

COUNCIL OF THE COUNTY OF MAUI

# POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE

May 27, 2014

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

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

Chair and Members:

Your Policy and Intergovernmental Affairs Committee, having met on May 13, 2014, makes reference to the following:

1. County Communication 09-229, from Michael J. Molina, Chair, Committee of the Whole, relating to proposed amendments to the Revised Charter of the County of Maui (1983), as amended (“Charter”); and
2. County Communication 14-50, from Mayor Alan M. Arakawa, transmitting a proposed resolution entitled “PROPOSING AN AMENDMENT TO SECTION 9-20 OF THE REVISED CHARTER OF THE COUNTY OF MAUI (1983), AS AMENDED, RELATING TO THE AFFORDABLE HOUSING FUND.” The purpose of the proposed resolution is to place on the next General Election ballot the question of whether Section 9-20 of the Charter shall be amended to extend by eight years, or until 2023, the requirement that a minimum of two per cent of the certified real property tax be appropriated to the Affordable Housing Fund.

By correspondence dated October 31, 2013, Councilmember Donald G. Couch, Jr., transmitted a proposed resolution entitled “PROPOSING AN AMENDMENT TO SECTION 9-20 OF 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 next General Election ballot the question of whether Section 9-20 of the Charter shall be amended to extend by six years, or until 2021, the requirement that a minimum of two per cent of the certified real property tax be appropriated to the Affordable Housing Fund.

By correspondence dated March 28, 2014, Councilmember Michael P. Victorino, transmitted a proposed resolution entitled “PROPOSING AN AMENDMENT TO

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SECTION 9-20 OF THE REVISED CHARTER OF THE COUNTY OF MAUI (1983), AS AMENDED, RELATING TO THE AFFORDABLE HOUSING FUND.” The purpose of the proposed resolution is to place on the next General Election ballot the question of whether Section 9-20 of the Charter shall be amended to extend by four years, or until 2019, the requirement that a minimum of two per cent of the certified real property tax be appropriated to the Affordable Housing Fund.

At the request of the Chair of your Committee, the Department of the Corporation Counsel reviewed the proposed resolution relating to the six-year extension, which had been transmitted by Councilmember Couch. The Department transmitted a revised proposed resolution, approved as to form and legality, incorporating nonsubstantive revisions.

Your Committee noted the lack of affordable housing is a nationwide problem in these challenging economic times. Your Committee expressed determination to continue its efforts to take a proactive approach in addressing the issue in Maui County, where shelter costs are particularly high. According to the Countywide Policy Plan (“CPP”), “the majority of Maui County residents are paying an unsustainably high percentage of their income toward housing.” Your Committee notes the CPP includes the following objective: “Reduce the affordable housing deficit for residents.”

Your Committee notes the Charter currently requires that a minimum of two per cent of the certified real property tax be appropriated to the Affordable Housing Fund. However, that requirement is due to expire in 2015.

Your Committee further notes all of the proposed resolutions would support the continuance of a steady source of revenues to provide, protect, and expand affordable housing and suitable living environments for income-qualified residents. The term of the extension – four, six, or eight years – is the chief difference between the three proposals.

The Director of Housing and Human Concerns noted the Affordable Housing Fund has assisted broad sectors of the community. The Fund has provided housing for the homeless, the elderly, and persons with disabilities. Both purchase and rental opportunities have been made available. The Director also stated the Fund has been used in a variety of communities, including Hana and Molokai, with affordable housing efforts underway on Lanai.

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Your Committee debated whether to make the Affordable Housing Fund permanent. Your Committee ultimately decided it is prudent to maintain a termination date on the Fund to promote consistent updates and accountability. Your Committee concluded a six-year extension would honor planning cycles for projects and be the optimal choice of the three proposals.

Your Committee voted 7-0 to recommend passage of the revised proposed resolution for a six-year extension on first reading. Committee Chair Hokama, Vice-Chair Couch, and members Baisa, Cochran, Guzman, Victorino, and White voted "aye". Committee members Carroll and Crivello were excused.

Your Committee also voted 6-0 to recommend filing of County Communication 14-50. Committee Chair Hokama, Vice-Chair Couch, and members Baisa, Guzman, Victorino, and White voted "aye". Committee members Carroll, Cochran, and Crivello were excused.

Your Committee notes Section 14-1(1) of the Charter provides that amendments to the Charter shall be initiated by resolution of the Council adopted after two readings on separate days and passed by a vote of six or more members of the Council.

Your Policy and Intergovernmental Affairs Committee **RECOMMENDS** the following:

1. That Resolution \_\_\_\_\_, attached hereto, entitled "PROPOSING AN AMENDMENT TO SECTION 9-20 OF 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; and
2. That County Communication 14-50 be FILED.

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

  
\_\_\_\_\_  
G. RIKI HOKAMA, Chair

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# Resolution

No. \_\_\_\_\_

PROPOSING AN AMENDMENT TO SECTION 9-20 OF  
THE REVISED CHARTER OF THE COUNTY OF MAUI  
(1983), AS AMENDED, PERTAINING TO THE  
AFFORDABLE HOUSING FUND

WHEREAS, Subsection 9-20(1) of the Revised Charter of the County of Maui (1983), as amended (“Charter”), requires the Council to appropriate a minimum of two percent of the certified real property tax revenues to the affordable housing fund when adopting fiscal years 2008 through 2015 annual operating budgets and capital improvements programs; and

WHEREAS, an amendment to Subsection 9-20(1) is necessary to preserve the mandate that the two percent minimum be appropriated to the affordable housing fund beyond fiscal year 2015; now, therefore,

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

1. That, pursuant to Subsection 14-1(1) of the Charter, it hereby proposes that Section 9-20 of the Charter, pertaining to the Affordable Housing Fund, be amended by amending subsection (1) to read as follows:

“1. In adopting fiscal years 2008 through [2015] 2021 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] council may make appropriations to the fund in addition to the minimum required appropriations. The revenues and unencumbered balance in this fund shall be utilized for the provision, protection, and expansion of affordable housing and suitable living environments for persons of very low 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. That material to be repealed is bracketed and new material is underscored;  
and

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

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4. That the County Clerk prepare the necessary ballot for presentation to the voters at the 2014 General Election; and

5. That, pursuant to Subsection 14-1(1) of the Charter, it hereby proposes that the following question be placed on the 2014 General Election ballot:

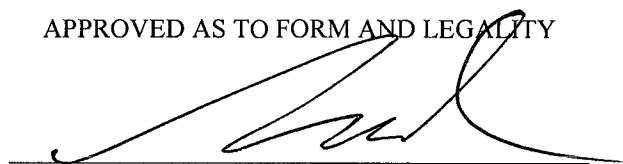
“Shall the Charter be amended to extend through fiscal year 2021 the requirement that two percent (2%) of the certified real property tax revenues be appropriated into an affordable housing fund to be used for the provision, protection, and expansion of affordable housing and suitable living environments for persons of very low to gap income?”

6. That, pursuant to Subsection 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 voting on the proposed amendment and upon official certification of such result, the amendment proposed herein shall take effect; and

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



EDWARD S. KUSHI, JR.

Department of the Corporation Counsel

County of Maui

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