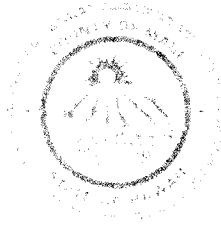


MICHAEL P. VICTORINO
Mayor

LORI TSUHAKE
Director

LINDA R. MUNSELL
Deputy Director



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OFFICE OF THE MAYOR

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

August 13, 2020

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

APPROVED FOR TRANSMITTAL

Michael P. Victorino 8/14/20
Mayor Date

For Transmittal to:

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

Dear Chair Kama:

SUBJECT: AFFORDABLE HOUSING FUND (AH-33)

Pursuant to Section 3.35.090, Maui County Code (MCC), the Department is pleased to transmit the FY20 Affordable Housing Fund Program Annual Report for your review. The Affordable Housing Fund serves the Housing Division's objective to create housing opportunities for low and moderate income residents through partnerships with community organizations with the objectives of: developing long-term affordable rental housing units, increasing availability of home ownership opportunities, and developing special needs housing with appropriate support services.

During the FY 2020 Request for Proposal process, the Housing Division received nine applications. The sum of the assistance requested exceeded \$29 million dollars. Both the volume of applications received as well as the funds requested speak to the need for this type of program in our community to meet the County's affordable housing goals. The Department thoroughly reviewed the applications and identified top projects for funding consideration based on numerous factors including but not limited to: long-term affordability, providing housing for low income households, project readiness, and the project's ability to leverage the award from the County to bring in additional funding sources. Five projects were awarded funding from FY 2020. More detailed information is as follows.

The number and types of units created or assisted:

Projects that were approved for funding in FY 2020 are anticipated to create an estimated 230 units. All created units will serve as rental housing, homeless shelter beds, or special needs housing for senior citizens or those participating in a substance abuse treatment program. An additional 62 rental units will be retained with assistance from the Affordable Housing Fund. More detailed information about these projects, as well as all projects that have been approved in the Fund's history, is attached to this report.

Any non-dwelling unit improvements, such as land acquisition or infrastructure improvements:

All projects awarded funding in FY 2020 will use a portion of the award towards non-dwelling unit improvements. These improvements vary from project to project and range from property acquisition to project planning and design.

The geographic distribution of units or funded projects:

Two of the projects awarded funds in FY 2020 are to be developed in Kihei, one acquisition project is located in Wailuku, one project for acquisition and rehabilitation is located in Kahului, and the fifth project is for acquisition of two single-family homes located in Maui County – the location of each home is to be determined.

Statistical data relative to the incomes of the households assisted:

All projects awarded funds in FY 2020 will provide housing units for individuals and families earning 60% and below Area Median Income (AMI). Some projects are also targeting a specific number of units at lower AMI categories. For example: the Clean and Sober Residential Acquisition Program will serve participants at or below 50% AMI, and the Lokenani Hale Acquisition Project will continue to provide 57 units at or below 50% AMI and 4 units at or below 30% AMI.

Sales or rental prices established:

At the time of application, each project provides targeted AMI categories for households to be served. Each Affordable Housing Fund recipient is obligated to follow the Affordable Price Guidelines published by the Department and restrict rents as allowed by unit size and percentage of median family income. A record of the annual publications of the Affordable Price Guidelines is available online at the County of Maui Housing Division website.

Additionally, I would like to provide an update on two projects funded in previous years that are listed as incomplete. The first is the County of Maui's Lanai Affordable Housing Project, which was initially awarded funding in FY 2014. This project is still considered open and is listed as an active encumbrance on the FY 2021 budget under the Affordable Housing Fund program. A key barrier that has prevented the project from moving forward is the cost of infrastructure. The second project is the Na Hale O Maui Kahoma Homes Project, which received an award in FY 2014 and subsequent awards in FY 2016 and FY 2018. The construction of all 12 homes has

Honorable Tasha Kama, Chair
Affordable Housing Committee
August 13, 2020
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been completed and 10 homes have closed on their sales with the final 2 homes scheduled to close this month. The Department expects to receive the final payment request for the remaining active grant for this project within the next two months.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Tsuhako", written in a cursive style.

