

AH Committee

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Sent: Tuesday, December 17, 2019 6:47 PM
To: AH Committee
Cc: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Residential Workforce housing policy

Residential Workforce housing policy

I am very interested in hearing a report about the effectiveness of chapter 2.96, Maui's workforce housing policy. This policy established in 2006 failed to produce even a single affordable home during its first 10 years of existence. Therefore, I was excited to see the Kamalani housing project in North Kihei break ground three years ago with the promise of at least 115 affordable units in support of 460 market priced homes to be built later in this new subdivision. I toured the model homes in the affordable part of this project and was very pleased with what I saw, but a bit concerned when the agent told me that any of the remaining units could be purchased by anyone, with no income or residency requirements.

I am happy to see that the first phase of this project has been completed and that all the homes have been sold. Certainly Maui needs these new housing units. And I expected that most of these units would be owner occupied.

I took a look at the tax records for these homes and was concerned when I found that only 81 of the 170 units has a homeowner exemption that would indicate that the unit is owner occupied. I was further concerned when I saw that the tax records indicate that only 46 of the units were recorded with an affordable housing deed restriction. And that 124 of the 170 units did not have any affordable deed restriction. My concern was further heightened when I saw that 24 units were sold to out of state owners and even one to an out of Country owner. And I truly could not understand that of the 46 units sold with an affordable housing deed, 8 of these were recorded to out of State owners. I also saw some affordable deeds recorded for Maui residents who already own and occupy another home in Maui where they are getting a homeowner exemption.

I found that 109 of the 170 units show a mailing address consistent with the address of the housing unit, so perhaps some of these new homeowners have simply failed to properly apply for their homeowner exemption, which they need to do before the end of this year for next year's real property tax classification. But 61 of the tax records have mailing addresses different than that of the Kamalani housing unit and 24 of them are out of state mailing addresses.

It is possible that the information contained in the Maui County tax records is inaccurate. But there are so many questions raised by this information, I would like to suggest that the County auditor take a look at this project and that the Housing and Human Concerns department take a look at how many residential workforce housing credits are being granted to this project. I would hope that no more than 46 credits would have been granted. These 46 credits would have met (and exceeded by 15) the number of workforce housing credits required for the 124 non-deed restricted market priced units sold in this project.

No matter what any audit of this project might reveal, it seems certain that the workforce housing policy has failed in its goal to produce the affordable housing intended in this housing project. I support construction of any housing units, and am grateful for this project, but in this Council's review of chapter 2.96, this project's compliance with this chapter brings up many questions.

My audit of the Real Property tax records for Kamalani Villas revealed:

170 total units
46 affordable deed restricted units
124 standard apartment deeds
81 properties with a recorded homeowner exemption for 2020
89 without a homeowner exemption recorded for 2020
109 with mailing addresses that match the unit address
61 with mailing addresses that do not match unit address
24 with out of State mailing addresses
8 with out of State mailing addresses and affordable deed restriction.

Tom Croly
Sent from my iPad that has a mind of its own