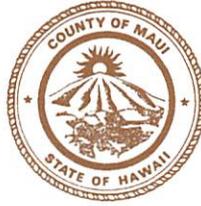


ALAN M. ARAKAWA
MAYOR



RECEIVED KEITH A. REGAN
MANAGING DIRECTOR

2018 SEP 28 AM 9:50

OFFICE OF THE MAYOR

Ke'ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

OFFICE OF THE
COUNTY CLERK

REFERENCE NO. BD-BA 19-27

September 28, 2018

Honorable Alan Arakawa
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL


Mayor 9/28/18
Date

For Transmittal to:

Honorable Michael White, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair White:

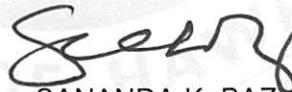
SUBJECT: AMENDMENT TO THE FISCAL YEAR 2019 BUDGET

On behalf of the Department of Housing and Human Concerns, I am transmitting the attached proposed bills for the purpose of amending Appendix A, Part II of the Fiscal Year 2019 Budget by adding appropriations from the Affordable Housing Fund to conduct feasibility studies on three sites the department has identified as possible locations to construct long-term rental housing for very low-income residents.

The department has provided the attached narrative to support this request.

Thank you for your attention in this matter. Should you have any questions, please feel free to contact me at ext. 7212.

Sincerely,


SANANDA K. BAZ
Budget Director

Attachments (4)

cc: Keith Regan, Managing Director
Mark Walker, Director of Finance
William Spence, Director of Housing and Human Concerns

COUNTY COMMUNICATION NO. 18-347

ORDINANCE NO. _____

BILL NO. _____ (2018)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A
OF THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2019,
AFFORDABLE HOUSING FUND

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

SECTION 1. Ordinance No. 4861 Bill No. 57 (2018), as amended, "Fiscal Year 2019 Budget", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2019, is hereby amended as it pertains to the Affordable Housing Fund, by adding a proviso for \$70,000 for a feasibility study for the construction of long-term rental housing for persons or families within the very low-income group, to read as follows:

"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2019

	<u>ESTIMATED BALANCE AS OF 6/30/18</u>	<u>ANTICIPATED REVENUES FOR FY 2019</u>	<u>TOTAL FOR FY 2019</u>
"M. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	14,387,781	6,429,714	20,817,495"
(1) Provided, that no more than \$70,000 shall be for Administrative Expenses.			
(2) Provided, that \$1,000,000 from the West Maui Affordable Housing funds shall be for the Na Hale O Maui Kahoma Homes project of Housing and Land Enterprise of Maui, dba Na Hale O Maui, for the continued construction of twelve homes in the Kahoma Residential Project. Eight homes to be sold to families with a household income at 100 percent and below of area median income and four homes to be sold to families with a household income between 101 percent and 120 percent of area median income.			
(3) Provided, that \$2,000,000 shall be for planning, design, and engineering of the Lanai Affordable Housing Project, Phase I.			
(4) Provided, that \$2,000,000 shall be for a First-time Homebuyers Program. No funds shall be granted until Council has approved, by Resolution, a First-time Homebuyers Program that shall include, but not be limited to, the maximum grant amount to an individual and			

- considerations regarding the overall subsidy received by an individual.
- (5) Provided, that \$1,000,000 shall be for residential workforce housing units buy-back.
 - (6) Provided, that \$250,000 shall be the County's match for the appraisal and other preparations for the condemnation of the ground lease for the Front Street Apartments affordable housing project. Funds shall not be expended until the Hawaii Housing Finance and Development Corporation provides dollar-for-dollar matching funds and the County and the Hawaii Housing Finance and Development Corporation have entered into a Memorandum of Agreement detailing the terms of the County's financial obligation.
 - (7) Provided, that \$105,000 shall be for the Hawaii Housing Planning Study.
 - (8) Provided, that \$70,000 shall be for a feasibility study of 5.752 acres identified as TMKs: 3-9-038:026, 2-1-008:046, and 2-1-008:113 and located off Kilohana Drive in Kihei, Maui to construct long-term rental housing for persons or families within the very low-income group.

SECTION 2. New material is underscored.