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

Attachment

xc: Housing Division
Michele Yoshimura, Budget Director

AFFORDABLE HOUSING FUND STATUS REPORT

Project:	Amount Funded	Amount Expended	Project Completed	# Units Provided/Proposed	Comments
Fiscal Year 2010					
Mokuhau Apartments (Family Life Center)	\$ 1,200,000	\$ 1,200,000	Y	16	Apartment for low income & special needs housing
Hale Mahaolu Ehiku (Hale Mahaolu)	\$ 2,425,000	\$ 2,425,000	Y	51	Construction of Senior Housing Project in Kihei
Fiscal Year 2011					
County of Maui's Kulamalu Project	\$ 3,862,238	\$ 3,862,238	Y	n/a	\$\$ used to purchase land for future County Project
Imi Ikena Rental Project (DBR Development)	\$ 2,750,000	\$ 2,750,000	Y	27	Construction low Income Housing Project in Wailuku
Hale Maunaloa, Molokai (ARC of Maui)	\$ 150,000	\$ 150,000	Y	1 (serves 5)	Construction of 5BR home that assists 5 DD ARC clients
Kahawai Apartments (Habitat for Humanity)	\$ 693,000	\$ 693,000	Y	16	Construction of housing project for 80% or less of AMI
Neighborhood Revitalization Program (Na Hale O Maui)	\$ 1,050,000	\$ 1,050,000	y	4	4 homes purchased for low income housing (land trust)
Kenolio Leilani Project (Lokahi Pacific)	\$ 700,000	\$ 700,000	Y	6	Construction of six 3BR homes for 80% & below AMI
Helani Gardens Project (Self Help Housing Corp)	\$ 200,000	\$ 200,000	Y	14	14 homes at 80% and below AMI in Hana, Maui
Fiscal Year 2012					
Neighborhood Revitalization Program (Na Hale O Maui)	\$ 1,100,000	\$ 1,100,000	Y	5	5 homes purchased for low income housing (land trust)
County of Maui's Kulamalu Affordable Housing Project	\$ 615,000	\$ 615,000	Y	56	Grant for master planning for County project.
Harbor Lights Project (Habitat for Humanity)	\$ 400,000	\$ 400,000	Y	8	Purchase of 8 units in Harbor Lights / Rehab & sell to 80% and below AMI
Aloha House Clean & Sober Project (Aloha House, Inc.)	\$ 340,000	\$ 340,000	Y	1 (serves 5)	Purchase special needs home for substance abuse treatment.
Hale O Ekolu Project (ARC of Maui)	\$ 350,000	\$ 350,000	Y	1 (serves 5)	Purchase special needs home for the I&DD
Hale Makana O Waiale Rehab (Ke Hale A Ke Ola)	\$ 300,000	\$ 300,000	Y	n/a	Rehab of flooring for 200 unit low income affordable project

Project:	Amount Funded	Amount Expended	Project Completed	# Units Provided/Pr oposed	Comments
Fiscal Year 2013					
Lower Main Street Project (Family Life Center)	\$ 800,000	\$ 800,000	Y	1 (serves 10)	Purchased 10unit apartment building for very low income-below 60%
Kulamalu Town Center Proj. (Hale Mahaolu)	\$ 2,000,000	\$ 2,000,000	Y	n/a	\$2M of \$3.5M paid for purchase of lot for future project
Building Houses, Building Hope Project (Habitat for Humanity)	\$ 500,000	\$ 500,000	Y	INCL	Funds used for construction of low income housing (Kahawai Apartments)
Neighborhood Revitalization (Na Hale O Maui)	\$ 800,000	\$ 800,000	Y	3	Purchase foreclosed homes & sell to 81-120% AMI
Hale Lokelani Ohana Project (Lokelani Ohana)	\$ 400,000	\$ 400,000	Y	1 (serves 5)	Purchase special needs home
Hale Makana O Waiale Rehab (Ka Hale A Ke Ola)	\$ 500,000	\$ 500,000	Y	n/a	Rehab stairwells/landings for 200 unit low income rental project
Fiscal Year 2014					
County of Maui's Kulamalu Rental Project	\$ 11,010,000	\$ 11,010,000	Y	56	Construction of County of Maui's Kulamalu Rental Project
County of Maui's Lanai Affordable Housing Project	\$ 2,000,000	\$ -	N	TBD	Proceeds for master planning and pre-development work
Kulamalu Town Center Proj. (Hale Mahaolu)	\$ 1,500,000	\$ 1,500,000	n/a	n/a	Balance of \$3.5 M paid for purchase of lot for future project
Mokuahau Subdivision (Lokahi Pacific)	\$ 2,000,000	\$ 2,000,000	Y	16	\$\$ for land acquisition, planning and construction of a 16 unit Single Family subdivision for 81 - 120% AMI.
Building Houses, Building Hope Project (Habitat for Humanity)	\$ 1,400,000	\$ 1,400,000	Y	INCL	Funds used for construction of low income housing project (Kahawai Apartments)
Na Hale O Maui Kahoma (Na Hale O Maui)	\$ 780,000	\$ 780,000	N	n/a	Purchase of 12 lots in the Kahoma Subdivision Na Hale to build and sell to residents in 81 -120% AMI
Fiscal Year 2015					
No RFP was held in FY 2015 due to insufficient funds.					

