on northerly side of Waiale Rd.	Proposed onsite drainage system.	Sidewalk frontage and RFB on Waiale/Kuikahi). Post construction studies.
Waikapu Ventures, LLC *Developer: Waikapu Development Ventures, LLC.*	(2)3-5-002:011	12.5	LUC CIZ for church/school and affordable housing. LUC extension until 2028	SF For Sale	**80**	**80**	[Iao] Offsite waterline plans (Waiale Rd.)approved 9/2020. Source TBD for school/church.	Connect to existing sewer line on Waiale Rd. May require upgrade of existing sewerline on northerly side of Waiale Rd.	Proposed onsite drainage system.	Sidewalk Frontage Improvements only (Waiale Rd)
DHHL Puunani Homesteads Subdivision *Developer: DHHL and Dowling Co.*	(2)3-5-002:002 (por.) (2)3-5-001:064 (por.)	47	Final EA process; Estimated to be completed in 2024.	SF For Lease	**161**	**161**	[Iao] Connect to existing DWS line. DHHL to exempt themselves form Title 14.	Install new sewerline through Wailuku apt. land and connect to existing sewer line on Waiale Rd. May require upgrade of existing sewerline on northerly side of Waiale Rd.	Proposed onsite drainage system.	TBD
Kuikahi (Wailuku Affordable Housing Project) Developer: Betsill Brothers	(2)3-5-002:003 (por.)		Pursuing entitlements; Estimated to be completed in 2024	SF/MF Rental	**200**	**200**	TBD	TBD	TBD	TBD
Maui Lani (Project District) *Developer: Maui Lani Partners*	(2)3-8-007:002 (2)3-8-007:109 (2)3-8-007:121 (2)3-8-007:103 (por.) (2)3-8-007:110 (por.) (2)3-8-007:151 (2)3-8-007:157 (2)3-8-046:020	Does not state	Large lots sold to other developers.	SF For Sale	**1927**	**168**	[Iao]		Proposed onsite drainage system.	- Maui Lani Parkway Extension to Waiinu Rd. - Waiale/Waiinu intersection improvements (cost share) - COMPLETED: Maui Lani Pkwy/Kam Ave Roundabout (cost share).

MAUI COUNTY AFFORDABLE HOUSING PROJECTS - STATUS UPDATE (MARCH 2021)
CENTRAL MAUI

PROJECT NAME	Tax Map Key	Acreage	STATUS	UNIT TYPE	TOTAL (Workforce and Market):	TOTAL Workforce Units	WATER SYSTEM	WASTEWATER SYSTEM	DRAINAGE SYSTEM	TRANSPORTATION
Waikapu Country Town (Maui Tropical Plantation) *Developer:Waikapu Properties, LLC*	(2)3-6-004:003 (por.) (2)3-6-004:006 (2)3-6-006:036 (2)3-6-005:007 (por.) (2)3-6-002:003 (portion)	499	Applied for LUC Special Permit for WWRF in Dec. 2019	SF/MF For Sale/Rental	**1759**	**293**	[Atherton] Proposed onsite water source and system. Negotiating with DWS.	Proposed onsite private wastewater system. Possible connection to proposed Central Maui WWTF.	Proposed onsite drainage system.	- Waiale Road Extension (cost share) - Partial cost share or full construction of widening improvements at various intersections on Honoapiilani Highway and Kuihelani Hwy.
Wai'ale North and South *Developer:*	(2)3-8-005:040 (2)3-8-005:037 (2)3-8-007:101 (2)3-8-007:180 (2)3-8-007:177 (2)3-8-007:179 (2)3-8-007:176 (2)3-8-007:178	495		SF=1400 MF=2100	**3500**	**3500**	Refer to WCT	Connection to proposed Central Maui WWTF.	Proposed onsite drainage system.	-Waiale South: Frontage Improvements on Waiko Road AND new Project Access intersection via Kuihelani Highway. . - Waiale North: Kamehameha Ave Extension from CM Regional Park to Waiko Road AND new Project Access intersection via Kuihelani Highway.
Kahili Rural Residential *Developer:*	(2)3-6-004:009 (3)6-004:005	218			**110**	**110**	TBD	If rural, septic tank may be allowed. Otherwise pump to Waikapu area.	TBD	TBD
Waiehu Affordable Housing Community (Keahumoa) *Developer: Highridge Costa*	(2)3-3-002:031	240.087	New owners beginning due diligence	MF Rental	**120**	**120**	[Waihee] TBD	May require gravity/force main system and upgrade of Hawaiian Homes PS.	TBD	TBD
Piihana Property *Developer: Wailuku Plantation LLC, etal.*	(2)3-3-001:105	25.056	New owners requesting bifurcation from Kehalani PD			**TBD**	[Waihee] TBD	May require gravity/force main system and upgrade of Hawaiian Homes PS.	TBD	TBD
Lunalilo Property *Developer:*	(2)3-8-007:047	1.68		TBD	**TBD**	**TBD**	[Iao] TBD	Connect to existing sewerline on Liholiho St.		Likely no improvements.
Kahului Lani Senior I & II *Developer: Catholic Charities Housing Development Corporation (CCHDC)*	(2)3-7-005:003	3.81	Currently under construction	MF Rental	**164**	**164**	Connect to 8-inch waterline on Kane St. and 4-inch waterlines on Vevau St. and School St. from the Mokuhau tank and wells	Connect to Wailuku-Kahului WWRF from the 8-inch sewerline on Kane St. and the 15-inch sewerline on Vevau St.	Onsite retention system beneath the parking lot. Overflow will discharge to a catch basin on Kane St.	Driveways from Kane St., Vevau St., and School St. Likely no improvements.
Huliau (UHMC Dorms) *Developer:*	(2)3-8-007:117 (por.)		Construction completed	MF Rental	**12**	**12**	[Iao]	Connects to Wailuku-Kahului WWRF	Existing underground drainage system and retention basin	No improvements

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CENTRAL MAUI

PROJECT NAME	Tax Map Key	Acreage	STATUS	UNIT TYPE	TOTAL (Workforce and Market):	TOTAL Workforce Units	WATER SYSTEM	WASTEWATER SYSTEM	DRAINAGE SYSTEM	TRANSPORTATION
Wahinepio Affordable Housing Project *Developer: Maui County*	(2)3-8-007:117	8.804	Estimated completion in 2023, will be 100% affordable	MF Rental	**TBD (40-50)**	**TBD (40-50)**	[Iao]	Connect to Wailuku-Kahului WWRF	TBD	TBD
Hale Pilina *Developer: CCHDC*	(2)3-7-013:026	4.865	DEA submitted Dec. 2020	MF Rental	**178**	**178**	Connect to existing 12-inch waterline on Puunene Ave. and 6-inch line on Kaulawahine St. from the Mokuhau tank and wells	Connect to county wastewater system on Puunene Ave.	TBD, Hydrodynamic separator proposed to meet county stormwater quality requirements.	Puunene Ave access will be restricted to RT in and out of site. Likely no improvements.
Hookele Subdivision *Developer:*	(2)3-8-102:001	17.13		TBD	**TBD**	**TBD**	TBD	Existing 10-inch sewerline on Hookele St	TBD	TBD
First Assembly of God Subdivision	(2)3-8-102:007	5.177		TBD	**TBD**	**TBD**	TBD	Existing 10-inch sewerline on Hookele St	TBD	TBD
Alexander & Baldwin Sugar Museum	(2)3-8-006:004 (por.)	-	Potential for development	TBD	**TBD**	**TBD**	TBD	Existing 18-inch sewerline beneath abandoned portion of Puunene Ave.	TBD	TBD
Maui High School	(2)3-8-007:098(por.)	-	Potential for development	TBD	**TBD**	**TBD**	TBD	Existing 8-inch sewerline on West Papa Ave.	TBD	TBD
Grace Bible Church	(2)3-8-007:017 (2)3-8-007:016	9.7	Potential for development	TBD	**TBD**	**TBD**	TBD	Existing 8-inch sewerline on West Papa Ave., West Hawaii St., & Ani St.	TBD	TBD
Total					**8206**	**4950**				

