

HOUSING FOR THE PEOPLE OF WEST MAUI

Bold Ideas to Better Manage West Maui Housing Development

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Redefining "Affordable & Workforce Housing"

Currently, Maui's Workforce Housing Policy (2.96) and the state 201(H) process refer to HUD numbers to define Area Median Income, and affordable home prices.

Maui County Area Median Income (100% AMI) over three years, according to HUD, :

2017: \$74,100

2018: \$81,400

2019: \$83,800

HUD AMI has gone up almost \$10,000 over the past 3 years. *How many families do you know who are making \$10K more than they were 3 years ago?*

Example:

In **2017**, if you/your family unit made **100% of AMI (\$74,000)**, you were expected to be able to afford a **\$408,000 3 bedroom home**, or **\$1,667 for a 2 bedroom rental**.

Developers were allowed to build **3 bedroom "affordable homes"** for people who make up to **140% of AMI**, which is **\$103,740** per person/family unit, and sell them for **\$571,800**.

In **2019**, if you/your family unit make **100% of AMI (\$83,800)**, you are expected to be able to afford a **\$461,000 3 bedroom home**, or **\$1,886 for a 2 bedroom rental**.

Developers are allowed to build a **3 bedroom "affordable home"** for people who make up to **140% of AMI**, which is **\$117,320** per person/family unit, and sell them for **\$646,700**.

Perspective:

A job that pays **\$20/hour = \$40,000 a year**. That is **LESS than 50% AMI**, and HUD says you can afford a **\$231,000 3 bedroom home**, or a **\$196,350 2 bedroom home**. HUD calculates that this person can afford a **\$786 1 bedroom rental**, or a **\$943 2 bedroom rental**.

All arguments about cost of building homes aside, if this is where we are starting our calculations about what is affordable, we have FAILED before we've even started.

To see the HUD guidelines for yourself, from 2012 to present, go here:

<https://www.mauicounty.gov/DocumentCenter/View/117813/2019-Workforce-Housing---Affordable-Sales-Guidelines?bidId=>

**MEAN ANNUAL WAGE FOR THE TOP 10
MOST COMMON OCCUPATIONS, MAUI COUNTY**

2017 Rank	Occupation	Estimated Employees	Annual Mean Wage	Statewide Annual Wage
1	Waiters and Waitresses	3,400	\$48,940	\$45,680
2	Retail Salespersons	3,360	\$29,860	\$26,220
3	Maids and Housekeeping Cleaners	3,000	\$36,590	\$37,130
4	Cashiers	2,140	\$27,100	\$24,900
5	Cooks, Restaurant	1,990	\$41,360	\$39,280
6	Landscaping and Groundskeeping Workers	1,580	\$33,500	\$32,840
7	Maintenance and Repair Workers, General	1,460	\$48,730	\$48,140
8	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	1,440	\$29,610	\$28,560
9	Office Clerks, General	1,200	\$35,210	\$34,490
10	Stock Clerks and Order Fillers	1,160	\$32,100	\$29,920

SOURCE: U.S. BUREAU OF LABOR STATISTICS, AUGUST 2018.

This is our workforce. We must require projects focus on rentals and homes that are affordable to people in these income brackets.

We Can Do Better. Ideas for concepts to include in West Maui Community Plan

New definitions of what qualifies as affordable housing.

- Options
 - Create your own definitions of what is affordable, based on Maui County Data Book employment statistics
 - Require affordable rental/home projects to serve 40-100% AMI as currently defined by HUD. Don't allow development for incomes over 100% AMI to qualify as affordable.
- Don't allow Affordable Housing funds to subsidize units for anything over 100% AMI
 - Maui County's Affordable Housing Fund is Being Squandered. As of June 2018 \$52 million funded 299 units. Basic math = \$175, 671 per unit.
- Include requirements that buyers/renters for some projects must be employed within the County of Maui for 30+ hours per week
- *Note: Building to 140 of AMI and calling it a solution is a failure, and actually gets us farther from what we need because these false solutions are taking what little developable space and water from future real Affordable or Workforce Housing projects.*

Require that we actively build an inventory of affordable rentals and homes that are bought and sold among Maui's workforce.

- Include requirements that the appreciation of affordable homes/rentals is managed in perpetuity, or that they remain affordable for at least 30-50 years.
- Don't allow Affordable Housing funds to subsidize any project that without managed appreciation models or at least 50 year affordability.
- Building wealth vs. having a stable roof to live under. Many resort areas around the U.S. have 2 housing pools:
 - One housing pool for investment/building wealth, on various levels.
 - One housing pool insulated from volatile market forces, to create stability for the workforce.

