

ORDINANCE NO. _____

BILL NO. 22 (2024)

A BILL FOR AN ORDINANCE AMENDING CHAPTERS 2.96 AND 3.44, MAUI COUNTY CODE, ON RESIDENTIAL WORKFORCE HOUSING UNITS

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

SECTION 1. This Ordinance's purposes are to:

1) increase the time, in each category of residential workforce housing units, during which units must be offered to the County before being offered to others;

2) expedite the County's purchase of residential workforce housing units when offered to the County.

SECTION 2. Section 2.96.060, Maui County Code, is amended by amending Subsection B to read as follows:

"B. Deed restrictions.

1. The ownership units within each income group [shall be] are subject to the deed restrictions contained in this section for the following periods:

a. "Below-moderate income," [ten] twelve years.

b. "Moderate income," [eight] ten years.

c. "Above-moderate income," [five] eight years.

2. For the deed-restricted period, the following [shall] apply:

a. The unit must be owner-occupied.

b. The owner must notify the department upon a decision to sell.

c. Upon the owner's decision to sell, the County [shall have] has the first option to purchase the unit from the owner; [said] the option [shall] must

be available to the County for a period of ninety days from receipt of written notice from the owner.

d. Upon sale of the unit, the deed restrictions [shall] remain in full force and effect for the remainder of the deed-restricted period that commenced at the time of the initial sale.

e. Under special circumstances of undue hardship an owner of a residential workforce housing unit may appeal to the department for a waiver of the owner-occupancy deed restriction; these circumstances [would] include[, but are not limited to,] assignment to active military duty or short-term contracts for off-island employment.

f. [Resale.] The maximum resale price [shall] must be established by the department using the following guidelines:

i. An appraisal of the property [shall be] is required before occupancy.

ii. A second appraisal [shall be] is required upon a decision to sell the unit.

iii. [Twenty-five] 25 percent of the difference between the two appraisals [shall] must be added to the owner's purchase price.

g. An owner of a residential workforce housing unit that is being resold must sell the unit to an income-qualified household and notify the department of the sale. The department [shall] must verify the sales price.

h. The restrictions contained in subparagraphs 2a through 2g above [shall] do not apply in situations of foreclosure.”

SECTION 3. Section 2.96.090, Maui County Code, is amended by amending Subsection B to read as follows:

“B. Eligibility criteria. To be eligible for a residential workforce housing unit, an applicant must meet the following criteria:

1. Be a citizen of the United States or a permanent resident alien who is a resident of the County.
2. Be eighteen years of age or older.
3. Have a gross annual family income, [(] not to include the income of minors[)], that does not exceed 140 percent of the County's area median income as established by HUD[,] or as adjusted by the department. Initial

determination for compliance with the maximum gross annual family income provision must be made by the department or its designee for the initial sale of residential workforce housing units[,] on the basis of the information provided on the ownership application. The ownership application will be completed when a specific unit is being considered. Final determination for compliance with the maximum gross annual family income provision must be made by the prospective lender at the time the applicant's income verification data is received.

4. Have assets that do not exceed 140 percent of the County's area median income as established by HUD[,] or as adjusted by the department or its designee. Assets [must] include all cash, securities, stocks, bonds, and real property, [with the understanding that] not including assets being used for the down payment or closing costs [must not be included in the asset calculation]. Real property must be valued at fair market value less liabilities on the real property.

5. For a period of three years before the submittal of the ownership application, have not had an interest of 50 percent or more in real property in fee or leasehold in the United States, where the unit or land is suitable for dwelling purposes, unless the applicant is selling a workforce unit and purchasing a different workforce unit that is more appropriate for the applicant.

6. Pre-qualify for a loan with the applicant's choice of lender.

7. The department or its designee must verify that each applicant meets [the] eligibility requirements [of eligibility].

SECTION 4. Section 3.44.015, Maui County Code, is amended by amending Subsection B to read as follows:

"B. The director may acquire property; except that in the case of real property with a purchase price that exceeds \$250,000, the council [may] must authorize the acquisition by resolution[; except that]. The requirement of council approval [is not required for] does not apply to the purchase of:

- i. residential workforce housing units; or
- ii. housing units for \$500,000 or less in accordance with repurchase options and other buy-back provisions granted to the County [as follows] under either:

[1.] a. Deed restriction in a County housing project that secured final subdivision approval or certificate of occupancy prior to January 1, 1999[.];
or

[2.] b. Agreement that was executed by and between the County and the developer of a housing project prior to January 1, 1999 under a County housing program.”

SECTION 5. 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 6. This Ordinance takes effect upon its approval.

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INTRODUCED BY:

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