MAUI COUNTY AFFORDABLE HOUSING PROJECTS - STATUS UPDATE (MARCH 2021)
SOUTH MAUI

PROJECT NAME	Tax Map Key	Acreage	STATUS	UNIT TYPE	TOTAL (Workforce and Market):	TOTAL Workforce Units	WATER SYSTEM	WASTEWATER SYSTEM	DRAINAGE SYSTEM	TRANSPORTATION
Kihei Gateway Park Developer:	(2) 3-8-077:009	29.202	Zoned for commercial use	TBD	**0**	**0**	TBD	TBD	TBD	TBD
Alakai Apartments Developer: Alakai Development, LLC, Jordan Hart	**(2) 3-9-001:034**	28.7	New owner as of 2017?	Rental	**426**	**TBD**	TBD, Will need water improvements	TBD, Will need wastewater improvements	TBD	TBD
Pi'ilani Promenade *Developer: Pi'ilani Promenade North LLC, Pi'ilani Promenade South LLC*	(2)3-9-001:016, 148 (por.), 169, 170, 171, 172, 173, 174; (2) 3-9-048:122 (por.); (2) 2-2-002:016 (por.), 077, 082 (por.)	88	FEIS denied July 2017; Redesign in Sept. 2018; commissioners want more studies on overall impact; settlement conference planned in 2019, but could not come to agreement; withdrew workforce housing plan	MF Rental	**750**	**226**	Construct 1 MG storage tank, connect to Central Maui Water System, 3" water meters approved for project, Will need water improvements	Connection to Kihei Wastewater Reclamation Facility. Provide 10,000 sf lot for future wastewater pump station and easment for transmission line. Will need wastewater improvements	underground detention chambers on the South side of project and open detention pond on North side of project	- At Pi'ilani HWY and Kaonoulu St int. SB double LT, 2 through lanes, and channelized RT - NB LT, 2 through lanes, channelized RT - EB LT lane, through lane, channelized RT - WB double LT, through lane, channelized RT with acceleration lane - Install traffic signals and striped pedestrian crosswalks across Pi'ilani HWY - Construct shared-use pedestrian and bike path along mauka-side of project, within project, and adjacent to project as well as Bike lanes on Pi'ilani HWY
Ho'onani Subdivision *Developer: Maui Waiohuli Partners*	(2) 3-9-001:007	12.89	SMA Use Permit extended 2 years to Jul. 31, 2020	SF For Sale	**27**	**27**	[Central Maui] Reservoir east of Ohukai Rd	Connection to the Kihei Wastewater Reclamation Facility	Proposed onsite drainage system. Offsite runoff to be collected in new detention pond along Waipuilani Gulch.	- Ho'onani St to connect to Pauahi Pl and Aina Pl through the project site to connect to Namauu St.

MAUI COUNTY AFFORDABLE HOUSING PROJECTS - STATUS UPDATE (MARCH 2021)
SOUTH MAUI

PROJECT NAME	Tax Map Key	Acreage	STATUS	UNIT TYPE	TOTAL (Workforce and Market):	TOTAL Workforce Units	WATER SYSTEM	WASTEWATER SYSTEM	DRAINAGE SYSTEM	TRANSPORTATION
Kihei Mauka - Kaonoulu Ranch Developer:	(2) 2-2-002:082 (por.), (2) 2-2-002:081 (por.)	583	Maui island plan only	SF	**1500**	**TBD**	TBD	TBD	TBD	TBD
Kihei Mauka - South Village & Ohukai Village Developer:	**(2) 3-9-001:034**, (2) 2-2-002:084, (2) 2-2-002:081 (por.)	583	Partly entitled - Maui island plan and community plan	768 SF 160 MF	**928**	**TBD**	TBD	TBD	TBD	TBD
Maui Research and Technology Park (MRTP) - Kulanihakoi Residences Developer: Maui R&T Partners, LLC.	(2) 2-2-024:017 (por.), (2) 2-2-024:014 (por.), (2) 2-2-002:085 (por.)	432	Aug. 2016, developers buying entitled parcels, Phasse 1 to be completed 2024 and Phase 2 2034	40% MF 60% SF	**1250**	**TBD**	5 offsite brackish wells on land owned by Haleakala Ranch or 5 onsite brackish wells along easterly portion of property	Currently privately owned and maintained system connecting to Kihei Wastewater Reclamation Facility. Will need wastewater improvements	Offsite will pass through project site and drain into Elleair Golf Course and under Piilani Hwy culverts. Onsite will be collected in underground drainline to stormwater detention facility to decrease peak discharge rate and allowed to continue downstream, mutiple onsite drainage basins.	Phase 1: - Piilani Hwy/Hookena St - 2-Ln Hookele from MRTP to Piilani across E Waipuilani, right-in/out access w/ stop control at WB Hookena, No LT from E Waipuilani and Hookena, Acceleration /deceleration lanes on Piilani - Piilani Hwy/Piikea Ave - Additional EB LT lane, 2 total - Piilani Hwy/Lipoa Pkwy - Additional SB LT lane, Widen WB and widen and/or restripe EB Lipoa for LT, through, and RT lanes, Add crosswalk at N Piilani leg of intersection, construct internal Kihei HS access road with bike and pedestrian connectivity to MRTP Phase 2: - Piilani Hwy/Old Welakahao Rd - Construct 2-lane Old Welakahao as direct access to Piilani, Signalize intersection with protected phase for LT SB Piilani, WB LT to to Piilani, Acceleration/deceleration to and from Piilani - Mauka Collector within property - 2-Ln collector road and additional 2-Ln in-tract roadway, 3 mauka-bound access points to mauka collector

MAUI COUNTY AFFORDABLE HOUSING PROJECTS - STATUS UPDATE (MARCH 2021)
SOUTH MAUI

PROJECT NAME	Tax Map Key	Acreage	STATUS	UNIT TYPE	TOTAL (Workforce and Market):	TOTAL Workforce Units	WATER SYSTEM	WASTEWATER SYSTEM	DRAINAGE SYSTEM	TRANSPORTATION
Hale O Pi'ikea *Developer: 'Ikenakea Development LLC*	(2) 3-9-002:076	2.66	Affordable Housing Committee recommended for approval, referred to Economic Development and Budget Committee	MF Rental Phase 1 90 Phase 2 96	**186**	**186**	Connect to existing 2 MGD reservoir 1 mi east of project site, will need water improvements	Connection to the Kihei Wastewater Reclamation Facility, 8" sewer line along Piikea Ave.	Onsite subsurface detention systems, filtering runoff with carbon filters before entering offsite manmade wetlands	- install additional EB LT lane at Piikea Ave/Piilani HWY intersection - monitor conditions of NB LT traffic - Install traffic signal at driveway street C
Kaiaulu O Halelea Developer: *Ikaika Ohana*	(2) 2-2-024:033	17.27	HHFDC granted $460,570 of HUD's HTF funds January 13. 2021	MF Rental	**64**	**64**	TBD	TBD	TBD	TBD
Welakahao Village Subdivision *Developer*: Paynella Hawaii, LLC	(2) 3-9-020:014, 116, 150, 151	41.337	Go to mediation April 2019, must enter into a Residential Workforce Housing Agreement	SF For Sale	**86**	**TBD**	Connect to existing waterlines along Liloa Dr and Welakahao Rd to exsiting 2 MG reservoir	Connection to the Kihei Wastewater Reclamation Facility	Collected onsite by curb-inlet catch basins and conveyed to an offsite retention basin on park lot	- Access to site from local loop street with two access points from Welakahao Rd - Construct two 50-ft LT lane on Welakahao to access site - Widen Welakahao Rd for LT lanes; curb, gutter, and sidewalk improvements
Liloa Hale *Developer: Liloa Senior Housing, LP*	(2) 2-2-002:072 (por.)	4.9	Construction to begin January 1, 2024	MF Rental	**117**	**117**	Connect to existing 18" and 30" lines along Liloa Dr, will need water improvements	Connection to the Kihei Wastewater Reclamation Facility, Will need wastewater improvements	Proposed onsite drainage system.	- Widening improvements at Pi'ilani Hwy/Lipoa St intersection - Provide delineators from NB LT lane at Piilani/Welakahao int and extend south to end of taper of opposing LT laneat Piilani/Kihei WWTP int
Kamaole Pointe *Developer: Kamaole Pointe Development LP*	(2) 3-9-020:010	4.23	SMA use permit approved in 2016	MF For Sale	**129**	**129**	Existing 12-in water line on makai side of S Kihei Rd, will need water improvements	Connection to the Kihei Wastewater Reclamation Facility, Will need wastewater improvements	Proposed onsite drainage system.	- No traffic mitigation recommended. Prohibition on parking along one side by shopping center recommended.