Require focus on plantation style post on pier construction

- No grading required → mitigates issues with sediment runoff, disturbing 'iwi, etc.
- More affordable to maintain over time
- This is not what is presented by developers, so the County must be specific about this

Require/encourage county control of the process, and include bold definitions of what kind of projects move forward

- Instead of waiting for a developer to bring a project to the county, designed to pencil out at the max of what they are allowed by HUD, we must set better standards and seek people who can build to those standards.
- The industry, building to U.S. and off-island investment tastes, depends on the false narrative that homes can't be built any cheaper.
- An example of what the County's role should be:
Search for developers who can build 900-1100 sq foot post on pier housing for sale at \$350,000 +/- OR studio, 1 and 2 bedroom rentals for \$700 - \$1200. That's what we need, so that's what we make happen. If/when costs come in over this, ask:
 - How can the County fund the off-site infrastructure to make this possible?
 - What kind of zoning exemptions, density bonuses, subsidies make sense to make this happen?

Building moratorium on all commercial development, until affordable (as defined by YOU, not HUD) housing needs are met.

- Allows us, as a community to stop the loss of our precious developable land, water resources, etc. to unneeded development, reserving them for the homes we desperately need.
- This will likely have to include an inter-department master plan for how to fund and roll out infrastructure projects that will support affordable housing projects as a first priority, and other future development (or not)

Farmworker Housing Incentives

- Create new definitions and zoning allowances for zero footprint/modular housing units to house farmworkers.



Prepared by:
HOUSING DIVISION
DEPARTMENT OF HOUSING AND HUMAN CONCERNS (DHHC)
COUNTY OF MAUI
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2019
INCOME LIMITS & AFFORDABLE RENT GUIDELINES
MAUI (EXCEPT HANA)

INCOME LIMITS FOR RENTAL UNITS (BY FAMILY SIZE & PERCENTAGE OF MEDIAN FAMILY INCOME)

% of Median	UNIT SIZE (NO. OF BEDROOMS)							
	1 PERSON 0.7	2 PERSON 0.8	3 PERSON 0.9	4 PERSON 1.0	5 PERSON 1.08	6 PERSON 1.18	7 PERSON 1.24	8 PERSON 1.32
10%	\$5,870	\$6,700	\$7,540	\$8,380	\$9,050	\$9,720	\$10,390	\$11,060
20%	\$11,730	\$13,410	\$15,080	\$16,760	\$18,100	\$19,440	\$20,780	\$22,120
30%	\$17,600	\$20,110	\$22,630	\$25,140	\$27,150	\$29,160	\$31,170	\$33,180
40%	\$23,480	\$26,820	\$30,170	\$33,520	\$35,200	\$38,880	\$41,560	\$44,250
50%	\$29,330	\$33,520	\$37,710	\$41,900	\$45,250	\$48,600	\$51,960	\$55,310
60%	\$35,200	\$40,220	\$45,250	\$50,280	\$54,300	\$58,320	\$62,350	\$66,370
70%	\$41,060	\$46,930	\$52,790	\$58,680	\$63,350	\$68,050	\$72,740	\$77,430
80%	\$46,930	\$53,630	\$60,340	\$67,040	\$72,400	\$77,770	\$83,130	\$88,490
90%	\$52,790	\$60,340	\$67,890	\$75,420	\$81,450	\$87,480	\$93,520	\$99,550
100%	\$58,660	\$67,040	\$75,420	\$83,800	\$90,500	\$97,210	\$103,910	\$110,620
110%	\$64,530	\$73,740	\$82,950	\$92,180	\$99,550	\$106,930	\$114,300	\$121,680
120%	\$70,390	\$80,450	\$89,500	\$100,560	\$108,600	\$116,650	\$124,690	\$132,740
130%	\$76,260	\$87,150	\$98,050	\$108,940	\$117,660	\$126,370	\$135,090	\$143,800
140%	\$82,120	\$93,860	\$105,590	\$117,320	\$126,710	\$136,090	\$145,480	\$154,860

AFFORDABLE RENT GUIDELINES (BY UNIT SIZE & PERCENTAGE OF MEDIAN FAMILY INCOME)

% of Median	UNIT SIZE (NO. OF BEDROOMS)					
	0	1	2	3	4	5
10%	\$147	\$157	\$189	\$218	\$243	\$268
20%	\$293	\$314	\$377	\$436	\$486	\$536
30%	\$440	\$471	\$566	\$654	\$729	\$804
40%	\$587	\$629	\$754	\$872	\$972	\$1,073
50%	\$733	\$786	\$943	\$1,089	\$1,215	\$1,341
60%	\$880	\$943	\$1,131	\$1,307	\$1,458	\$1,609
70%	\$1,027	\$1,100	\$1,320	\$1,525	\$1,701	\$1,877
80%	\$1,173	\$1,257	\$1,509	\$1,743	\$1,944	\$2,145
90%	\$1,320	\$1,414	\$1,697	\$1,961	\$2,187	\$2,413
100%	\$1,467	\$1,571	\$1,886	\$2,179	\$2,430	\$2,682
110%	\$1,613	\$1,728	\$2,074	\$2,387	\$2,673	\$2,950
120%	\$1,760	\$1,886	\$2,263	\$2,615	\$2,916	\$3,218
130%	\$1,907	\$2,043	\$2,451	\$2,833	\$3,159	\$3,486
140%	\$2,053	\$2,200	\$2,640	\$3,050	\$3,402	\$3,754

Note: Affordable rents are based on 30% of gross monthly income. Affordable rents include utilities.