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

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. _____ (2018)

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- (7) Provided, that \$105,000 shall be for the Hawaii Housing Planning Study.
- (8) Provided, that \$70,000 shall be for a feasibility study of 3.93 acres identified as TMKs: 3-9-002:102, 3-9-002:103, and 3-9-002:104 and located on East Kapu Place in Kihei, Maui to construct long-term rental housing for persons or families within the very low-income group.

SECTION 2. New material is underscored.

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APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel

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- (7) Provided, that \$105,000 shall be for the Hawaii Housing Planning Study.
- (8) Provided, that \$70,000 shall be for a feasibility study of 4.02 acres identified as TMK: 4-4-001:106 and located in Honokowai, West Maui to construct long-term rental housing for persons or families within the very low-income group.

SECTION 2. New material is underscored.

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

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel

Very Low Income Housing Feasibility Studies

Maui has a significant homeless population that would move into long-term housing if it were available. This income group is classified as “very low income,” and there are currently few to no housing options except for shelters. But shelters are not an answer as they do not provide the sense of stability that is needed to end the cycle of homelessness. They are not “homes” but a short-term band-aid at best. The best solution to help our homeless is to follow through in accordance with the “Housing First” policy, where the housing provides stability and permanence where lives can become productive again.

As this income group cannot afford even workforce rentals, the most desirable solution would be to construct long-term very low income rentals. These would not be homeless shelters or transitional housing, but would be intended as permanent, affordable rental housing for those individuals who are functional, employed, and do not need extensive social services. Such a project would be managed by a nonprofit with the experience and qualifications to serve this segment of our community.

Through various documents, professionals, and members of the community, three possible sites have been identified that might be suitable for such a project. Two of the sites are owned or are under the control of the county; one is privately owned where the owner has expressed an interest in such a project. These sites are identified on the following pages.

Each property would have to be evaluated through technical studies before a site can be chosen or any significant taxpayer or private monies are invested. These studies amount to a developers due diligence prior to purchasing a property. The information and analysis to be gathered for each includes but would not be limited to:

- Survey with topography.
- Available infrastructure and rough estimates for needed improvements.
- Estimates for site preparation (grading, rough idea of soils), drainage issues.
- The conceptual number of units that could be constructed on each site, along with possible layouts.
- What entitlements or discretionary permits would be required for such a project.
- Archeological evaluation, if not an inventory survey.
- Analysis if a project would meet the needs of the targeted population. Factors would include proximity to jobs, goods and services, transportation, etc.
- Projected overall costs and a timeline for each site.

A rough estimate for feasibility studies would be approximately \$70,000 per site, or \$210,000. The DHHC would follow procurement law and put out a RFP in order to use the funds.

While the intent is to evaluate these sites to provide for our homeless population, studies like these provide the county with information regarding their own properties.



1. **Wailea Fire Station** TMKs 3-9-038: 026 (3.152 acres), 2-1-008:046 and 113 (1.562 and 1.038 acres respectively). These three parcels off of Kilohana Drive are owned by Maui County and comprise 5.75 acres. Somewhat less acreage is available because a portion of the site is occupied by the fire station. The properties are inside the SMA, but not in any flood zone.

Existing entitlements:

State District	Urban
Maui Island Plan	Inside growth boundary
Kihei Makena CP	Public
County zoning	P-1 Public/Quasi-public



2. East Kapu Place, TMKs 3-9-002:102, 103, and 104. This site involves three privately owned parcels comprising 3.93 acres located in central Kihei. Access is by East Kapu Place, 3-9-002:021, a 1.8 acre undeveloped roadway lot, extending from South Kihei Road to the property. The properties are inside the SMA and a small portion is in the AH floodzone.

Existing entitlements:

State District	Urban
Maui Island Plan	Inside growth boundary
Kihei Makena CP	Single Family
County zoning	R-3 residential



3. **Honokowai.** This is a state property under county control by executive order for affordable housing and emergency escape route purposes. TMK 4-4-001:106 is 4.02 acres in size but is configured in an awkward shape. It is located in the SMA, but outside of flood hazard areas.

Existing entitlements:

State District	Urban
Maui Island Plan	Inside growth boundary
West Maui CP	Multi Family
County zoning	A-2 Apartment and R-3 Residential