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September 5, 2017

Honorable Alan M. Arakawa Mayor, County of Maui 200 South High Street Wailuku, Hawaii 96793

For Transmittal to:

Honorable Chair Stacy Crivello Housing, Human Services, and Transportation Committee Maui County Council 200 South High Street Wailuku, Hawaii 96793

Dear Chair Crivello:

SUBJECT: AMENDMENTS TO THE RESIDENTIAL WORKFORCE HOUSING POLICY (PROPOSED AMENDMENTS RELATING TO CREDITS, RESTRICTIONS FOR RENTAL UNITS, AND VACANCIES IN

RESIDENTIAL WORKFORCE HOUSING UNITS) (HHT-2 (1))

Thank you for your correspondence of August 24, 2017 pertaining to your committee's discussion on the above subject. The questions posed in your letter are listed below in bold and are followed by the Department's responses.

 The number of credits issued to developers under Chapter 2.96, Maui County Code. Of these credits, please identify how many have been applied by developers to satisfy residential workforce housing requirements for other projects.

Two Developments have received credits under Chapter 2.96, Maui County Code:

- 1) Imi Ikena Apartments / DBR Development 21 credits
- 2) Waikapu Gardens Phase II / JES Corp 23 credits

Please note the above mentioned credits were approved prior to the amendments to Chapter 2.96 which were approved in December, 2014. Thus, said credits are bound to the same community plan area and income categories they were earned in.

Under Chapter 2.96, Maui County Code, no developer has used credits to satisfy their residential workforce housing requirements.

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2. To date, how many affordable housing credits issued pursuant to Hawaii Revised Statutes §46.15.1(b) by the State Department of Hawaiian Home Lands have been applied by developers to satisfy residential workforce housing requirements for projects in Maui County?

The Housing Division does not track the issuance of State ACT 141 Credits. However, our office was notified of ACT 141 credits issued to Developer Everett Dowling. Mr. Dowling received a total of 372 credits – of which he still holds 42. A total of 330 credits have been sold by Mr. Dowling to date.

3. What is the purpose of using an applicant's Federal Income Tax return versus an applicant's State of Hawaii tax return to verify residency?

The Department of Housing and Human Concerns follows Federal and State standards that utilize Federal Tax Returns for its verifications. Federal Tax Returns are more detailed in information, especially for self-employed individuals.

4. Would it be feasible for the Department to fill open and available affordable rentals with applicants from the Section 8 housing waitlist? Please explain.

Any project that receives Federal funding must allow a Section 8 voucher holder to rent in the project (until the affordability terms of the funding expire).

Thank you for the opportunity to provide this information. Should you have any questions, please feel free to contact me at Ext. 7805.

Sincerely,

AROL K. REIMANN

Jan Shishedo

Director of Housing and Human Concerns