

COUNCIL OF THE COUNTY OF MAUI
PUBLIC SERVICES COMMITTEE

February 5, 2010

Committee
Report No. _____

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

Chair and Members:

Your Public Services Committee, having met on February 11, 2009, February 18, 2009, March 4, 2009, November 4, 2009, November 18, 2009, December 2, 2009, December 16, 2009, and January 13, 2010, makes reference to County Communication No. 09-25, from Council Chair Danny A. Mateo, relating to amendments to the Residential Workforce Housing Policy.

Your Committee notes that Chapter 2.96, Maui County Code, requires the Council to review the Residential Workforce Housing Policy every two years in order to assess its impact.

Your Committee reviewed the current requirements for residential workforce housing. When more than 50 percent of the dwelling units and/or new lots in a development are offered for sale for less than \$600,000 and the residential workforce housing is to be built within the new project area, your Committee recommended that the percentage of residential workforce housing units be lowered from 40 percent to 25 percent. This reduction takes into account the current economic conditions and is intended to stimulate construction of projects incorporating residential workforce housing within the project area.

In response to your Committee's request, the Department of the Corporation Counsel transmitted correspondence dated December 9, 2009, attaching a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE RESIDENTIAL WORKFORCE HOUSING REQUIREMENTS".

The purpose of the proposed bill is to: 1) add "on-site" and "off-site" as new definitions to Section 2.96.020, Maui County Code; 2) reduce the workforce housing requirement for certain on-site development from 40 percent to 25 percent; and 3) clarify the means of calculating workforce housing requirements.

Your Committee notes that the number of affordable units required by a developer under Chapter 2.96 had been subject to various interpretations. The proposed bill

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addresses this problem by establishing separate provisions for satisfying the residential workforce housing requirements when affordable units are provided on-site versus offsite.

Your Committee recommended that the proposed bill be revised to raise the percentage of affordable units required, from 40 percent to 50 percent of the total number of on-site market rate units, when residential workforce housing units are built offsite. Your Committee recommended this revision in order to preserve the incentive to build housing that incorporates residential workforce housing within the project area.

The Mayor and the Department of Housing and Human Concerns expressed their support of the proposed reduction of the workforce housing requirement.

Your Committee intends to continue its review of the Residential Workforce Housing Policy and anticipates recommending further amendments as the current Council term progresses.

Your Committee voted 5-0 to recommend passage of the proposed bill on first reading. Committee Chair Nishiki, Vice-Chair Pontanilla, and members Kaho'ohalahala, Medeiros, and Victorino voted "aye". Committee members Johnson and Mateo were excused.

Your Committee is in receipt of a revised proposed bill, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's recommended revision.

Your Public Services Committee **RECOMMENDS** that Bill No. _____ (2010), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING THE RESIDENTIAL WORKFORCE HOUSING REQUIREMENTS", be **PASSED ON FIRST READING** and be **ORDERED TO PRINT**.

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This report is submitted in accordance with Rule 7 of the Rules of the Council.



WAYNE K. NISHIKI, Chair

ps:cr:10002aa:scj/skk

ORDINANCE NO. _____

BILL NO. _____ (2010)

A BILL FOR AN ORDINANCE AMENDING THE
RESIDENTIAL WORKFORCE HOUSING REQUIREMENTS

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

SECTION 1. Section 2.96.020, Maui County Code, is amended by adding new definitions to be appropriately inserted and to read as follows:

"Off-site" means any area outside the boundaries of the development within the community plan area.

"On-site" means the area on, or within the boundaries of, the approved development within the community plan area."

SECTION 2. Section 2.96.040, Maui County Code, is amended by amending subsection A to read as follows:

"A. Prior to final subdivision approval or issuance of a building permit for a development subject to this chapter, the department shall require the developer to enter into a residential workforce housing agreement that requires the following:

1. When more than fifty per cent of the dwelling units and/or new lots in the development are offered for sale for less than \$600,000, forty per cent of the total number of units and/or lots shall be sold or rented to residents within the income-qualified groups established by this ordinance;

2. When fifty per cent or more of the dwelling units and/or new lots in the development are offered for sale for \$600,000 or more, fifty per cent of the total number of units and/or lots shall be sold or rented to residents within the income-qualified groups established by this ordinance; or

3. When three or more new lodging, dwelling, or time share units in a hotel are created, when there is a conversion of one or more hotel units to dwelling units or time share units, when any hotel

redevelopment or renovation project increases the number of lodging or dwelling units in the hotel, or when five or more new dwelling units for rental purposes are created, then forty per cent of the total number of new, additional and/or converted units shall be sold or rented to residents within the income-qualified groups established by this ordinance.]

1. Where the residential workforce housing requirement is satisfied exclusively through the provision of on-site units:

a. When more than fifty percent of the dwelling units and/or new lots in the development are offered for sale for less than \$600,000, at least twenty-five percent of the total number of units and/or lots shall be sold or rented to residents within the income-qualified groups established by this ordinance; or

b. When fifty percent or more of the dwelling units and/or new lots in the development are offered for sale for \$600,000 or more, at least fifty percent of the total number of units and/or lots shall be sold or rented to residents within the income-qualified groups established by this ordinance.

2. Where the residential workforce housing requirement is satisfied through the provision of off-site units:

a. When more than fifty percent of the dwelling units and/or new lots in the development are offered for sale for less than \$600,000, then the number of off-site residential workforce housing units due shall be equal to fifty percent of the total number of on-site market rate units; or

b. When fifty percent or more of the dwelling units and/or new lots in the development are offered for sale for \$600,000 or more, then the number of off-site residential workforce housing units due shall be equal to fifty percent of the total number of on-site market rate units.

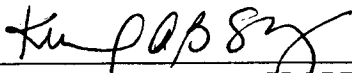
3. When three or more new lodging, dwelling, or time share units in a hotel are created, or when there is a conversion of one or more hotel units to dwelling units or time share units, or when any hotel redevelopment or renovation project increases the number of lodging or dwelling units in the hotel, or when five or more new dwelling units for

rental purposes are created, then forty percent of the total number of new, additional and/or converted units shall be sold or rented to residents within the income-qualified groups established by this ordinance."

SECTION 3. Material to be repealed is bracketed. New material is underscored. In printing this bill, the County Clerk need not include the brackets, the bracketed material, or the underscoring.

SECTION 4. This ordinance shall take effect upon its approval. This ordinance shall not apply to any development for which a residential workforce housing agreement has been executed.

APPROVED AS TO FORM
AND LEGALITY:



KIMBERLY A.B. SLOPER
Deputy Corporation Counsel
County of Maui

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