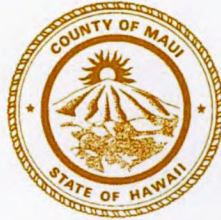


**MICHAEL P. VICTORINO**  
Mayor

**LORI TSUHAKO**  
Director

**LINDA R. MUNSELL**  
Deputy Director



**DEPARTMENT OF HOUSING  
& HUMAN CONCERNS**  
COUNTY OF MAUI  
2200 MAIN STREET, SUITE 546  
WAILUKU, MAUI, HAWAII 96793  
PHONE: (808) 270-7805

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OFFICE OF THE  
COUNTY COUNCIL

May 2, 2019

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Tasha Kama, Chair  
Affordable Housing Committee  
Maui County Council  
200 S. High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

*Michael P Victorino* 5/2/19  
Mayor Date

Dear Chair Kama:

**SUBJECT: COUNTY-OWNED PARCEL ON NORTH PAPA AVENUE (KAHULUI)  
(AH-8)**

In preparation for the May 3, 2019 Affordable Housing Committee meeting, attached is a fact sheet for the committee's use which summarizes the Memorandum of Understanding which will be discussed.

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at Ext. 7805.

Sincerely,

*Lori Tsuhako*  
for LORI TSUHAKO, LSW, ACSW  
Director of Housing and Human Concerns

Attachment

**AFFORDABLE HOUSING COMMITTEE**  
**May 3, 2019**  
**MEMORANDUM OF UNDERSTANDING (MOU)**  
**HHFDC and the COUNTY OF MAUI**

**FACT SHEET**

The property subject to the proposed Memorandum of Understanding (MOU) between HHFDC and the County of Maui is located on the corner of Wahinepio and Kaahumanu Avenue, and was formerly used by UHMC as student housing. The Mayor intends to cancel the lease with the college, and utilize the property for affordable housing.

**PROJECT VISION** – to provide housing for the neediest of our families, and to provide wrap around services to help them get stabilized and back on their feet. If possible, the Mayor intends to maximize density on the property by developing additional units in a subsequent phase.

**MOU**

The MOU allows the County to access Dwelling Unit Revolving Funds (DURF) for use in the planning and renovation or replacement of the current buildings, as well as planning for additional units. The MOU also allows the County to preserve our ability to take advantage of the Governor's Proclamation on Homelessness, allowing us to occupy the property more quickly – approximately November 2020. A quick summary of the MOU is below:

**Funding** - \$5,000,000 in DURF funding, to be used for:

- renovation or replacement of the existing 12 units & community building
- pre-development costs for environmental studies and entitlements for additional rental units

**Governor's Proclamation** - suspends certain requirements allowing the County to move families off the street and into housing more quickly than otherwise possible (almost 3 years faster)

**Process –**

- County and HHFDC execute the MOU for this project
- County will cancel the lease with UH Maui College and enter into a lease with HHFDC
- County will contract for:
  - site investigation
  - planning and design
  - renovation or replacement/new construction
- HHFDC will administer the DURF funds, reimbursing the County for cost of planning/construction
- After Construction
  - HHFDC will sublease the project back to the County for operation
  - County will contract for operation of the project, including wrap around services
- Before the MOU terminates, the County will:
  - Obtain any required governmental approvals suspended under the Proclamation, including
    - Chapter 343 and SMA requirements
    - Exemptions or changes to zoning and community plans
    - Building permits
- Affordability requirements for DURF funding - 30 years, at or below 140% AMI

**TIMING IS CRITICAL**

**In order to take advantage of the Governor's Proclamation, the MOU must be executed no later than June 11. After June 11, we lose the advantage of the suspension of the State and County requirements. Without the Governor's Proclamation, occupancy is estimated at August 2023.**