MAUI COUNTY AFFORDABLE HOUSING PROJECTS - STATUS UPDATE (MARCH 2021)
SOUTH MAUI

PROJECT NAME	Tax Map Key	Acreage	STATUS	UNIT TYPE	TOTAL (Workforce and Market):	TOTAL Workforce Units	WATER SYSTEM	WASTEWATER SYSTEM	DRAINAGE SYSTEM	TRANSPORTATION
Kamaole Grand (Aloha Village Multi-Family) Developer: Kamaole Grand LLC	(2) 3-9-020:007	8.39	June 2020 Maui County Planning Board recommended approval of a five-year extension on SMA use permit, construction shall begin by April 30, 2025	MF For Sale	**217**	**0, credits from Kamaole Pointe**	Connect to existing 12" waterline, Will need water improvements	TBD, Will need wastewater improvements	Proposed onsite drainage system	- Restricted RT out of site and RT and LT onto site
Kihei Fire Station Property - County of Maui	(2) 3-9-038:026 (por.)	4	Aug. 2018, site owned by Maui County, Cuurently Vacant, need to change from fire station designation	Rental	**TBD**	**75 possible**	TBD	TBD	TBD	TBD
Kilohana Makai *Developer: Ferreira Family Partners LP*	(2) 3-9-004:141	6.94	Change in zoning approved on July 16, 2020.	SF For Sale	**28**	**28**	[Kamaole Aquifer] Connect to existing 8-in waterlines on Wela St.	Connect to existing onsite sewerline.	Proposed onsite drainage system.	- No improvements recommended.
Honua'ula Gardens *Developer: Honua'ula Partners LLC*	(2) 2-1-008:056 (2) 2-1-008:071	667.54	Department of Planning processing a Project District Phase II application as of Sept. 17, 2020.	SF - 40% MF - 60%	**1400**	**250**	Private potable and non-potable sources	Onsite treatment plant or connection to the Makena Wastewater Treatment Plant.	Onsite drainage system	- Upgrade Pi'ilani Hwy from Kilohana Dr to Wailea Ike Dr to 4 lanes - Extend Pi'ilani Hwy for 2 lanes from Wailea Ike Dr to Kaukahi St, maintained by Honua'ula Partners, LLC - Signalize Pi'ilani Hwy/ Okolani Dr/Mikioi Pl int with LT lane on Okolani Dr - Signalize Pi'ilani Hwy/ Wailea Ike Dr int with RT lanes from Pi'ilani Hwy to Wailea Ike Dr and Wailea Ike Dr to NB Pi'ilani Hwy - Add signalized double RT from NB to EB at Wailea Alanui/Wailea Ike Dr int and add 2 LT lanes SB from Wailea Ike Dr - Modify Pi'ilani Hwy/ Kilohana Dr/Mapu Pl int to provide LT lane and SB RT lane from Pi'ilani Hwy to Mapu Pl - Signalize Wailea Ike Dr/ Kalai Wa'a St and Wailea/ Kaukahi Dr/Kaukahi St ints in coordination with Wailea Resort and Makena Resort
Total					**7108**	**1027**				

MAUI COUNTY AFFORDABLE HOUSING PROJECTS - STATUS UPDATE (MARCH 2021)
WEST MAUI

PROJECT NAME	Tax Map Key	Acreage	STATUS	UNIT TYPE	TOTAL (Workforce and Market):	TOTAL Workforce Units	WATER SYSTEM	WASTEWATER SYSTEM	DRAINAGE SYSTEM	TRANSPORTATION
Makila Farms *Developer: Brown Development*	(2)4-7-013:003	76.1	Construction must begin within 5 years of October 2019, requested termination of docket and environmental review on Apr 16, 2016	SF For Sale	**34**	**19**	Avoid Kauaula Stream; High-level groundwater wells pumping from Launiupoko Aquifer yield 7 MGD, construct new irrigation well, storage tank, and irrigation system	Aerobic treatment units in individual wastewater systems	2 new oversized retention basins, will retain onsite and runoff from upstream	- 2 internal roads at Ag street standards - Access from Haniu St, Punakea St (Punakea Lp. Ext.), Kai Hele Ku St and Honopiilani HWY int., Lahaina Bypass
Lahainaluna Teacher Housing Project Developer: State of Hawaii	(2)4-5-034:048, 049, 050, 051, 052, 053, 054, 067	1.95	DOT will convey parcels to DOE for development.	TBD	**TBD**	**TBD**	Existing 8-inch distribution system on Hookahua Pl and Hookahua St connecting to 12-inch line on Lahainaluna Road	Existing 8-inch gravity collection system connecting to 10-inch branch sewer line on Lahainaluna Road to Lahaina WWTF.	Existing catch basins at the ends of Hookahua Pl and Hookahua St, tied into system in the Kelawea Mauka Subdivision	TBD
Kahoma Village *Developer: Stanford Carr Development, LLC*	(2)4-5-008:001 (por.)	21.6	Units sold and occupied. **SMA permit voided by the Intermediate Court of Appeals September 2020.**	102 MF affordable, 101 SF market For Sale	**203**	**102**	Connection to existing lines serving adjacent subdivisions, 2-12-in pipes from 0.5 and 1 MG reservoirs	Connect to Lahaina WWTP	Onsite basin	- Traffic decreased with the opening of the Lahaina Bypass
Kaiaulu O Kupuohi *Developer: Urban Housing Communities, Ikaika Ohana*	(2)4-5-010:047, 060	2.13	Currently under construction	MF Rental	**89**	**89**	Connection to existing 12" line	Connection to existing 8" line	Onsite subsurface drainage system	- Approved payments for traffic mitigation

MAUI COUNTY AFFORDABLE HOUSING PROJECTS - STATUS UPDATE (MARCH 2021)

WEST MAUI

PROJECT NAME	Tax Map Key	Acreage	STATUS	UNIT TYPE	TOTAL (Workforce and Market):	TOTAL Workforce Units	WATER SYSTEM	WASTEWATER SYSTEM	DRAINAGE SYSTEM	TRANSPORTATION
Kaiaulu O Kukuia (Keawe Street Apartments) *Developer: Housing Finance and Development Corp.*	(2)4-5-021:003, 021	28.522	SHPD requires a new AIS to be complete in approx. one month. Construction expected to begin in 2021. **DWS is requiring a water meter for the subdivided lot created for proposed second access road, so second road cannot be built.**	MF Rental	**200**	**200**	May get potable water from county if at the right elevation	Nearby existing plant or an additional plant will be installed below the property if necessary	Onsite drainage system	- Keawe Street to be extended to access from the Mauka side of the property.
Villages of Leiali'i 1B *Developer: State of Hawaii - Department of Hawaiian Home Lands*	(2)4-5-021:020	50.858	**No arch. mitigation plan approved by SHPD for larger Villages of Leiali'i project, may delay or terminate project since Project's Rental Housing Revolving Fund has completion deadline of 2022**	20 MF 167 SF For Sale	**187**	**187**	Proposed future well above site or connect to existing 1.5MG res., Well No. 1, Mahinahina Treatment facility, ot 2MG storage facility; TBD	Connect to Lahaina WWTP, must contribute to funding, development, and construction of WWTP	Drain culverts beneath Honoapiilani Hwy	-HHFDC will desginate a 35-ft setback along west edge of Keawe St Apartments site to extend Kapunakea St northward if necessary
Villages of Leiali'i Phase A *Developer: Housing Finance and Development Corp.*	(2) 4-5-021:021, (2)4-5-028:070	367.039	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.	TBD	**TBD**	**TBD**	Private offsite wells	- Connect to Lahaina WWTP, aided with expansion to accommodate entire project, - or Private system onsite	Onsite detention basin	- Extend Lahaina Bypass - Install signal at intersection of Honoapi'ilani Hwy/Wahikuli Rd, Lahina Bypass Rd/Wahikuli Rd, and Lahaina Bypass Rd/Leiali'I Pkwy

MAUI COUNTY AFFORDABLE HOUSING PROJECTS - STATUS UPDATE (MARCH 2021)
WEST MAUI

PROJECT NAME	Tax Map Key	Acreage	STATUS	UNIT TYPE	TOTAL (Workforce and Market):	TOTAL Workforce Units	WATER SYSTEM	WASTEWATER SYSTEM	DRAINAGE SYSTEM	TRANSPORTATION
Villages of Leiali'I Phase B *Developer: State of Hawaii*	(2) 4-5-021:022 (por.), 004 (por.), 005 (por.)	581.9	Must develop the Honokowai Well with water to be split equally between DHHL and HHFDC. Well may be in service in 3-5 years.	TBD	**TBD, up to 253**	**TBD, up to 253**	Private offsite wells	- Connect to Lahaina WWTP, aided with expansion to accommodate entire project, - or Private system onsite	Offsite drainage basins alongside existing drainage channels	- Extend Lahaina Bypass road adjacent to project site - Monitor need for signal at Bypass and Wahikuli Rd int. - Install signal with permissive LT phasing at Bypass and Leiali'i pkwy int.
Pu'ukoli'i Village Mauka *Developer: Kaanapali Land Management Corp.*	(2) 4-4-015:001-023, 041, 070	241	Grading permit extended until **4/10/20** in April 2019	292 SF 648 MF	**900**	**480**	Privately owned wells for potable water, brackish wells for non-potable water	Connection to Lahaina Sewage Treatment Plant	Drain to Hahakea and Hanakaoo Gulches	- Wait for the completion of Bypass Rd
Honokowai Subdivision *Developer: State of Hawaii - Department of Hawaiian Home Lands*	(2)4-4-002:003, 008, 009, 011, 015, 018	68	DHHL withdrew the 2003 Master Plan, abandoned for Vilages of Leali'i; plans for lower impact ag community, will submit documentation to OEQC when developed	SF For Sale	**0**	**0**	TBD	TBD	TBD	TBD
Pulelehua *Developer: Maui Oceanview LP*	(2)3-9-004:141	304	Approved by the Land Use Commission December 2019	SF/MF For Sale/Rental	**900**	**500**	Possible temp water resource allocation and connection to DWS facilities; will construct potable plant and non-potable transmission system	Onsite wastewater treatment facility, to be used for internal landscaping	Onsite basins and into gulches	- Upkeep and maintain Akahele St, design and construction of roadway improvements and intersections in compliance with Kapalua-West Maui Airport security programs

