RICHARD T. BISSEN, JR.
Mayor

JOSIAH NISHITA
Managing Director

OFFICE OF THE MAYOR
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAIʻI 96793
www.mauicounty.gov

March 27, 2025

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

APPROVED FOR TRANSMITTAL

3-27-25

Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura:

SUBJECT: **BILL 33, CD1 (2025), AMENDING THE FISCAL YEAR 2025 BUDGET: APPENDIX A, PART II, AFFORDABLE HOUSING FUND, KAIAULU O NAPILI** (BFED-30)

Pursuant to your correspondence dated March 20, 2025, please see attached Bill 33, CD1 (2025).

Should you have any questions, please contact me at ext. 8239.

Sincerely,

LESLEY MILNER
Budget Director

Attachment

ORDINANCE NO. ______

BILL NO. __33, CD1___(2025)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2025 BUDGET FOR THE COUNTY OF MAUI,
APPENDIX A, PART II, AFFORDABLE HOUSING FUND,
KAIAULU O NAPILI

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

SECTION 1. Ordinance No. 5657, Bill No. 60, CD1, FD2 (2024), as amended "Fiscal Year 2025 Budget", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2025, Affordable Housing Fund, is amended to add conditional language appropriating $650,000 for a grant to A0746 Lahaina, L.P. for pre-development costs for the Kaiaulu O Napili Affordable Housing Project located at TMK (2)4-3-001:096, Nāpili, Maui, Hawai'i, to read as follows:

	"**ESTIMATED BALANCE AS OF 6/30/2024**	**ANTICIPATED REVENUES FOR FY 2025**	**TOTAL FOR FY 2025**
L. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code) (1) Up to $70,000 must be for administrative expenses. (2) Up to $1,500,000 must be for a grant to Lahaina Community Land Trust for the acquisition of property in Lahaina, Maui, Hawai'i. (3) Up to $3,000,000 must be for a grant to Homestead Community Development Corporation (HCDC) for the Permanently Affordable Rental Unit Strategy (PARUS). All homes acquired for PARUS must be in West Maui for those displaced by the wildfires. (4) Up to $3,500,000 must be for affordable housing projects within the Lahaina Wildfire Disaster Area, of which up to $500,000 may be for Lahaina Community Land Trust for administrative costs for the program. Funds may be disbursed for grants of up to $300,000 per household	26,659,683	61,402,910	88,062,593"

earning 140% and below of Area Median Income (AMI). Funds are for gap financing if there is a gap between what the applicant's homeowner insurance will cover for the rebuild of their owner-occupied home up to the home's original square footage in exchange for a 60-year affordable deed restriction. Preference would be based on length of residency within the West Maui Community Plan Area to the extent permitted by law.

(5) Up to $15,000,000 must be for a new grant to MOV Construction LLC and assigns for the Pulelehua project at TMKs: (2) 4-3-001:082 and 083 located on Akahele Street in Lahaina, Maui, Hawai'i.
   (i) The project must obtain a Certificate of Occupancy for its first building within 30 months after the execution of the grant agreement with the County and issuance of all required permits needed to proceed with development. The first Certificate must be issued by June 2027. A one-year extension must be issued if permits are not issued for civil and vertical construction by December 31, 2024.
   (ii) The Council finds that, for soonest vertical construction to commence on the 240 affordable rental units, the project would require the issuance of a Will Serve letter by the Department of Water Supply for temporary access to 75,000 gallons per day of water for up to five years while the Commission on Water Resource Management completes its review of the project's new use permit for the two privately owned wells at Pulelehua.
   (iii) The project developers must pay prevailing wages.
   (iv) The previously executed Workforce Housing agreement

for Pulelehua must be amended to reflect the following details: all 240 units in Phase I must be built for rental purposes only and will be divided in equal parts within the following AMI categories: 80 units within 80–100 percent AMI, 80 units within 101–120 percent AMI, 80 units within 121–140 percent AMI. If Low-Income Housing Tax Credit (LIHTC) funding is approved for the project, the aforementioned AMI categories will be adjusted to reflect the requirements of LIHTC funding for 40 units out of the 80–100 percent AMI category, as well as to redistribute and increase the number of units within the 80–120 percent AMI categories as much as possible without risking the financial feasibility of the project.

(v) If the original grant agreement is terminated, the budget must be amended so the amount disencumbered is allocated to increase the funding for this project by the same amount.

(6) Up to $36,000,000 must be for a loan to Ikaika Ohana for the Kaiāulu o Kupuohi project consisting of 89 units located at 258 Kupuohi Street in Lahaina, Maui, Hawaiʻi.

(7) Up to $3,100,000 must be for the acquisition of 258 Kupuohi Street in Lahaina, Maui, Hawaiʻi subject to a lease agreement with Ikaika Ohana.

(8) Up to $7,000,000 must be for a loan to Aikanaha Partners LP for the Aikanaha Project Phase I. The Aikanaha Project Phase I will include 11 units at or below 30 percent of the AMI, 11 units at or below 50 percent of the AMI, 83 units at or below 60 percent of the AMI, and one unit for an onsite manager. The affordability period is a minimum of 62 years. TMK (2) 3-6-002:003

(por.) located on 5.3 acres in Waikapu Country Town east of the Honoapi'ilani Highway, Wailuku, Maui, Hawai'i.

(9) Up to $7,000,000 must be for a loan to Aikanaha Partners LP for the Aikanaha Project Phase II. The Aikanaha Project Phase II will include 11 units at or below 30 percent of the AMI, 11 units at or below 50 percent of the AMI, 83 units at or below 60 percent of the AMI, and one unit for an onsite manager. The affordability period is a minimum of 62 years. TMK (2) 3-6-002:003 (por.) located on 4.6 acres in Waikapu Country Town east of the Honoapi'ilani Highway, Wailuku, Maui, Hawai'i.

(10) All remaining funds in the Affordable Housing Fund must be used for affordable housing projects in West Maui, north of Puamana.

(11) Up to $250,000 must be for a grant to A0703 West Maui, L.P. for off-site sewer main extension and road improvements for the Kaiaulu O Kukuia Affordable Housing Project in Lahaina, Maui, Hawai'i.

<u>(12) Up to $650,000 must be for a grant to A0746 Lahaina, L.P. for pre-development costs for the Kaiaulu O Napili Affordable Housing Project located at TMK (2)4-3-001:096, Nāpili, Maui, Hawai'i.</u>

SECTION 2. Material to be repealed is bracketed. New material is underscored.

SECTION 3. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:

KRISTINA C. TOSHIKIYO
Deputy Corporation Counsel