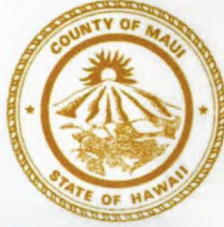


MICHAEL P. VICTORINO  
Mayor

LORI TSUHAKO  
Director

LINDA R. MUNSELL  
Deputy Director



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2020 SEP -1 PM 2: 05  
OFFICE OF THE MAYOR

DEPARTMENT OF HOUSING  
& HUMAN CONCERNS  
COUNTY OF MAUI  
2200 MAIN STREET, SUITE 546  
WAILUKU, MAUI, HAWAII 96793  
PHONE: (808) 270-7805

September 1, 2020

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

*Michael P. Victorino* 9/2/20  
Mayor Date

OFFICE OF THE  
COUNTY COUNCIL

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RECEIVED

For Transmittal to:

Honorable Tasha Kama, Chair  
Affordable Housing Committee  
Maui County Council  
200 S. High Street  
Wailuku, Hawaii 96793

Dear Chair Kama:

**SUBJECT: AMENDMENTS TO THE RESIDENTIAL WORKFORCE HOUSING POLICY AND AFFORDABLE HOUSING FUND (AH-11)**

I am transmitting a proposed bill entitled, "A BILL FOR AN ORDINANCE AMENDING SECTION 3.35.070, MAUI COUNTY CODE, RELATING TO THE GRANT OR LOAN REQUIREMENTS".

The purpose of the proposed bill is to enable the County to be flexible when granting or loaning funds to affordable housing projects that may need specific grant or loan provisions to secure additional financing for the project. This amendment is aligned with the County's goal of attracting affordable housing projects that leverage additional, non-county funding, incorporate long-term affordability, and serve lower income households.

Thank you for your attention to this matter. Should you have any questions, please feel free to call me at Ext. 7805.

Sincerely,

LORI TSUHAKO, LSW, ACSW  
Director of Housing and Human Concerns

Attachment

TO SUPPORT AND EMPOWER OUR COMMUNITY TO REACH ITS FULLEST  
POTENTIAL FOR PERSONAL WELL-BEING AND SELF-RELIANCE

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2020)

A BILL FOR AN ORDINANCE AMENDING SECTION 3.35.070,  
MAUI COUNTY CODE, RELATING TO THE GRANT OR LOAN REQUIREMENTS

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

SECTION 1. Section 3.35.070, Maui County Code, is amended by amending subsection A to read as follows:

“A. A grant or loan agreement for distribution of funds [shall] must contain the following conditions and restrictions[;], unless otherwise approved by council:

1. Title to any real property held in perpetuity by grantee/borrower unless conveyed to the County, or to a qualified nonprofit or community land trust[;].

2. The grantee/borrower [shall] must submit annual reports to the department documenting the progress toward implementing long-term management of the affordable housing project[;].

3. The subject project [shall] must not be sold, exchanged, divested, or converted to other uses that are inconsistent with the purposes set forth in this chapter without the prior approval of the council by resolution[;].

4. In the event that the grantee/borrower dissolves or is adjudicated bankrupt pursuant to any applicable federal statute, title to any real property which has been funded or improved by a grant or loan issued from the fund [shall] must be conveyed to the County, or to a qualified nonprofit or community land trust as approved by the council[;and].

5. The grantee/borrower [shall] must not distribute or redistribute grant or loan funds to other third-party organizations [without the prior approval of the council].”

SECTION 2. Section 3.35.070, Maui County Code, is amended by amending subsection B to read as follows:

“B. Unless otherwise approved by counsel [Loans] loans from the fund shall:

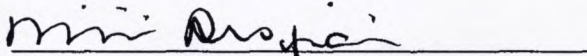
1. Be secured by a first mortgage lien in favor of the County, or, subject to council approval, be secured by a second mortgage lien in favor of the County[;].

2. Have a term set by the director[;].
3. Require the borrower to execute a promissory note in favor of the County[;].
4. Include an interest rate set at [three per cent] 3 percent per annum[; and].
5. Be recorded with the bureau of conveyances or the land court of the [state.] State."

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.

APPROVED AS TO FORM AND LEGALITY:



MIMI DESJARDINS

Deputy Corporation Counsel

2020-1280

Amending subsection MCC 3.35.070A &

MCC 3.35.070B