Project:	Amount Funded	Amount Expended	Project Completed	# Units Provided/Proposed	Comments
Fiscal Year 2016					
Hale Mahaolu Ewalu PH I (Hale Mahaolu)	\$ 2,500,000	\$ 2,500,000	Y	38	Construction of Phase 1, senior rentals
Aloha House	\$ 450,000	\$ 450,000	Y	1 (serves 9)	Purchase a special needs home for substance abuse
ARC of Maui	\$ 290,430	\$ 290,430	Y	n/a	Renovation & repairs of special needs homes
WEST MAUI AFFORDABLE HOUSING FUNDS:					
Na Hale O Maui Kahoma (Na Hale O Maui)	\$ 660,000	\$ 250,128	N	12	Construction of homes (pending closing of 2 homes)
Habitat for Humanity Kahoma (Habitat for Humanity)	\$ 1,500,000	\$ 1,500,000	Y	10	Purchase & construction of homes for low income families <80% AMI
Fiscal Year 2017					
Hale Mahaolu Ewalu PH II (Hale Mahaolu)	\$ 2,500,000	\$ 2,500,000	Y	22	Construction of Phase II, senior rentals
FABMAC Affordable Project (Fabmac Homes)	\$ 1,500,000	\$ 1,500,000	Y	9	Purchase 9 lots / Construct single family homes and sell 6 @ 0 - 80% AMI & 3 from 81 - 100% AMI
Fiscal Year 2018					
Kahoma Homes Project (Na Hale O Maui)	\$ 1,000,000	\$ 1,000,000	N	12	New construction for 12 single family homes to sell 4 @ or below 120% AMI and 8 @ or below 100% AMI. Pending closing of 2 homes.
Fiscal Year 2019					
Ka Hale A Ke Ola Renewal Project Phase III Building 7	\$ 199,213	\$ 183,889	Y	16	Rehabilitation to support 16 additional residents at or below 50% AMI
Hale Mahaolu Ewalu PH II (Hale Mahaolu)	\$ 850,000	\$ 850,000	Y	INCL	Construction of Phase II, senior rentals
Ka Hale A Ke Ola Westside Staircase project	\$ 442,000	\$ -	N	N/A	rehabilitate staircase to preserve 48 rental units serving a population at or below 50% AMI

AFFORDABLE HOUSING FUND STATUS REPORT

Project:	Amount Funded	Amount Expended	Project Completed	# Units Provided/Proposed	Comments
Fiscal Year 2019 (continued)					
Kaiaulu o Kupuohi (Ikaika Ohana)	\$ 6,382,000	\$ -	N	88	low-income rentals at or below 60% AMI in Lahaina
100% Affordable Hana Housing Project (Habitat for Humanity)	\$ 5,000,000	\$ -	N	25	25 SF homes in Hana at or below 100% AMI
Fiscal Year 2020					
Lokenani Hale Acquisition (Hale Mahaolu)	\$ 4,000,000		N	62	Acquisition of Lokenani Hale property, including 4 units at or below 30% AMI, 57 at or below 50% AMI, and one property manager unit
Kaiaulu o Halelea	\$ 1,508,558		N	64	Acquisition, planning, and design for 64 unit project serving 60% and below AMI in Kihei
Liloa Hale (Liloa Senior Housing LP)	\$ 4,300,000		N	150	Planning, design, and construction of 150 senior rental project serving 60% and below AMI in Kihei
Clean and Sober Residential Acquisition Program (Aloha House)	\$ 900,000		N	16	Acquisition of two single family homes to provide long-term, special needs housing for substance abuse treatment. Housing will serve those at or below 50% AMI.
Kane Street Acquisition (Family Life Center)	\$ 3,000,000		N	TBD	Acquisition and renovation of existing building at 95 Kane Street to provide additional shelter beds.