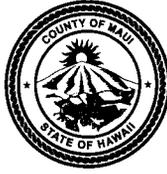


ALAN M. ARAKAWA  
Mayor

WILLIAM R. SPENCE  
Director

MICHELE CHOUTEAU McLEAN  
Deputy Director



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COUNTY OF MAUI

OFFICE OF THE MAYOR

## DEPARTMENT OF PLANNING

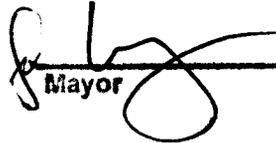
June 16, 2016

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

For Transmittal to:

Honorable Don Couch  
Chair, Planning Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

  
\_\_\_\_\_  
Mayor Date 6/16/16

Dear Chair Couch:

**SUBJECT: COMMITTEE'S PRIORITIES AND PROCEDURES; PRESENTATION OR DISCUSSION ON MATTERS WITHIN THE COMMITTEE'S SUBJECT-MATTER JURISDICTION (PC-37)**

Over the past several months, in your Committee's discussions of a variety of items, the issue of affordable housing has often been raised. During your deliberations of short-term rental homes and enforcement (PC-26), the proposed definition of "wetbar" (PC-16) and the proposed bill to create and allow "affordable accessory dwellings" (PC-28), among others, you have questioned potential impacts to the affordability of housing for local residents.

The Department of Planning (Department) has also had discussions with senior staff and other departments about ideas to increase our affordable housing inventory – not only housing that targets statutory income levels, but also housing that the average working family can afford. For your information and consideration, these ideas include the following (in no particular order of priority):

1. Amend the zoning code to allow additional dwelling units per lot, depending on lot size, with requirements relating to lot coverage, floor-to-area ratio, parking and owner-occupancy. (This relates to PC-28, "affordable accessory dwellings.")
2. Identify existing single-family residential areas, both developed and undeveloped, that would be appropriate to re-designate to duplex or multi-family. This would both legalize existing (unlawful) multi-family uses and allow greater density for existing and new development. (This arose during discussions of PC-16, creating a definition for "wetbar.")
3. Identify under-developed properties with multi-family and industrial designations that could be targeted for redevelopment as multi-family.

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Honorable Alan M. Arakawa, Mayor  
For Transmittal to:  
Honorable Don Couch  
June 16, 2016  
Page 2

4. Identify lands with single-family and multi-family community plan designations, and change the zoning and state designations to complete their entitlements.
5. Review existing entitled projects that have affordable components and that have stalled; determine why they are not proceeding and evaluate if there is any county action that could be taken to get them online.
6. Identify state and county-owned properties that would be appropriate for the county to re-designate for affordable development.
7. Require developers to develop their affordable units; do not allow cash in lieu of creating affordable units if there are affordable requirements applicable to a project.
8. Provide a tax incentive for developers to create affordable rentals: do not tax them on the improved value (which would get passed along to tenants), as long as units meet affordability criteria.
9. Provide no-interest or low-interest loans to developers of affordable projects for their offsite infrastructure and/or onsite construction, thus allowing the developer's rate of return to be narrower than banks typically require (since the County does not need to see a profit).
10. Reduce or waive parks assessment fees for affordable projects.
11. Amend the workforce housing ordinance (Chapter 2.96, Maui County Code) so that developers receive 100 percent credit for the affordable units that they build.

For many of these ideas, we would further suggest some type of affordability criteria, such as restrictions on the sales prices or rental rates, restrictions on the targeted income levels to be served, a prohibition on short-term occupancy, and an established duration for such restrictions (if not in perpetuity). We would be happy to discuss these and other ideas with your Committee, other departments and industry representatives to help increase our affordable and market housing inventory.

If you have any questions or require further information, please feel free to contact me.

Sincerely,

  
WILLIAM SPENCE  
Planning Director

xc: Michele McLean, Deputy Director  
Pam Eaton, Planning Program Administrator  
Kathleen Aoki, Administrative Planning Officer  
Carol Reimann, Director of Housing and Human Concerns  
Danilo Agsalog, Director of Finance  
Kaala Buenconsejo, Director of Parks and Recreation  
Sananda Baz, Budget Director

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