

COUNCIL OF THE COUNTY OF MAUI
BUDGET, FINANCE, AND ECONOMIC
DEVELOPMENT COMMITTEE

March 19, 2021

Committee
Report No. _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget, Finance, and Economic Development Committee, having met on March 3, 2021, makes reference to the following:

1. A Miscellaneous Communication dated November 12, 2020, from the Deputy County Clerk, referring the matter relating to the Hale O Pi'ikea Affordable Housing Project in Kihei, Maui, Hawaii.

2. County Communication 21-118, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2021, AFFORDABLE HOUSING FUND (HALE O PIIKEA)."

The purpose of the proposed bill is to amend Appendix A, Part II, Special Purpose Revenues - Schedule of Revolving/Special Funds for Fiscal Year 2021 Budget, by adding a proviso in the amount of \$5,768,650 under the Affordable Housing Fund for the Hawaiian Community Development Board for land acquisition for the Hale O Pi'ikea Project, tax map key (2) 3-9-002-076, located at Pi'ikea and Liloa Drive, Kihei, Maui, Hawaii.

The Budget Director stated the bill would amend Appendix A, Part II, by adding an earmark to the Affordable Housing Fund in the amount of

COUNCIL OF THE COUNTY OF MAUI
BUDGET, FINANCE, AND ECONOMIC
DEVELOPMENT COMMITTEE

Page 2

Committee
Report No. _____

\$5,768,650 for the Hawaiian Community Development Board for the Hale O Pi'ikea project.

The Deputy Director of Housing and Human Concerns explained these funds would be for land acquisition to construct phase one of a 90-unit multifamily affordable housing rental project consisting of nine units at or below 30 percent of the area median income ("AMI"), nine units at or below 50 percent of the AMI, 71 units at or below 60 percent of the AMI, and one unit for an on-site property manager.

Your Committee notes 'Ikenakea Development LLC and Ho'okahua Development LLC ("Developer") combines a team of two organizations, Hawaiian Community Development Board and 3 Leaf Holdings, to work toward developing affordable housing for Hawaiians in depressed and blighted communities.

Your Committee clarified with the Developer that after the sixty-one year affordability period expires, the property would be re-syndicated and an application for replacement costs to update the property would be needed. The Developer said this would involve applying for a new tax credit, which would place another affordability restriction on the property.

Your Committee voted 9-0 to recommend passage of the proposed bill on first reading and filing of the communications. Committee Chair Rawlins-Fernandez, Vice-Chair Paltin, and members Johnson, Kama, King, Lee, Molina, Sinenci, and Sugimura voted "aye."

Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating nonsubstantive revisions.

Your Budget, Finance, and Economic Development Committee **RECOMMENDS** the following:

COUNCIL OF THE COUNTY OF MAUI
BUDGET, FINANCE, AND ECONOMIC
DEVELOPMENT COMMITTEE

Page 3

Committee
Report No. _____

1. That Bill _____ (2021), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2021, AFFORDABLE HOUSING FUND (HALE O PIIKEA)," be PASSED ON FIRST READING and be ORDERED TO PRINT;
2. That the Miscellaneous Communication be FILED; and
3. That County Communication 21-118 be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



KEANI N.W. RAWLINS-FERNANDEZ, Chair

ORDINANCE NO. _____

BILL NO. _____ (2021)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A
OF THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES –
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2021,
AFFORDABLE HOUSING FUND (HALE O PIIKEA)

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

SECTION 1. Ordinance No. 5099, Bill No. 64 (2020), Draft 1, as amended, "Fiscal Year 2021 Budget", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2021, is hereby amended as it pertains to the Affordable Housing Fund, by adding a proviso for \$5,768,650 for Hale O Piikea, to read as follows:

**"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL
FUNDS FOR FISCAL YEAR 2021**

	<u>ESTIMATED BALANCE AS OF 6/30/2020</u>	<u>ANTICIPATED REVENUES FOR FY 2021</u>	<u>TOTAL FOR FY 2021</u>
L. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	26,298,355	15,037,010	41,335,365
(1) Up to \$70,000 must be for Administrative Expenses.			
(2) Up to \$2,000,000 must be for planning, design, engineering, construction, and construction related to the Lanai Affordable Housing Project.			
(3) Up to \$4,000,000 must be for Hale Mahaolu for the acquisition of the Lokenani Hale affordable senior rental housing units. The 62 one-bedroom, one-bath units will include four units at or below 30 percent of the AMI, 57 units at or below 50 percent of the AMI, and one unit for an on-site property manager. The affordability period is in perpetuity.			
(4) Up to \$1,508,558 must be for Ikaika Ohana for the acquisition, planning and design, and professional services for the Kaiulu O Halelea project, TMK: (2) 2-2-024:033, located at Lipoa Parkway, Kihei, Maui,			

Hawaii. The 64-unit multifamily rental project will include 14 units at or below 40 percent of the AMI, 49 units at or below 60 percent of the AMI, and one unit for an on-site property manager. The affordability period is 65 years.

- (5) Up to \$4,300,000 must be for Liloa Senior Housing, LP for the planning, design, and construction for the Liloa Hale project, TMK: (2) 2-2-002:072, located at Welakahao Road, Kihei, Maui, Hawaii. The 150-unit multifamily senior rental project will include 11 units at or below 30 percent of the AMI, 138 units at or below 60 percent of the AMI, and one unit for an on-site property manager. The affordability period is 60 years.
- (6) Up to \$900,000 must be for Aloha House for the acquisition of two separate residential buildings to be used as special needs, long-term housing for substance abuse treatment, to serve 16 individuals at or below 50 percent of the AMI. The affordability period is in perpetuity.
- (7) Up to \$3,000,000 must be for the acquisition and renovation of an existing building and property at 95 South Kane Street, Kahului, Maui, Hawaii, to provide additional shelter beds.
- (8) Up to \$707,258 must be for the acquisition of real property at the Kahoma Residential Subdivision for the residential workforce housing unit buy-back of TMK (2)4-5-037-013, located at 244 Komo Mai Street, Lahaina, HI 96761.
- (9) Provided, that \$5,768,650 must be for the Hawaiian Community Development Board for land acquisition for the Hale O Piikea project, TMK (2) 3-9-002-076, located at Piikea and Liloa Drive, Kihei, Maui, Hawaii. The 90-unit multifamily rental project will include nine units at or below 30 percent of the AMI, nine units at or below 50 percent of the AMI, 71 units at or below 60 percent of

the AMI and one unit for an on-site property manager. The affordability period is 61 years.

SECTION 2. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:

/s/Kristina C. Toshikiyo

KRISTINA C. TOSHIKIYO
Deputy Corporation Counsel