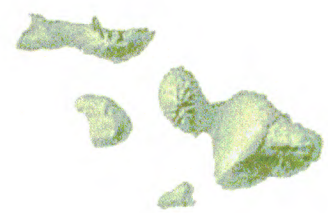
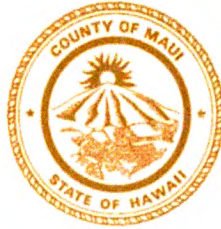


MICHAEL P. VICTORINO
Mayor

LORI TSUHAKE
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

June 16, 2022

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

APPROVED FOR TRANSMITTAL

Michael P. Victorino 6/20/22
Mayor Date

OFFICE OF THE
COUNTY CLERK

2022 JUN 20 PM 3:57

RECEIVED

For Transmittal to:

Honorable Gabe Johnson, Chair
Affordable Housing Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Johnson:

**SUBJECT: COMPREHENSIVE AFFORDABLE HOUSING PLAN:
AFFORDABLE SALES PRICE GUIDELINES (AH-14(6))**

Thank you for your May 31, 2022 letter requesting information related to the above subject. The Department's response is provided below.

1. **What is the average sales price per single family home that receive funding from the Affordable Housing Fund?**

The estimated average sales price per single family home that received funding from the Affordable Housing Fund is \$307,450. This figure does not include single family homes that were acquired for special needs housing as those homes have not been sold to individual households.

2. **What is the average County subsidy per single family home that receives funding from the Affordable Housing Fund?**

While the Department acknowledges that this question is asking about average County subsidy, this response only considers the subsidies these projects received from the Affordable Housing Fund. A more thorough response analyzing these projects and the total subsidy received would take considerably more time and research than was afforded to the Department in this request and extension.

Over the history of the Affordable Housing Fund (AHF), seventeen single family projects have received awards from the AHF. The average Affordable Housing Fund subsidy per home is estimated to be \$187,000 per unit. It is important to note that the scope and impact of these single-family projects vary widely. Similarly, the AHF award per unit also varies significantly.

Six of the single-family projects that have received AHF awards were for special needs housing - in this case different non-profit entities were awarded funds to purchase or construct a single family that will be owned and maintained by the non-profit for the provision of the applicable special needs housing. These six projects resulted in seven single family homes, with an estimated \$370,000 AHF award per unit.

One of the single-family projects, Helani Gardens, received a \$200,000 award in 2011, resulting in an estimated \$14,285 AHF award per unit.

There are also some projects that have demonstrated a need for multiple AHF awards to support a project. This has typically occurred when a non-profit entity received one award and was unable to acquire additional funding sources and/or due to rising construction costs. One example of this was the Na Hale O Maui Kahoma Project. They initially received an award in 2014 for \$780,000, followed by an award in 2016 for \$660,000, followed by an award in 2018 of \$1,000,000. In total, this project received \$2,440,000 towards the construction of twelve homes, an estimated AHF award of \$203,333 per unit.

For comparison, multifamily units typically require a smaller AHF award per unit to support the project, both in for-sale and rental projects. In AHF history, there are two multifamily for-sale projects that have received AHF awards - a total of \$2,993,000 AHF awards resulting in the construction or acquisition of 24 units with an estimated \$124,708 AHF award per unit. There have been thirteen multifamily rental projects that have received AHF awards towards purchase and/or construction costs. Combined, these projects have received \$46,475,310 to result in the production of 825 multifamily rental units, an estimated AHF award of \$56,333 per unit. This list does not include the County-owned Kulamalu multifamily rental project, which received \$15,487,238 from the AHF for the development of 56 units, an estimated AHF award of \$276,557.82 per unit.

Honorable Gabe Johnson, Chair
Affordable Housing Committee
June 16, 2022
Page 3 of 3

Additionally, should the Committee wish to fully assess the potential costs of future subsidies to affordable housing development, the Department would encourage the Committee to review additional factors that may affect these costs, including but not limited to: other grants or loans that subsidize affordable housing development, fee waivers or reductions, costs of construction materials and labor, impacts of rising interest rates, and inflation.

Thank you for the opportunity to provide this information. Should you have any questions, please feel free to contact me at Ext. 7805.

Sincerely,



LORI TSUHAKO, LSW, ACSW
Director of Housing and Human Concerns

xc: Housing Division