

Residential Workforce Housing Policy

The County of Maui adopted the Residential Workforce Housing Policy (MCC Chapter 2.96) in 2006 to address the critical shortage of affordable housing and encourage the provision and maintenance of residential workforce housing units. The Department of Housing and Human Concerns, Housing Division is charged with administering the policy and the County Council has reviewed and amended the policy several times since its original adoption.

The following is a summary of the key provisions of the policy.

Applicability: The policy applies to any development that creates **10 or more** lots, lodging units, time share units, or dwelling units. It also applies to a conversion of 10 or more hotel units to dwelling units or time share units, and any hotel renovation that increases the number of lodging units by 10 or more.

Requirements: Developers are required to provide residential workforce housing units equal to at least **25% of the total number of market rate units proposed**. Developers are required to enter into a residential workforce housing agreement with the Department of Housing and Human Concerns to set the method by which the developer will meet the requirements.

Requirements may be met by one or a combination of the following:

- a. **Offer for sale units** as residential workforce housing within the community plan area.
- b. **Offer for rent units** as residential workforce housing within the community plan area.
- c. Convey units to a **qualified housing provider**.
- d. **Pay a fee or provide land** in lieu of providing residential workforce housing units.

Timing and Deed Restrictions: Developers are required to make residential workforce housing units (both ownership and rental) **available for occupancy either before or concurrently with market rate units**. **Ownership units are subject to deed restrictions for durations ranging 5 to 10 years**, depending on income group. **Rental units are subject to deed restrictions and must remain affordable for 30 years** from initial occupancy.

Other deed restrictions include:

	Ownership	Rental
• Units must be owner-occupied.	√	
• The owner must notify the County upon a decision to sell and the County shall have the first option to purchase the unit or rental development.	√	√
• Restrictions on maximum resale price.	√	
• Any new owner must comply with deed restrictions.	√	√
• At the end of the 30 year affordability period, the owner must offer the County the right to purchase the property at market value.		√

Definitions:

Residential workforce housing unit – A unit or lot sold or rented to residents within one of the following income groups as established by the Department of Housing and Human Concerns:

1. *Very low income* – Gross annual family income is 50% or less of area median income (AMI).
2. *Low income* – Gross annual family income is 51% to 80% of AMI.
3. *Below moderate income* – Gross annual family income is 81% to 100% of AMI.
4. *Moderate income* – Gross annual family income is 101% to 120% of AMI.
5. *Above moderate income* – Gross annual family income is 121% to 140% of AMI.

Median family income – Middle income in a series of incomes ranked from smallest to largest as determined by HUD (United States Department of Housing and Urban Development) for the County, or as adjusted by the Department of Housing and Human Concerns for Hana, Lanai and Molokai.

Qualified housing provider – Community land trust, nonprofit agency, or other private or public organization, agency, or entity authorized and designated by the Department of Housing and Human Concerns to provide residential workforce housing required under the Residential Workforce Housing Policy.

The full Residential Workforce Housing Policy can be accessed on the Housing Division’s webpage at <https://www.mauicounty.gov/251/Housing-Division>.

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