MAUI COUNTY AFFORDABLE HOUSING PROJECTS - STATUS UPDATE (MARCH 2021)
WEST MAUI

PROJECT NAME	Tax Map Key	Acreage	STATUS	UNIT TYPE	TOTAL (Workforce and Market):	TOTAL Workforce Units	WATER SYSTEM	WASTEWATER SYSTEM	DRAINAGE SYSTEM	TRANSPORTATION
West Maui Villages (Wailele Ridge) *Developer: Bach Builders and Developers LLC*	(2)4-3-001:033, 001 (por.)	9.65	Construction began April 4, 2019; Architect withdrew Mar. 2019, Electrical withdrew Jul 2019, Contractor withdrew Dec. 2019, **site may be for sale, On hold**	MF For Sale	**158**	**12**	TBD	TBD	1-acre drainage basin	TBD
Pailolo Place *Developer: Aina Lani Pacific, LLC*	(2) 4-2-004:048	6.37	Under construction, to be completed in April 2021	MF	**42**	**42**	Potable and non-potable water installed by others and connect to Kapalua Water System	Onsite sewer system privately-owned and maintained by Kapalua Waste Treatment Company.	Install Aqua-Guard catch basin inserts to all grated catch basins, Onsite temporary retention basin	New 20' access road onsite connecting to Lower Honoapi'ilani Hwy
Total					**2671**	**1589**				

POTENTIAL PRIORITY AFFORDABLE HOUSING PROJECTS		RENTAL/	TOTAL	TOTAL
PROJECT	**LOCATION**	**FOR SALE**	**UNITS**	**AH UNITS**
Kaiaulu O Halelea	South Maui/Kihei	Rental	120	120
Welakahao Village Subdivision	South Maui/Kihei	For Sale	86	86
Hale O Pi'ikea	South Maui/Kihei	Rental	186	186
Liloa Hale-Highridge Costa	South Maui/Kihei	Rental	166	166
Kilohana Makai (Ferreira Family)	South Maui/Kihei	For Sale	28	28
Subtotal South Maui			**586**	**586**
Kaiaulu O Kupuohi (Star Noodle)	West Maui/Lahaina	Rental	89	88
Kaiaulu O Kuku'ia (Keawe St Apts)	West Maui/Lahaina	Rental	200	200
Makila Farms	West Maui/Launiupoko	For Sale	34	19
Pulelehua Phase I (Paul Chang)	West Maui/Lahaina	Rental	240	90
Subtotal West Maui			**563**	**397**
Waiehu Affordable (keahumoa)	Central Maui	Rental	120	120
Kahului Lani Senior I and II	Central Maui	Rental	164	164
Wahinepio Affordable	Central Maui	Rental	140	140
Hale Pilina	Central Maui	Rental	178	178
Subtotal Central Maui			**602**	**602**
Lanai Affordable Housing Ph I (County)	Lanai	Mixed	46	46
Lanai Affordable Housing Ph II (County)	Lanai	Mixed	306	306
Subtotal Lanai			**352**	**352**
Total Units on Priority Parcels			**2,103**	**1,937**

Appendix I

CENTRAL MAUI AFFORDABLE HOUSING

Austin Tsutsumi & Associates, Inc.
Engineers & Surveyors

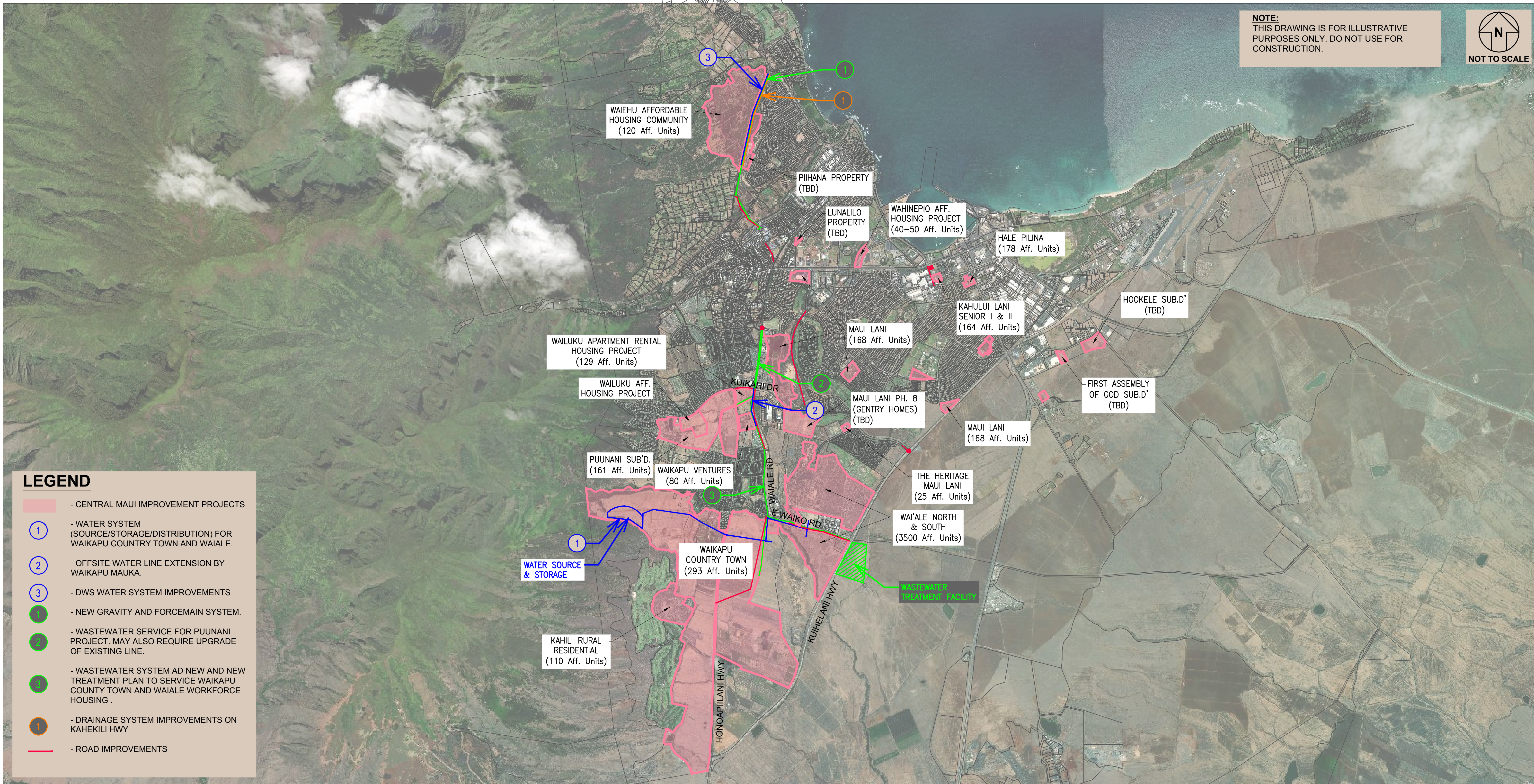


FIGURE 1

IMPROVEMENTS
CENTRAL MAUI

MAUI COUNTY COMPREHENSIVE AFFORDABLE HOUSING

Austin Tsutsumi & ASSOCIATES, INC.
Engineers & Surveyors

FIGURE 2a

ROADWAY IMPROVEMENTS
SOUTH MAUI (KIHEI)

