

## AH Committee

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**Sent:** Tuesday, June 16, 2020 4:29 PM  
**To:** AH Committee  
**Cc:** Stacey L. Vinoray  
**Subject:** AH-20 E&D Presentation  
**Attachments:** Experimental Housing v2 .pptx

# Experimental and Demonstration Housing Projects

AH-20

June 17, 2020

# History

## HRS 46-15 Experimental and Demonstration Housing Projects

- State Law Originally Passed in 1970
- Last amended in 1984

## 16.28 MCC

- County Ordinance Passed in 1983
- Amended to add the Experimental Housing Fund in 2019

# The Law

## The Mayor

- Holds a public hearing on the matter
- Is empowered to:
  - designate areas of land for E&D housing projects
  - the purpose is to research and develop ideas that would reduce the cost of housing in the State

## The Director of Human Concerns

- Approves, disapproves, or modifies plans and specs

# The Law

## The Council

- Approves/disapproves the plans and specs submitted by the Director

# The Law - Exemptions

Similar to 201H or 2.97 Exemptions

- All statutes, ordinances, charter provisions,
- Rules and regulations relating to
  - planning
  - zoning
  - construction standards for subdivisions, development and improvement of land
  - construction and sale of homes

# The Law - Exemptions

## Exemptions Not Allowed:

- Anything that compromises health and safety standards
- Tariffs approved by the public utility commissions

# The Law – Sale

## The Director:

- Determines the terms and conditions under which the homes are sold



# The Law – Project Sponsors

Sponsors (as defined by Section 1-19):

- County agencies
- State agencies
- HRS does not limit the type of entity that can sponsor a project

# The Law – E&D Project Fund

## 16.28.060 Fund Deposits (sources)

- Application fees
- Council appropriations
- Cash donations
- Proceeds from the sale of projects
- Proceeds from the repayment of loans from the fund

E&D Fund is a revolving fund

# The Law – E&D Project Fund

## 16.28.070 Fund Uses

- Provision, protection, and expansion of E&D projects
- Rehabilitation of existing structures
- Land purchase or other acquisition of land or property
- Entitlements, planning, design
- Construction
- Provide housing for families at 80% AMI or less
- Advance the objective of providing AH in perpetuity

Use doesn't require Council approval

# The Law – E&D Project Fund

## 16.28.070 Fund Uses (continued)

Allows Council to appropriate funds for:

- Acquiring interest in real property
- Grant or loan funds to a non-profit organization

# The Law – E&D Project Fund

## 16.28.090 Grant or loan selection criteria

- Detailed description of the proposed project
  - including the income categories served
- Brief overview of a long-term management plan
- Description of all efforts to leverage or match funding

Must demonstrate that the project has the potential to facilitate the research and development of ideas that would reduce the cost of housing in the state

# The Law – E&D Project Fund

## 16.28.080 Grant or loan requirements and restrictions

- Title to any real property must be held in perpetuity
- Must submit annual reports
- Sale of change of use requires approval of council
- Upon dissolution or bankruptcy the project should be conveyed to the County or a non-profit
- Grantee/borrower may not redistribute funds w/o approval

# The Law – E&D Project Fund

## 16.28.080 Grant or loan requirements and restrictions (cont)

Loans from the fund must:

- Be secured by a first mortgage lien
- Have a term set by the director
- Requires a promissory note at 3% interest

In event of default, the following may be required:

- Forfeit the land or property to the County
- Repay the loan with interest

# Experimental and Demonstration Projects

## Maui County Experimental Housing Projects:

- 1982 – Lanai City (5 TMK's as sites for projects)
- 1984 – Luana Gardens I (Kahului)
- 1987 – Lalakoa III Subdivision (Lanai)
- 1988 – Honokeneea Subdivision (Napili)
- 1992 – Maunaloa Redevelopment Project (Maunaloa)

The purpose of these projects was to research and develop ideas that would reduce the cost of housing



# Experimental and Demonstration Projects

## Lanai City (1982):

- Ordinance 1222
- Identified 5 parcels to participate in project
- It did not move forward – all parcels now identified as commercial use

# Experimental and Demonstration Projects

## Luana Gardens (1984):

- Ordinance 1410
- Authorized 12.447 acre site as experimental and demonstration project
- Reduced construction costs by use of adjoining garages/common walls

# Experimental and Demonstration Projects

## Lalako III Subdivision (1987):

- Ordinance 1676
- Proposed residential subdivision on Lanai, total of 144 lots
- Received approval for Maui County Code deviations to reduce construction costs:
  - Placement of primary and secondary electrical and phone lines above ground
  - Decreased minimum lot area and lot width
  - Use of grass sidewalks instead of concrete
  - Minimum corner radii requirement for flag lot driveways was eliminated

# Experimental and Demonstration Projects

## Honokeana Subdivision (1988):

- Ordinance 1775
- Received approval for Maui County Code deviations to reduce construction costs:
  - Permitted residential use within agricultural district
  - Decreased minimum lot area and lot width
  - Decreased yard set backs

# Experimental and Demonstration Projects

## Maunaloa Village (1992):

- Initially submitted Experimental Housing Application to DHHC
- Project ultimately approved as 201E project
- HRS 201E repealed in 1997, present provisions are under 201H

# Experimental & Demonstration Housing Fund

## Current Status of Fund:

- Application workshop held on January 29, 2020
  - Workshop had 15 attendees
- Application deadline was February 28, 2020
  - Received one project proposal
- Housing Division has conducted thorough review of proposal, now pending notification of outcome to applicant

**-MAHALO-**