



September 13, 2016

Ricki Hokama, Chair
Budget & Finance Committee
Council of the County of Maui

Subject: 2016 West Maui Affordable Housing Fund Annual Plan (Fiscal Year 2017 (July 1, 2016-June 30, 2017)) (BF-13(2))

Dear Chair Hokama & the Budget & Finance Committee Members:

Thank you for scheduling BF-13(2) for hearing and decision making on Tuesday, September 13, 2016. We appreciate the continuing support Na Hale O Maui receives from the County of Maui Affordable Housing Fund, providing us additional opportunities to add to the stock of affordable housing in perpetuity for Maui County


Housing and Land Enterprise of Maui, dba Na Hale O Maui is a Non-profit 501 (c) 3 organization created "To secure and preserve a permanent supply of affordable housing alternatives for low and moderate income households in Maui County." Public Affordable Housing funds provided for our homes stay within the CLT and will never be lost. In short, a gift to the CLT is a gift to the community as that affordable home will always be affordable.

NHOM homebuyers agree to share positive or negative appreciation on their home. From the first day of ownership, the homeowner is entitled to 25% of any appreciation. The shared appreciation increases annually, reaching a maximum of 50% in the 15th year of homeownership.

Our homebuyers are able to purchase a quality renovated or newly constructed home at a truly affordable price, after deducting the cost of land from the sale price and mortgage. The loan-to-value on NHOM homes means homeowners do not have to pay Private Mortgage Insurance. NHOM can assist the homebuyer with a matching down payment assistance grant of up to \$10,000 based on need. NHOM lease rent begins at \$45.00 per month, increasing every 5-years by the Consumer Price Index (CPI) –simply to keep pace with inflation - and not based on land value or a rate of return.

We respectfully request your approval of the \$660,000 grant proposal, to allow Na Hale O Maui to continue to partner with the County of Maui to provide affordable houses in perpetuity for income-qualified Maui working families earning from 80% to 120% of Maui Annual Median Income. With your support, Na Hale O Maui can continue to be an effective tool in Maui County's Affordable Housing toolbox.

Sincerely,


Executive Director

RECEIVED AT BF MEETING ON 9/13/16
(Cassandra Abdu)

Changing lives, one home at a time.

Realtor works to solve Maui's housing crisis

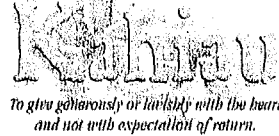
By SARAH RUPPENTHAL

More than a decade ago, Mike Trotto, a Realtor with Pali Kai Inc. Realtors, attended a seminar where he learned about a new affordable housing strategy: the community land trust concept. That's when he had an a-ha moment.

"From that meeting, I became convinced of the merits of this model for land use and homeownership," Trotto said.

A few years later, in 2010, he became a founding member of a new nonprofit organization, Na Hale O Maui, a first-of-its-kind community land trust that helps to create affordable housing for Maui residents and keep housing affordable in perpetuity. Trotto has served on Na Hale O Maui's board of directors since 2011; he became the board's president in June.

Six years ago, Na Hale O Maui received \$3 million from the Housing and Urban Development Neighborhood Stabilization Program to purchase, rehabilitate and sell abandoned and foreclosed houses to income-qualified families (those earning no



more than 120 percent of area median income) as community land trust homes. As part of the community land trust, the land value is separated from the value of the house. Therefore, only the house is sold and the ownership of the land is kept in trust in perpetuity; Na Hale O Maui homeowners enter into a renewable, 99-year lease agreement with the community land trust.

"Na Hale O Maui is providing affordable homes in perpetuity to the residents of Maui," Trotto explained. "The 'in perpetuity' is what sets us apart from other affordable housing initiatives.

We are providing affordable homes for our workforce residents. We are able to do this by removing the cost of the land from the equation."

Na Hale O Maui has also received project grant funding from the county's Affordable Housing Fund.

"Over the years, Na Hale O Maui has partnered with the County of Maui in our efforts to provide affordable homes for our residents," Trotto said. "We are extremely grateful to have been successful in receiving this funding from the county's Affordable Housing Fund. We hope to continue this partnership going forward."

To date, Na Hale O Maui has acquired, renovated and sold 30 single family homes on Maui — and there are more homes on the horizon.