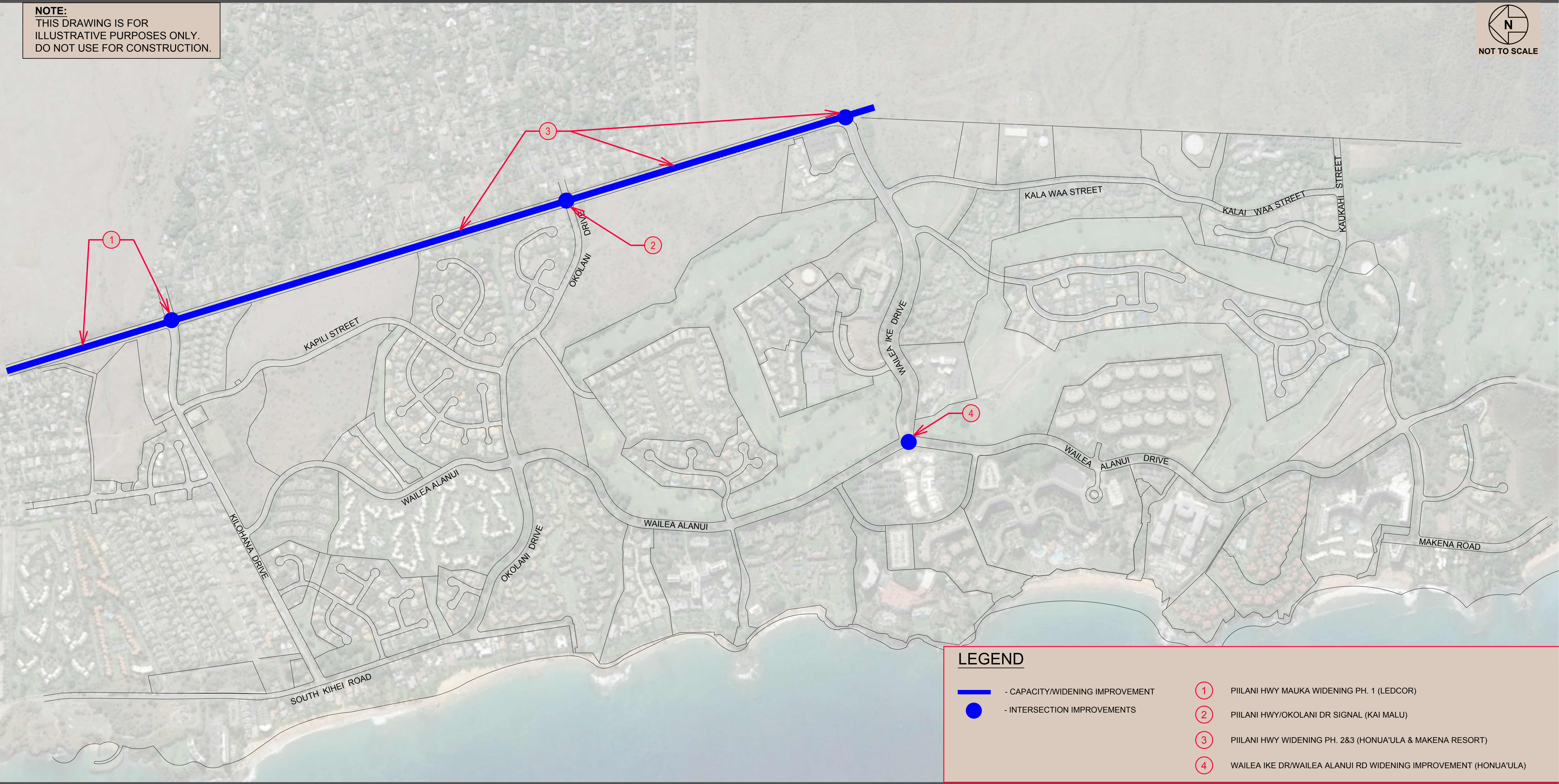
Austin Tsutsumi & Associates, Inc.
Engineers & Surveyors

FIGURE 2b

ROADWAY IMPROVEMENTS
SOUTH KIHEI

MAUI COUNTY COMPREHENSIVE AFFORDABLE HOUSING

Austin Tsutsumi & Associates, Inc.
Engineers & Surveyors



LEGEND

- CAPACITY/WIDENING IMPROVEMENT
- INTERSECTION IMPROVEMENTS

1. PIILANI HWY MAUKA WIDENING PH. 1 (LEDCOR)
2. PIILANI HWY/OKOLANI DR SIGNAL (KAI MALU)
3. PIILANI HWY WIDENING PH. 2&3 (HONUA'ULA & MAKENA RESORT)
4. WAILEA IKE DR/WAILEA ALANUI RD WIDENING IMPROVEMENT (HONUA'ULA)

FIGURE 2c

ROADWAY IMPROVEMENTS
SOUTH MAUI (WAILEA)

MAUI COUNTY COMPREHENSIVE AFFORDABLE HOUSING

Austin Tsutsumi & Associates, Inc.
Engineers & Surveyors

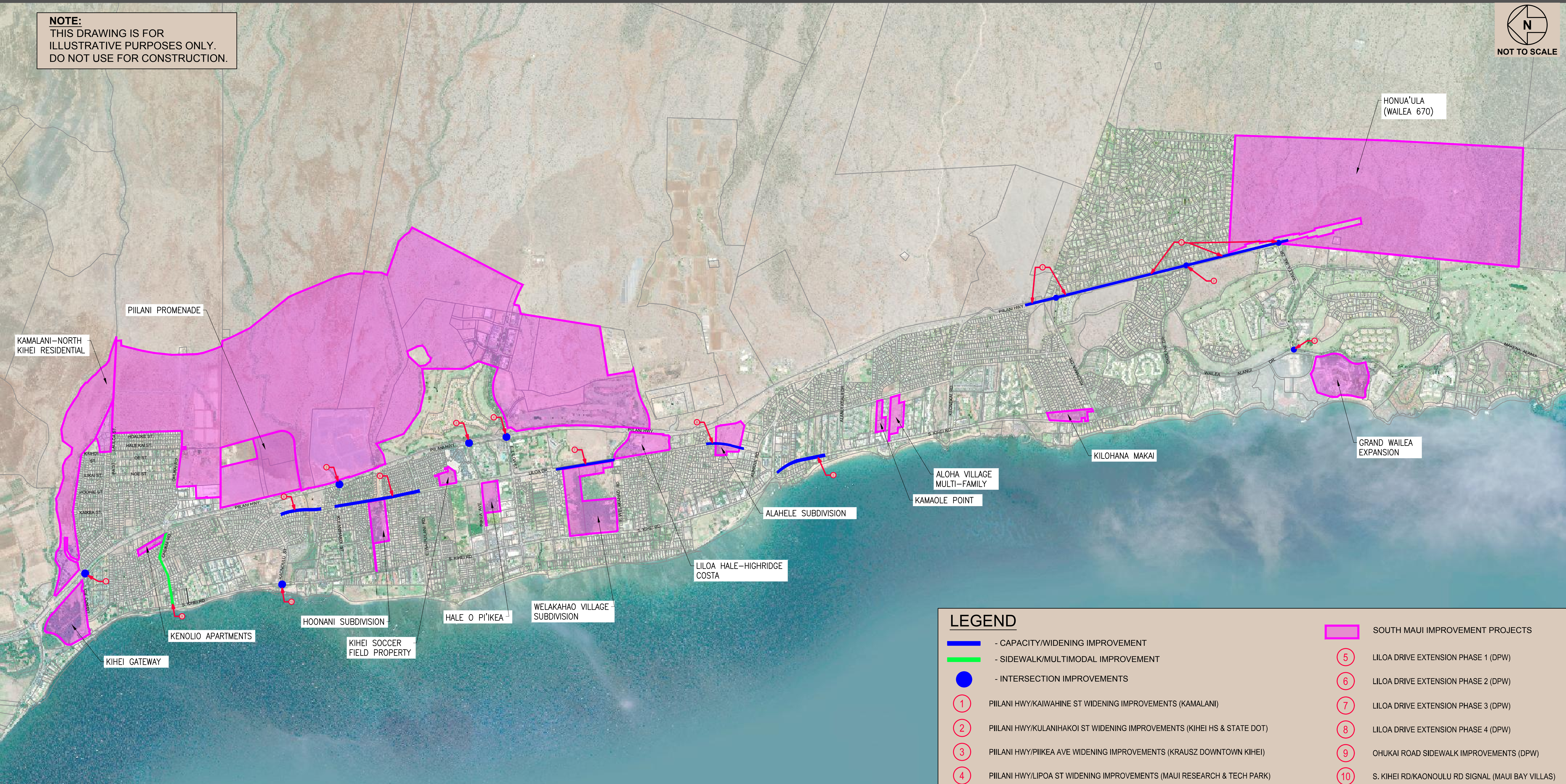
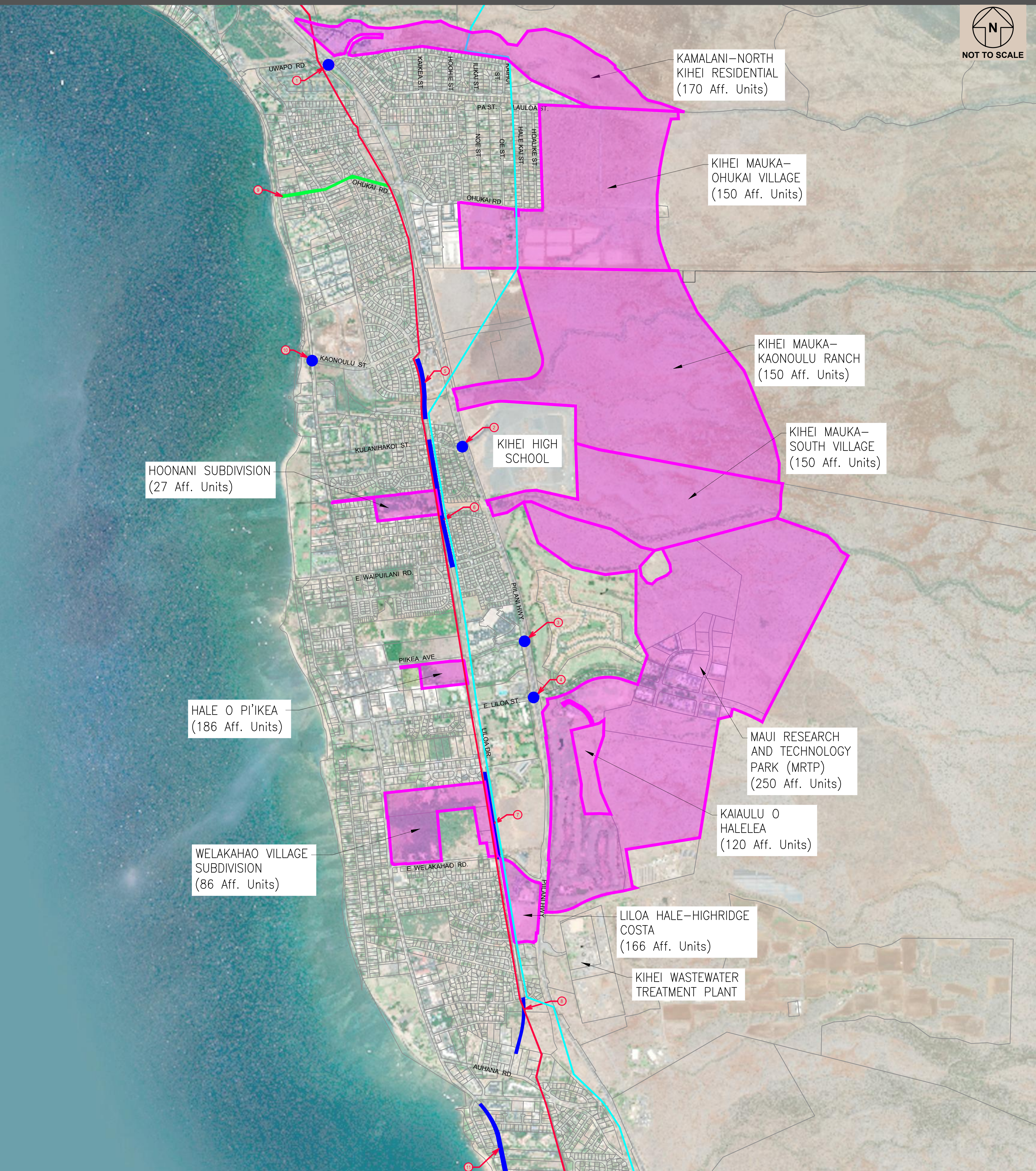


