

RICHARD T. BISSEN, JR.
Mayor

RICHARD E. MITCHELL, ESQ.
Director

SAUMALU MATA'APA
Deputy Director

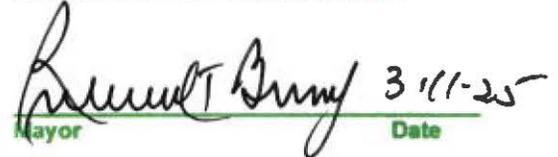


DEPARTMENT OF HOUSING
COUNTY OF MAUI
2065 MAIN STREET, SUITE 108
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7351
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March 6, 2025

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

APPROVED FOR TRANSMITTAL


Mayor Date 3/11/25

For Transmittal to:

Honorable Tasha Kama, Chair
Housing and Land Use Committee
Maui County Council
200 South High Street
Wailuku, Maui, Hawaii 96793

Dear Chair Kama:

SUBJECT: DEPARTMENT OF HOUSING UPDATES (HLU-3(1))

The Department of Housing (Department) is in receipt of your letter dated February 20, 2025, requesting a response to the questions noted below, relating to the First-Time Homebuyers Down Payment Assistant (FTHB) Program. The Department's responses are as follows:

1. Explain whether \$30,000 for each grantee is sufficient.

FTHB Program applicants and grantees face increasing challenges with finding and financing suitable affordable homes. As home prices and interest rates rise, the number of FTHB grantees able to successfully complete the program decreases.

Since Fiscal Year (FY) 2023, the number of FTHB Program escrow closings per year has been three or less, which is down from six in FY 2022, 19 in FY 2021, and 44 in FY 2020. Only one of the five most recent home purchases was a market-priced home, the remaining homes were Workforce Housing single-family homes.

Purchase contracts for workforce homes executed several years ago have become less affordable with high interest rates once construction is complete. Correspondingly, FTHB Program participants have expressed the desire to refinance their homes in the future.

Given the current interest rate climate, the Department is revising the FTHB Program guidelines to better serve grantees and applicants. Proposed revisions include prioritizing program applicants who are ready to close on a home and timing the FTHB Program lottery with the completion of workforce housing projects.

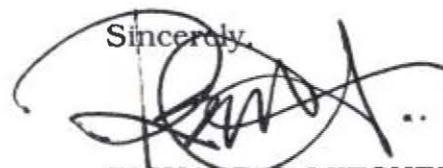
2. Explain how grantees are selected and issued their grants.

Applicants are contacted in the order their lottery card was drawn during an open application period and are required to submit a FTHB Program application with supporting documents to determine eligibility.

Prospective grantees have 45 days to search for a home, with the opportunity for an additional 45-day extension, and 90 days to close escrow following the signing of a purchase contract.

During that time, a grant agreement and lien on real property are executed between the grantee and the County, followed by the payment of grant funds to the title company on behalf of the client. The Department works with the client grantee, the lender, and the escrow officer throughout the process.

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

Sincerely,


RICHARD E. MITCHELL, ESQ.
Director of Housing

HLU Committee

From: Michelle L. Santos <Michelle.Santos@co.maui.hi.us>
Sent: Tuesday, March 11, 2025 11:30 AM
To: HLU Committee
Cc: Cynthia E. Sasada; Erin A. Wade; Josiah K. Nishita; Kelii P. Nahooikaika; Amanda M. Martin; Richard E. Mitchell; Saumalu Mataafa
Subject: MT#10986-Bill 22, Bill12, Bill 74, MT#10987-Dept. of Housing Updates, MT#10992-Bill 22, Bill 12, Bill 74
Attachments: MT#10986-HLU Committee.pdf; MT#10987-HLU Committee.pdf; MT#10992-HLU Committee.pdf

Michelle L. Santos

Office Operations Assistant I

Office of the Mayor

County of Maui

808-270-7855