"Currently, Na Hale O Maui is getting ready to provide 12 new homes to be built as part of the 100 percent affordable project on the west side known as the Kahoma Project," Trotto said. "We are awaiting approval by the county council's budget and finance committee to provide the requested funding in order for us to go



forward to provide these homes to our deserving Maui families."

Today, Trotto has come full circle in a way — he's now hosting his own seminars.

"Attending and assisting at the Na Hale Homebuyer Seminars, which is step one in the process, has reinforced

Realtor
Mike Trotto became a founding member of the nonprofit organization Na Hale O Maui, a first-of-its-kind community land trust that helps to create affordable housing for Maui residents and keep housing affordable in perpetuity, in 2010.

my commitment to this organization," he said.

For Trotto, the greatest reward of being a part of Na Hale O Maui is serving on the organization's homebuyer selection committee.

"When a home in our portfolio becomes available, we then select an eligible family from our list of homebuyers

that have completed the four-step process," he explained. "Knowing that an eligible and deserving family will soon be able to move into one of our Na Hale homes is truly a reward for me."

Like so many others, Trotto feels it is imperative to find solutions to Maui's affordable housing crisis — and Na Hale O Maui is making steps in the right direction. The volunteer- and membership-based organization offers memberships to Maui residents for an annual fee of \$36. Trotto says the \$36 fee covers far more than an annual membership, though.

"I would rather think of this as an 'investment' in Maui's affordable housing future," he said. "Of course, any investment amount will be greatly appreciated and put to very good use in providing needed solutions to the current affordable housing crisis here on Maui."

To learn more about Na Hale O Maui or for more information about upcoming homebuyer seminars, visit www.nahaleomaui.org, call 244-6110 or email info@nahaleomaui.org.

The Maui News
CLASSIFIEDS

EARN CASH
Selling Through The Classifieds

Title: 2016 West Maui Affordable Housing Fund Annual Plan (Fiscal Year 2017 (July 1, 2016 – June 30, 2017)) (BF-13(2)) or just (BF-13(2)).

September 9, 2016

To the Council Members:

Aloha,

I am writing you today on behalf of the housing program (Na Hale O Maui) that has changed my family's life. I was luckily enough to be at the right place and time on day. I was walking on campus after a long day of teaching, and I ran into a Na Hale O Maui member/house owner. We started chatting and he told me about the amazing opportunity to own a home on Maui. I thought it was too good to be true. I researched the program and went to one of the first step meetings. Before I knew it, there was a house available in my price range. During this time, my quaint cabin in Haiku that we were renting was becoming a nightmare. The cabin and property was unsafe and high-priced. We needed to get out, but there wasn't much on the rental market that was affordable and took a dog.

Luckily, we became homeowners in October 2013 thanks to Na Hale O Maui! We were able adopt another homeless dog, and we found out we were having a baby 5 months later. If it wasn't for Na Hale O Maui, I don't know if we would be able to stay on Maui. Now I am able to raise a child in a safe home in an amazing place, and I get to contribute to our community by being a special education teacher at a title 1 school. Next year, we should already have \$20,000 invested in the home. In addition, we were able to learn all of aspects of applying for a loan, going through escrow and the responsibilities of being a home owner. We are so blessed to be given a chance to learn, grow and save money with this program. We recommend this program to everyone to help start their life in their own home.

Sincerely,

Renee Wood

RE: 2016 West Maui Affordable Housing Fund Annual Plan (Fiscal Year 2017 (July 1, 2016 – June 30, 2017)) (BF-13(2)) or just (BF-13(2)).

Aloha Council - Budget and Finance Committee,

Please earmark as much money as possible to go to Na Hale O Maui. This affordable housing project is the most worthy use of the money that could possibly be made.

Before buying a home through Na Hale O Maui's affordable housing program, we were unable to qualify to buy a home. The houses just cost too much for our income.

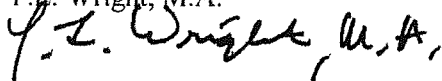
We lived in rental housing that was unacceptable by any standards--rat and bug infested, tiny, no stove, open sewers, loud partying from neighbors all day and all night, you name it.

