

COUNCIL OF THE COUNTY OF MAUI
COMMITTEE OF THE WHOLE

June 18, 2010

**Committee
Report No.** _____

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

Chair and Members:

Your Committee of the Whole, having met on June 3, 2010, makes reference to County Communication No. 09-229, from Michael J. Molina, Chair of your Committee, relating to Charter amendments.

By correspondence dated February 10, 2010, the Chair of your Committee transmitted a proposed resolution entitled "PROPOSING AMENDMENTS TO THE REVISED CHARTER OF THE COUNTY OF MAUI (1983), AS AMENDED, PERTAINING TO THE AFFORDABLE HOUSING FUND". The purpose of the proposed resolution is to place on the 2010 general-election ballot the following question:

Should a minimum of two percent (2%) of the certified real property tax revenues for fiscal years 2012 through 2015 be appropriated to an affordable housing fund to be used for the provision and expansion of affordable housing and suitable living environments for persons of below moderate income to gap income?

Your Committee notes that in 2006, the Affordable Housing Fund ("Fund") was established pursuant to Section 9-20, Revised Charter of the County of Maui (1983), as amended ("Charter"), with appropriations to the Fund limited to Fiscal Years 2008 through 2011. The proposed Charter amendment would continue appropriations to the Fund for Fiscal Years 2012 through 2015.

The Deputy Director of Housing and Human Concerns stated that the Department supports the proposed Charter amendment to allow revenues from the Fund to be used for persons within the gap income group; however, the Department requested that the Fund continue to be available to those persons within the low income group. The Department explained that families in the lower-income brackets have the most need for affordable-housing assistance.

Your Committee notes that none of the projects that have received appropriations from the Fund would assist families within the below moderate income to gap income

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groups. Your Committee further notes that families who fall within these income groups include teachers, police officers, fire fighters, and hotel workers. Your Committee expressed concern that if these families are not able to secure decent affordable housing, they may leave the County for other, more affordable locations.

Your Committee recommended that the proposed resolution be revised to clarify that Fund revenues shall be utilized for the provision and expansion of affordable housing and suitable living environments for individuals and families of below moderate income to gap income groups.

The Deputy Director also expressed concerns with the requirement that Fund revenues be used for the creation of jobs as it relates to the expansion and rehabilitation of affordable housing. She explained that the Department does not have the resources or expertise to implement a job creation program and was unclear about how the program would fit within the context of current operations. Based on the Department's concerns, your Committee decided to delete the requirement that Fund revenues be used for the creation of jobs.

Your Committee voted 7-0 to recommend passage of the proposed resolution, as revised, on first reading. Committee Chair Molina, Vice-Chair Mateo, and members Johnson, Kaho'ohalahala, Nishiki, Pontanilla, and Victorino voted "aye". Committee members Baisa and Medeiros were excused.

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

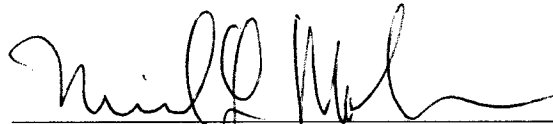
Your Committee of the Whole **RECOMMENDS** that Resolution No. _____, attached hereto, entitled "PROPOSING AMENDMENTS TO THE REVISED CHARTER OF THE COUNTY OF MAUI (1983), AS AMENDED, PERTAINING TO THE AFFORDABLE HOUSING FUND" be **PASSED ON FIRST READING** and be **ORDERED TO PRINT**.

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



MICHAEL J. MOLINA, Chair

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Resolution

No. _____

PROPOSING AMENDMENTS TO THE REVISED CHARTER
OF THE COUNTY OF MAUI (1983), AS AMENDED, PERTAINING
TO THE AFFORDABLE HOUSING FUND

BE IT RESOLVED by the Council of the County of Maui:

1. That, pursuant to Section 14-1(1), Revised Charter of the County of Maui (1983), as amended ("Charter"), it hereby proposes that Section 9-20 of the Charter, pertaining to the Affordable Housing Fund, be amended to read as follows:

"Section 9-20. Affordable Housing Fund.

1. In adopting fiscal years [2008] 2012 through [2011] 2015 annual operating budgets and capital improvements programs, the council shall appropriate a minimum of two percent (2%) of the certified real property tax revenues to a fund known as the affordable housing fund. In any fiscal year, the Council may make appropriations to the fund in addition to the minimum required appropriations. The revenues in this fund shall be utilized for the provision and expansion of affordable housing and suitable living environments for persons of [very low to] below moderate income[, which may include] to gap income, as defined by ordinance, including the rehabilitation of existing structures, land purchase or other acquisition of land or property entitlements, planning, design, and construction.

2. On an annual basis, no more than three percent (3%) of this fund shall be used for administrative expenses.

3. Any balance remaining in this fund at the end of each fiscal year shall not lapse, but shall remain in the fund, accumulating from year to year. The revenues in this fund shall not be used for any purpose except those listed in Subsection [9-20.1.] 1 of this Section, or as [defined] provided by ordinance.

4. The council shall by ordinance establish procedures for the administration and expenditure of the revenues in this fund. [The] Any appropriations to this

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fund shall not substitute, but shall be in addition to, those appropriations historically made for the purposes stated in this section."; and

2. That material to be repealed is bracketed. New material is underscored; and

3. That, pursuant to Section 14-2(1) of the Charter, this resolution be submitted to the voters of the County of Maui at the next general election; and

4. That the County Clerk prepare the necessary ballot for presentation to the voters at the 2010 General Election; and

5. That, pursuant to Section 14-1(1) of the Charter, it hereby proposes that the following question be placed on the 2010 General Election ballot:

"Should a minimum of two percent (2%) of the certified real property tax revenues for fiscal years 2012 through 2015 be appropriated into an affordable housing fund to be used for the provision and expansion of affordable housing and suitable living environments for persons of below moderate income to gap income?"; and


6. That, pursuant to Section 14-2(2) of the Charter, the County Clerk publish this proposed amendment in a newspaper of general circulation; and

7. That, upon approval by the majority of the voters as indicated by the number of votes cast and upon official certification of such result, the amendment proposed herein take effect on July 1, 2011; and

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8. That certified copies of this Resolution be transmitted to the Mayor, the Director of Finance, the Director of Housing and Human Concerns, and the Corporation Counsel.

APPROVED AS TO FORM
AND LEGALITY:

for 

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