FIGURE 2d

ROADWAY IMPROVEMENTS
SOUTH MAUI (KIHEI)

Austin Tsutsumi & Associates, Inc.
Engineers & Surveyors



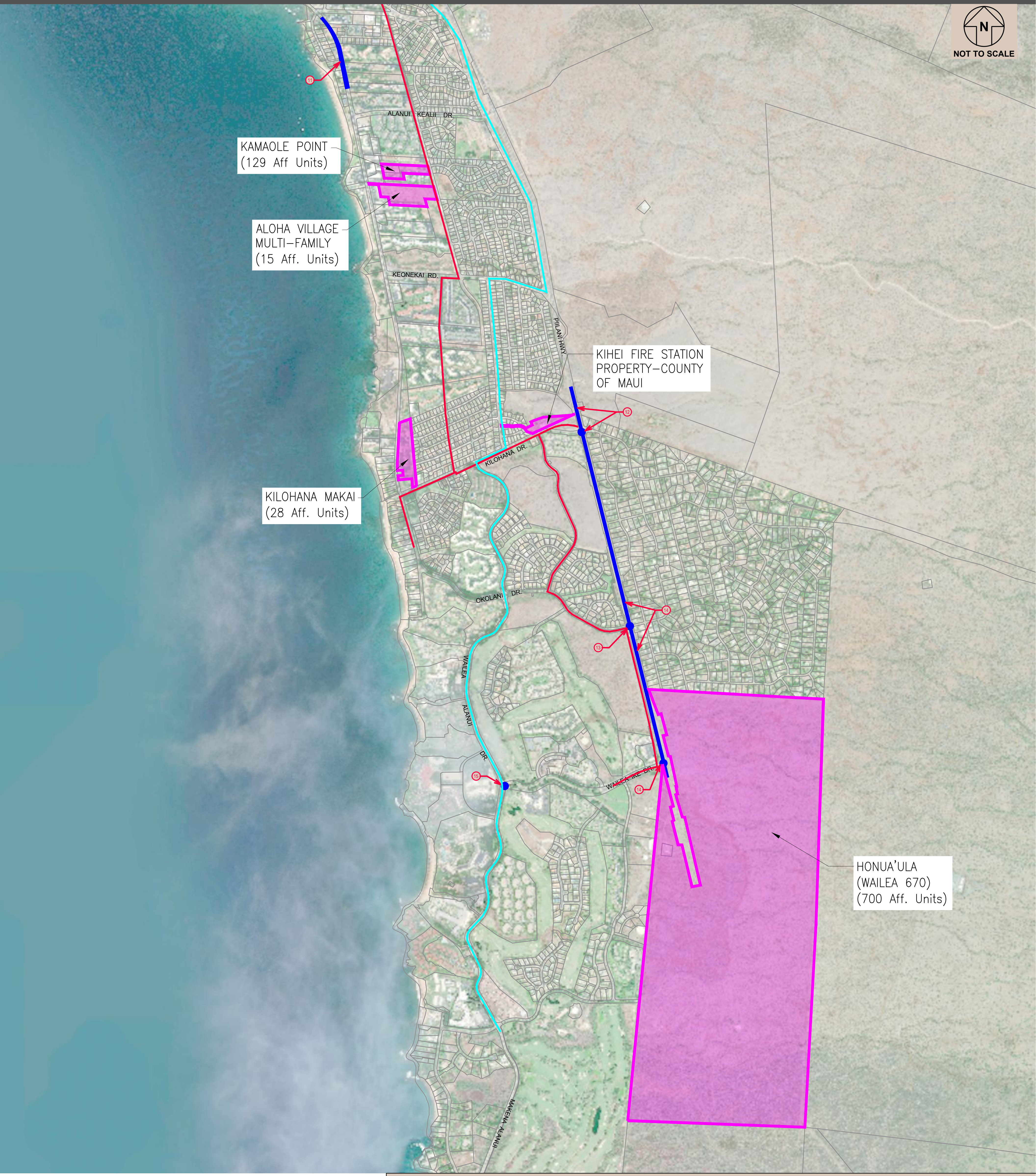
LEGEND

- EXISTING 18" WATER LINE
- EXISTING 36" WATER LINE
- CAPACITY/WIDENING IMPROVEMENT
- SIDEWALK/MULTIMODAL IMPROVEMENT
- INTERSECTION IMPROVEMENTS
- SOUTH MAUI IMPROVEMENT PROJECTS

1. PIILANI HWY/KAIWAHINE ST WIDENING IMPROVEMENTS (KAMALANI)
2. PIILANI HWY/KULANIHAKOI ST WIDENING IMPROVEMENTS (KIHEI HS & STATE DOT)
3. PIILANI HWY/PIIKEA AVE WIDENING IMPROVEMENTS (KRAUSZ DOWNTOWN KIHEI)
4. PIILANI HWY/LIPOA ST WIDENING IMPROVEMENTS (MAUI RESEARCH & TECH PARK)
5. LILOA DRIVE EXTENSION PHASE 1 (DPW)
6. LILOA DRIVE EXTENSION PHASE 2 (DPW)
7. LILOA DRIVE EXTENSION PHASE 3 (DPW)
8. LILOA DRIVE EXTENSION PHASE 4 (DPW)
9. OHUKAI ROAD SIDEWALK IMPROVEMENTS (DPW)
10. S. KIHEI ROAD/KAONOULU RD SIGNAL (MAUI BAY VILLAS)
11. S. KIHEI ROAD IMPROVEMENTS (MAUI COAST HOTEL)

FIGURE 2d1

ROADWAY IMPROVEMENTS
SOUTH MAUI (KIHEI)



LEGEND

- EXISTING 18" WATER LINE
- EXISTING 36" WATER LINE
- CAPACITY/WIDENING IMPROVEMENT
- SIDEWALK/MULTIMODAL IMPROVEMENT
- INTERSECTION IMPROVEMENTS