We tried other affordable housing programs, but none were coming through for us. We tried the lottery and ended up number 315. You had to be in the top ten to even have a chance.

But Na Hale O Maui did come through. We were able to buy a house with mortgage payments far less than the exorbitant rents we paid before. We now have a decent place to live. We are very grateful that Na Hale O Maui was there for us. This would not have been possible without funds from the Council. Please keep up the good work and give the money to this truly valuable non-profit organization.

Mahalo,

Y.L. Wright, M.A.



242 Kenolio Rd.
Kihei, HI 96753

Concerning the:

2016 West Maui Affordable Housing
Fund Annual Plan (Fiscal Year 2017)
(BF-13(2))

To Whom It May Concern:

My husband and I decided to participate in Na Hale o Maui's Affordable Housing Program due to the high cost of rent compared to the wages we are receiving. We are currently renting a 2-bedroom Condo on the West Side which is 2,250.⁰⁰ per month, and we are scraping just to get by. I have been a teacher for 10 years at King Kamehameha III School in Lahaina, yet my net take home pay is only 1,398.51 twice a month. We have an 8-yr old daughter, a 20-month old son, and a baby due in October - a baby girl! Our expensive 2-bedroom apartment is already cramped, and our 8-yr old will have to share her bedroom with her 20-month-old brother, while we share ours with the new baby. Our 8-yr old barely has room to walk into her room, as the bunkbed and crib practically take up all her space. It is hard for her to concentrate

→

on her homework when sharing space with her 20-month-old brother. As she gets older, it really won't be that appropriate to share a room with her brother of the opposite sex. My husband has been in and out of work, as he is a tile helper or setter. When there is work, he works ~~3~~ 6 days a week just to keep up, but when there aren't jobs, or he is in between small jobs, we are dependant on my salary alone! Cost of living has increased, prices at the grocery store have tripled, yet my salary has not kept up! We teachers recently got a $3\frac{1}{2}\%$ raise, however, due to my medical insurance also going up, this only amounted to \$5.00 more in each paycheck! My husband and I have even tried to get prequalified to buy a 2-bedroom small apartment, hoping we could save \$ monthly or at least pay the same amount for something we own, verses throwing away the \$ in rent. As we looked into the buying options, we fell just short of getting the loan we needed, or having enough downpayment, closing costs, and savings to get something - and this was before I was pregnant, when we were just looking for 2 bedrooms! Now, we are in

need of a 3 or 4 bedroom, and our quest to provide for our children has become what seems impossible! * I feel extremely frustrated, that after giving so much to the community, and serving the community through teaching for 10 years, that I am left with no options but to find a different profession or to leave Maui! Even when we came close to being able to purchase a 2 bedroom, small apartment, interest rates were slightly higher, making the monthly mortgage too unaffordable to pay! Yet rent prices have soared, and even renting has become unaffordable for us! Our landlords even let us lease our rental for \$250 less than their original asking price, yet it is still extremely difficult to make ends meet, even with the help of Good Beginnings, a wonderful county program that helps us a bit with our childcare costs.

I state all this, not to complain, but to make others aware of the hardships and reality of an average, working, family of five, that is not on welfare, but trying to scrape up enough just to get by here on Maui.

This is why I, (we), write this, to support such programs as Na Hale O Maui, and Habitat for Humanity, which, are basically, our last hope, for being able to secure decent, affordable housing here in West Maui. Seeing as a 2-bedroom condo isn't even within our budget, a 3 or 4 bedroom house, which we need now, due to our new baby coming this October, is out of the question - only a dream, a fantasy, really. However, after signing up and getting involved with affordable housing programs such as Na Hale O Maui, and the Habitat for Humanity, I finally have a glimmer of hope that there may be a way to stay on Maui and do what I love doing, that is, teaching the wonderful fourth graders in our community! Our family does not want to move, neither do I want to stop teaching and join a different profession, but the high rent, and inability to purchase a place to live in Maui has left us feeling desperate, dejected, hopeless! Please, please support both Na Hale O Maui and the Habitat for Humanity, as these are our last two options that we know of, of having the chance to find affordable housing and support our children!

Thank you for your time and consideration,
 Donisa Pelletier-Yamasaki and
 Michael Yamasaki and Family

Pelletier-Yamasaki