

**COUNCIL OF THE COUNTY OF MAUI**  
**BUDGET, FINANCE, AND ECONOMIC**  
**DEVELOPMENT COMMITTEE**

September 3, 2021

**Committee**  
**Report No. \_\_\_\_\_**

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget, Finance, and Economic Development Committee, having met on August 18, 2021, makes reference to County Communication 21-382, from the Budget Director, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2022 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2022, AFFORDABLE HOUSING FUND (HALE O PIIKEA II)."

The purpose of the proposed bill is to amend the Fiscal Year 2022 Budget, Appendix A, Part II, Special Purpose Revenues - Schedule of Revolving/Special Funds, by amending the appropriation for Hale O Piikea II ("Project"), under the Affordable Housing Fund, for the Hawaiian Community Development Board, by: 1) allowing funds to be used for construction instead of land acquisition; 2) revising the number of units from 96 to 97; 3) adjusting the unit counts per category; and 4) adding one unit for an on-site property manager.

The Deputy Director of Housing and Human Concerns said allowing funds to be used for construction instead of land acquisition was a request from the Mayor and Administration to Ikenakea Development ("Developer"). The funding change also helps to clarify project type.

She also said the Project, as initially proposed, did not consider a unit for an on-site property manager.

The Developer informed your Committee that the number of units per category were adjusted to meet the threshold for unit mix for Area

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Median Income levels and make their applications for Federal funding more competitive.

Your Committee said they would like to see the adjusted number of units recouped in future phases of the Project.

Your Committee notes funding for Phase I has been awarded, but Phase II will be pushed back to accommodate the delay in additional funds.

Your Committee expressed support for the Project and voted 6-0 to recommend passage of the proposed bill on first reading and filing of the communication. Committee Chair Rawlins-Fernandez, Vice-Chair Paltin, and members Johnson, Lee, Sinenci, and Sugimura voted "aye." Committee members Kama, King, and Molina were excused.

Your Budget, Finance, and Economic Development Committee **RECOMMENDS** the following:

1. That Bill \_\_\_\_\_ (2021), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2022 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2022, AFFORDABLE HOUSING FUND (HALE O PIIKEA II)," be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication 21-382 be FILED.

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This report is submitted in accordance with Rule 8 of the Rules of the Council.

  
\_\_\_\_\_  
KEANI N.W. RAWLINS-FERNANDEZ, Chair

bfed:cr:21061aa:lpcm

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2021)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A  
OF THE FISCAL YEAR 2022 BUDGET FOR THE COUNTY OF MAUI  
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES -  
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2022,  
AFFORDABLE HOUSING FUND (HALE O PIIKEA II)

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

SECTION 1. Ordinance No. 5217, Bill No. 46 (2021), Draft 1, as amended, "Fiscal Year 2022 Budget", Appendix A, Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2022, is hereby amended as it pertains to the Affordable Housing Fund, by amending the appropriation for the Hale O Piikea II, to read as follows:

**"II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS  
FOR FISCAL YEAR 2022**

	<u>ESTIMATED BALANCE AS OF 6/30/2021</u>	<u>ANTICIPATED REVENUES FOR FY 2022</u>	<u>TOTAL FOR FY 2022</u>
L. Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code)	22,267,512	22,969,661	45,237,173
(1) Up to \$70,000 must be for Administrative expenses.			
(2) Up to \$2,000,000 must be for planning, design, engineering, construction, and construction management related to the Lanai Affordable Housing Project.			
(3) Up to \$3,025,442 must be for a grant to Ikaika Ohana for land acquisition, planning and design, new construction, and reimbursement of entitlement work done by the land's sellers for a 56-unit multifamily rental project, for the Kaiaulu O Halelea Phase 1B project, TMK: (2) 2-2-024:033, located at Lipoa Parkway, Kihei, Maui, Hawaii. The project will include 6 units at or below 30 percent of the AMI, 6 units at or below 40 percent of the AMI, 43 units at or			

below 60 percent of the AMI, and one unit for an on-site property manager. The affordability period is 65 years.

- (4) Up to \$4,665,660 must be for a grant to Hawaiian Community Development Board for [land acquisition] construction for a [96-unit] 97-unit senior rental project for the Hale O Piikea II, TMK: (2) 3-9-002:076, located at Pi'ikea Avenue and Liloa Drive, Kihei, Maui, Hawaii. The project will include 10 units at or below 30 percent of the AMI, [19] 10 units at or below 50 percent of the AMI, [and 68] 76 units at or below 60 percent of the AMI and one unit for an on-site property manager. The affordability period is 61 years.
- (5) Up to \$2,000,000 must be for a grant to Na Hale O Maui for land acquisition, foreclosed or abandoned building acquisition, rehabilitation, and new construction for six single family homes, including three units at or below 100 percent of the AMI and three units at or below 120 percent of the AMI. The affordability period is in perpetuity.
- (6) Up to \$660,000 must be for a grant to Catholic Charities Housing Development Corporation for planning and design of a 179-unit multifamily rental project for the Hale Pilina project, TMK: (2) 3-7-013:026, located at Puunene Avenue, Kahului, Maui, Hawaii. The project will include 18 units at or below 30 percent of the AMI, 18 units at or below 50 percent of the AMI, 142 units at or below 60 percent of the AMI, and one unit for an on-site property manager. The affordability period is 61 years.
- (7) Up to \$650,000 must be for the acquisition of TMK: (2) 4-6-011:011 and 028, located at 266 Dickenson Street, Lahaina, Maui, Hawaii 96761."

SECTION 2. Material to be repealed is bracketed. New material is underscored.

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

APPROVED AS TO FORM AND LEGALITY:

/s/Kristina C. Toshikiyo

KRISTINA C. TOSHIKIYO  
Deputy Corporation Counsel