7 LILOA DRIVE EXTENSION PHASE 3 (DPW)

8 LILOA DRIVE EXTENSION PHASE 4 (DPW)

11 SOUTH KIHEI ROAD IMPROVEMENTS (MAUI COAST HOTEL)

12 PIILANI HWY MAUKA WIDENING PHASE 1 (LEDCOR)

SOUTH MAUI IMPROVEMENT PROJECTS

13 PIILANI HWY/OKOLANI DR. SIGNAL (KAI MALU)

14 PIILANI HWY WIDENING PHASE 2 & 3 (HONUA'ULA & MAKENA RESORT)

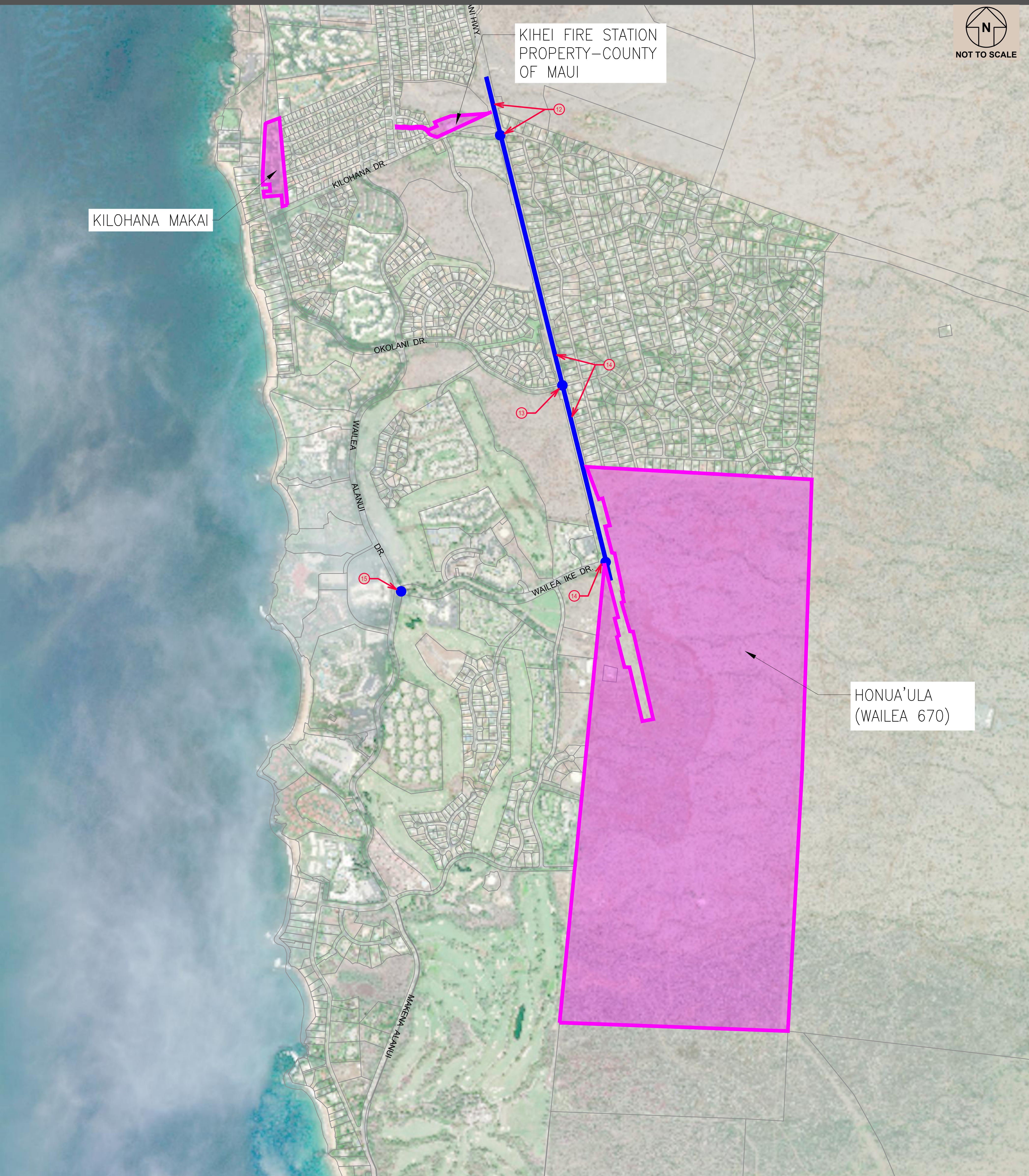
15 WAILEA IKE DR/WAILEA ALANUI RD WIDENING IMPROVEMENT (HONUA'ULA)

16 SMALLER PROJECTS CONNECT TO EXISTING WATER/WASTEWATER LINES FOR SERVICE

17 LARGER PROJECTS (>100 UNITS) REQUIRE OFFSITE IMPROVEMENTS, i.e. WATER WELL TRANSMISSION LINES, UPSIZING WASTEWATER TREATMENT PLANT OR PRIVATE SYSTEM

FIGURE 2d2

ROADWAY IMPROVEMENTS
SOUTH MAUI (KIHEI)



LEGEND

- CAPACITY/WIDENING IMPROVEMENT
- SIDEWALK/MULTIMODAL IMPROVEMENT
- INTERSECTION IMPROVEMENTS

12 PIILANI HWY MAUKA WIDENING PHASE 1 (LEDCOR)

13 PIILANI HWY/OKOLANI DR SIGNAL (KAI MALU)

14 PIILANI HWY WIDENING PHASE 2 & 3 (HONUA'ULA & MAKENA RESORT)

SOUTH MAUI IMPROVEMENT PROJECTS

15 WAILEA IKE DR/WAILEA ALANUI RD WIDENING IMPROVEMENT (HONUA'ULA)

MAUI COUNTY COMPREHENSIVE AFFORDABLE HOUSING

Austin Tsutsumi & Associates, Inc.
Engineers & Surveyors

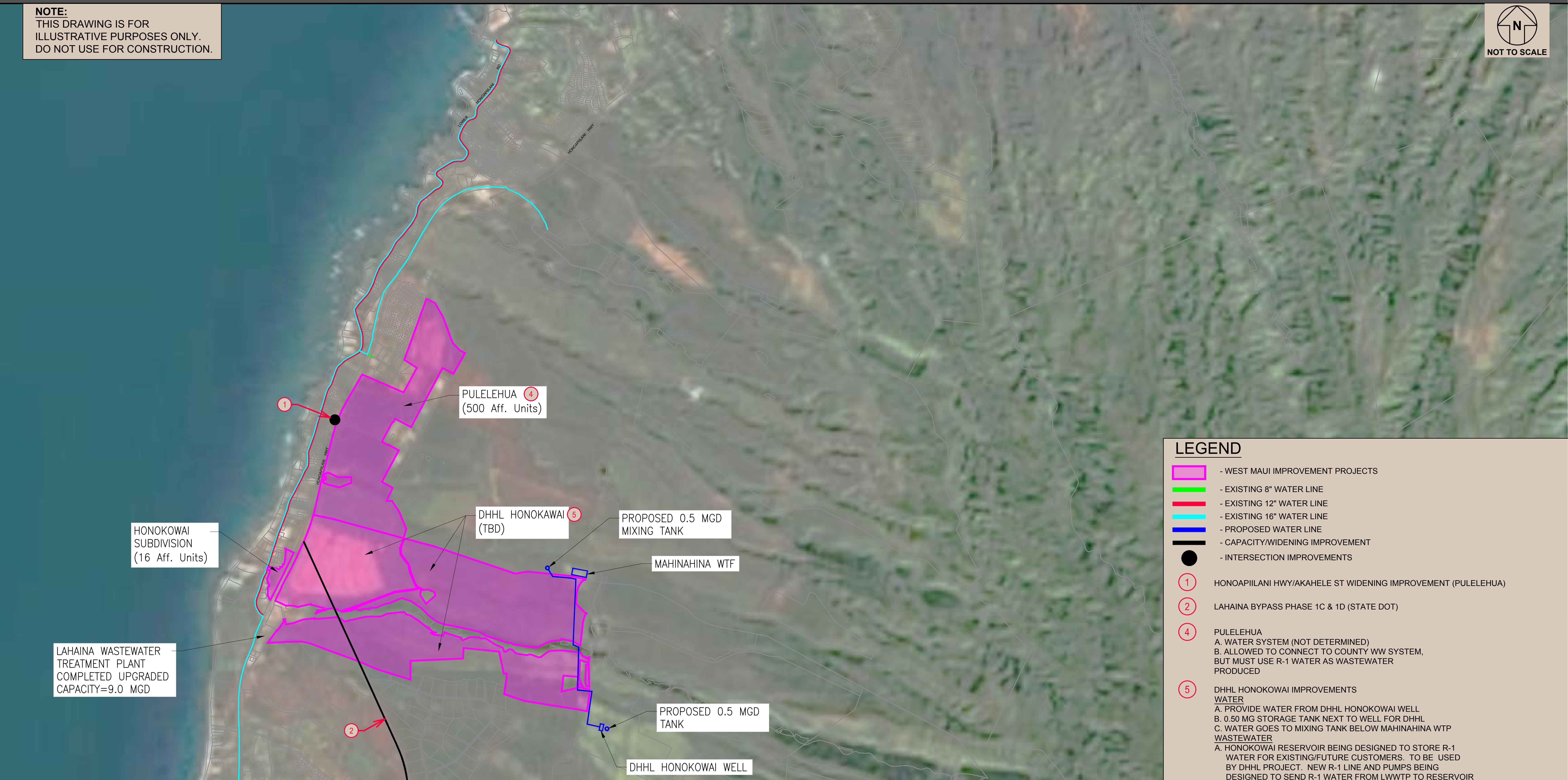


FIGURE 3

ROADWAY IMPROVEMENTS
WEST MAUI

MAUI COUNTY COMPREHENSIVE AFFORDABLE HOUSING

Austin Tsutsumi & Associates, Inc.
Engineers & Surveyors

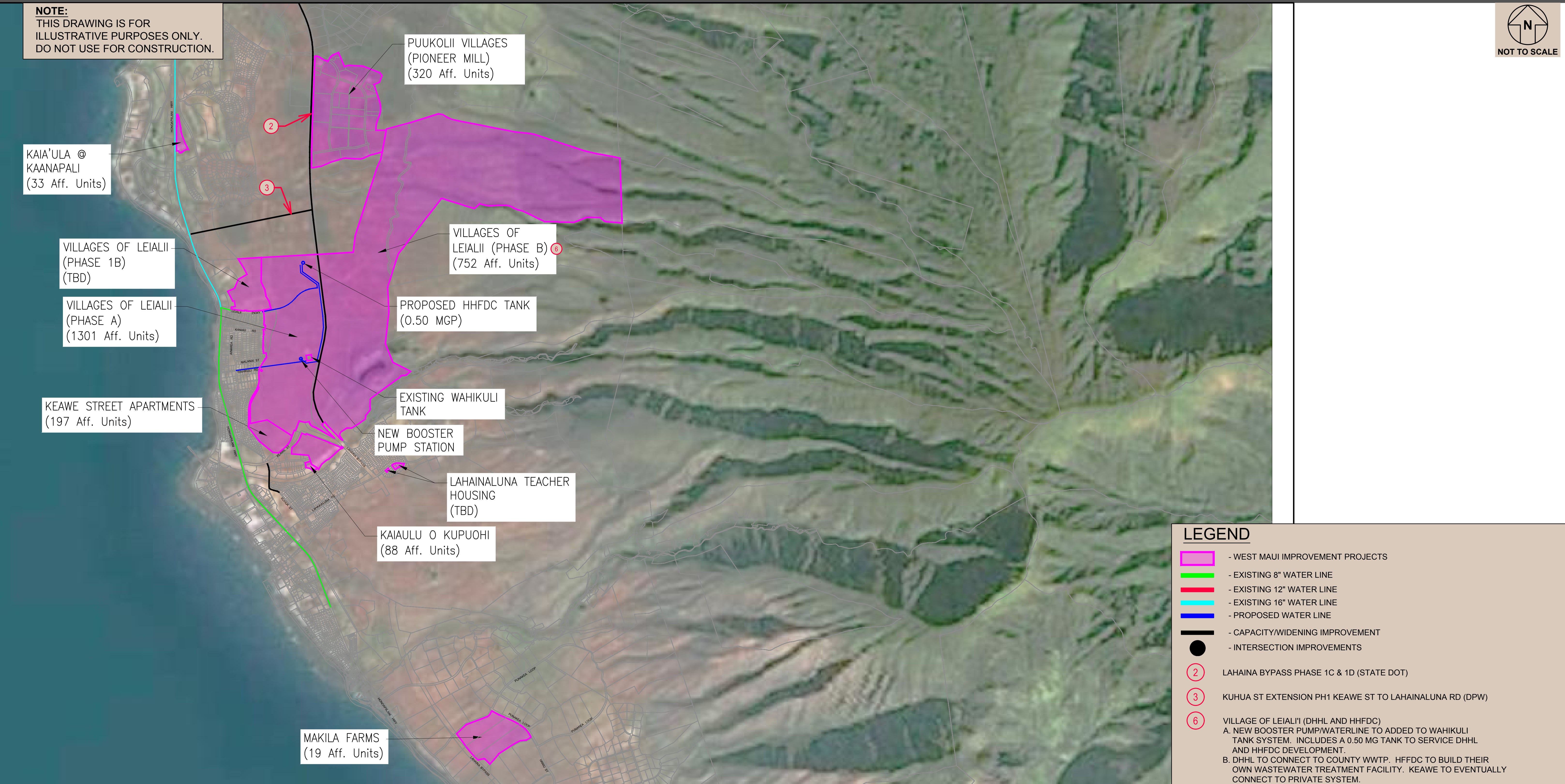


FIGURE 3a

ROADWAY IMPROVEMENTS
WEST MAUI

Appendix J

Housing Affordability Analyses

The HCA team has developed the following analyses with feedback from key stakeholders to identify development costs of homes and sales and rental prices.

Single-Family Home Analysis

The following is a pro forma for the cost of homes built without public support (market) and with public support based on our recommendations (land trust).

Development Costs	Market	Land Trust	Recommendations
Land	$ 75,000	$ -	Change 2.96 to dedicate 25% of land to workforce and affordable housing; contract land trust/nonprofit to manage land for long-term affordability
Subdivision Improvements	$ 80,000	$ -	Establish infrastructure fund and align new and existing resources
Building (1300 sq ft home)	$ 260,000	$ 260,000	
Soft Costs (financing, insurance, legal, taxes, marketing)	$ 30,000	$ 10,000	County lead on identifying and preserving cultural and environmental resources; update project review and approval process to reduce development timeline
Infrastructure Fees	$ 40,000	$ -	Exemption from community serving infrastructure costs
Subtotal	$ 485,000	$ 270,000	
Profit (8-10%)	$ 48,500	$ 21,600	
Overhead (4%)	$ 19,400	$ 10,800	
Total Cost	**$ 552,900**	**$ 302,400**	

Single-Family Home Affordability Analysis for 100% AMI to 140% AMI

The following is a home affordability analysis for single-family homes built by private builders on fee simple land with and without County housing supports from the Affordable Housing Fund.

Conventional Loan		**Market Sales Price/Costs**		**$40k Infrastructure Fee Waiver**		**$40k Infrastructure Fee Waiver + $50k deferred loan**		**Duplex, $70k Infrastructure Fee Waiver, $50k deferred loan**
Home Sales Price		$ 552,900		$ 512,900		$ 462,900		$ 392,900
4%/30-year mortgage		$2,640		$2,449		$2,210		$1,876
Taxes		124.4025		115.4025		104.1525		88.4025
Insurance		150		150		150		150
Condo Fee		0		0		0		0
Total Monthly Mortgage Payment (Principal, Interest, Taxes, Insurance)		**$2,914**		**$2,714**		**$2,464**		**$2,114**
Monthly Income Required @30%		$9,713		$9,047		$8,214		$7,047
Annual HH Income		**$116,561**		**$108,563**		**$98,564**		**$84,567**
AMI Level		140%		131%		119%		102%

Single-Family Home Affordability Comparison for 40% AMI to 100% AMI

The following is a home affordability comparison for single-family homes built by private builders on a community land trust with County housing supports from the Affordable Housing Fund.

Conventional Loan	**No Land or Infrastructure Cost, $40k Fee Waiver**	**No Land or Infrastructure Cost Fee Waiver $50k deferred loan**	**USDA 502 Subsidized Loan**	**No Land or Infrastructure Cost, $40k Fee Waiver**	**No Land or Infrastructure Cost Fee Waiver $50k deferred loan**
Home Sales Price	$ 302,400	$ 252,400	Home Sales Price	$ 302,400	$ 252,400
4%/30-year mortgage	$1,444	$1,205	4%/33-year mortgage	$897	$666*
Taxes	68.04	56.79	Taxes	68.04	56.79
Insurance	148	146	Insurance	148	146
Condo Fee	0	0	Condo Fee	0	0
Total Monthly Mortgage Payment (Principal, Interest, Taxes, Insurance)	**$1,660**	**$1,408**	**Total Monthly Mortgage Payment (Principal, Interest, Taxes, Insurance)**	**$1,113**	**$868**
Income Required @30%	$5,532	$4,693	Income Required @30%	$3,710	$2,894
Annual HH Income	**$66,390**	**$56,311**	**Annual HH Income**	**$44,516**	**$34,734**
AMI Level	80%	68%		54%	42%
			*Interest Credit reduces interest rate to 1%, 38-year term		

Multi-Family Home Affordability Comparison for <30% AMI to 80% AMI

The following is a home affordability comparison for a 100-unit multi-family home project built by private builders on a community land trust with County housing supports from the Affordable Housing Fund.

Rental Housing Pro Forma								
100-unit project								
Unit Mix								
Affordability Level	30%	**Monthly Rent***	50%	**Monthly Rent***	60%	**Monthly Rent***	80%	**Monthly Rent***
1 Bedroom	4	**$567**	10	**$961**	4	**$1,153**		
2 Bedroom	10	**$692**	19	**$1,153**	5	**$1,384**	4	**$1,846**
3 Bedroom	11	**$799**	21	**$1,332**	8	**$1,599**	4	**$2,132**
Total Number Units	**25**		**50**		**17**		**8**	
		*Includes utilities						
Development Budget								
Uses				**Sources**				
Land		$1,500,000		1st Mortgage	$7,340,000			
Offsite improvements		$500,000		Rental Housing Revolving Fund	$6,000,000			
Construction		$29,940,000		State Credit	$8,300,000			
Builder O/GC/P		$4,000,000		Federal 4% Credit	$16,600,000			
Contingency		$3,400,000		Affordable Housing Fund	$15,500,000			
Soft Costs		$13,000,000		Land and Offsite Donation	$2,000,000			
Developer Fee		$3,400,000						
Total		**$55,740,000**			**$55,740,000**			
NOTE: This pro forma assumes infrastructure donation + land dedication								