Housing and Land Use Committee (2025-2027) on 2025-02-05 9:00 AM

Meeting Time: 02-05-25 09:00

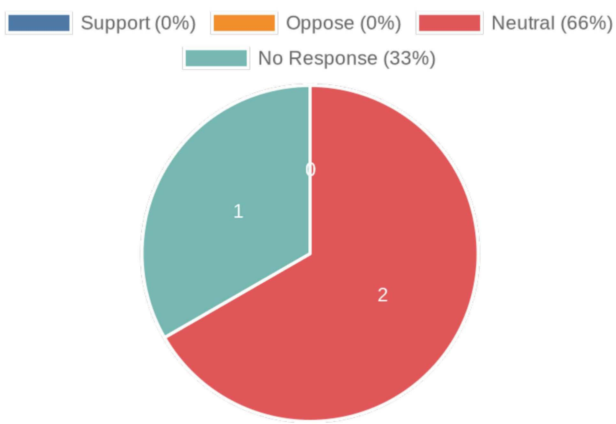
eComments Report

Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
Housing and Land Use Committee (2025-2027) on 2025-02-05 9:00 AM	02-05-25 09:00	4	3	0	0	2

Sentiments for All Meetings

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



Received at HLU Committee meeting on 03/20/2025

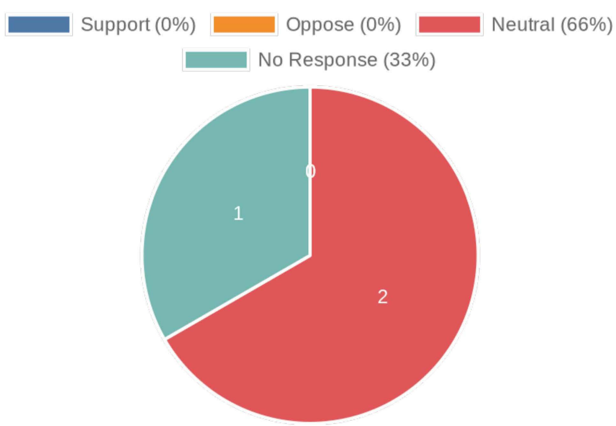
Housing and Land Use Committee (2025-2027) on 2025-02-05 9:00 AM
02-05-25 09:00

Agenda Name	Comments	Support	Oppose	Neutral
A G E N D A	3	0	0	2

Sentiments for All Agenda Items

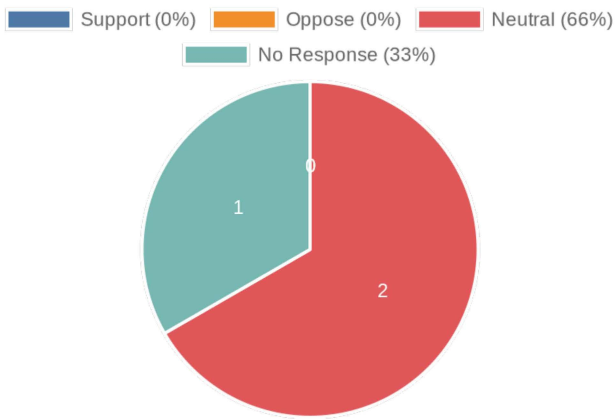
The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



Agenda Item: eComments for A G E N D A

Overall Sentiment



HLU Committee
Location:
Submitted At: 12:02pm 02-05-25

Testimony received from HLU Committee

Guest User
Location:
Submitted At: 9:24am 02-05-25

Aloha, Council Members,

This is Andrew Pereira with Pacific Resource Partnership (PRP) and I would like to provide comments on Bills 12, 22 and 74. I am currently attending the meeting online via MS Team and can provide comments directly. Mahalo!

Adam Roversi
Location:
Submitted At: 3:50pm 02-03-25

See attached PDF Testimony

KAUAʻI COUNTY HOUSING AGENCY
ADAM ROVERSI, DIRECTOR

DEREK S.K. KAWAKAMI, MAYOR
REIKO MATSUYAMA, MANAGING DIRECTOR

Testimony of Adam P. Roversi
Director, Kauaʻi County Housing Agency

Before the
Housing and Land Use Committee
Council of the County of Maui

Wednesday, Feb. 5, 2025, at 9AM

Honorable Committee Chair Tasha Kama, Vice Chair Nohealani U`u-Hodgins, and Members of the Committee:

Thank you for the invitation to participate in the HLU Committee's discussion of pending bills relating to workforce housing deed restrictions. Although I am unavailable to appear at the hearing, I would like to honor the request by providing information on Kauai County's related programs. I will refrain from testifying directly for or against bills before the committee as I feel I do not have sufficient knowledge of Maui County's specific circumstances and history to presume to understand what policy would best suit your community.

Prior to 2008, Kauai County generally imposed a "Restriction on Sale or Transfer, and Use" (Deed Restriction) for a period of 10-years on any homes directly developed by the County or developed by private developers to satisfy affordable housing requirements. County law at the time permitted the Housing Agency to agree to a shorter restriction period for private developments, but I am unaware of any instances in which a shorter restriction period was implemented.

The Restriction functioned as a recorded lien and gave the County the first option to purchase any lot or home subject to restriction at a formula price based on the original purchase price, the cost of any capital improvements added by the owner, and simple interest of 1% per year. The restriction also permitted the home to be sold to an income qualified third-party subject to the deed restriction. Additionally, the restriction imposed an owner-occupancy requirement, which was required to be verified annually by affidavit.

An example of a project developed under this pre-2008 program was the Titcomb subdivision in Kilauea on our north shore. The 49-unit affordable single-family subdivision was developed by the Princeville resort as a workforce housing condition of further resort development. The three-bedroom homes were sold to income qualified Kauai residents beginning in 1998 for $159,500 to $178,000. Today these homes are unrestricted and have sold for over $1.2 million.

In 2008, as the Titcomb projects deed restrictions were expiring, Kauai County adopted Ordinance 860, our first comprehensive Housing Policy. Ord. 860 amended our deed restriction program imposing a 20-year restriction on for-sale homes and a 40-year restriction on rental units developed by private developers to satisfy workforce housing requirements. Notably, Ord. 860 also established a Limited

Appreciation Leasehold Program permitting the County to directly develop shared appreciation leasehold homes in addition to fee-simple deed restricted homes. This leasehold program authorized the issuance of renewable 99-year leases, effectively creating a perpetual period of affordability for homes in the program.

In 2018, Kauai County commissioned a "Workforce Housing Nexus and Financial Feasibility Analysis" to analyze the inclusionary zoning provisions of our Housing Policy and to recommend potential revisions. The study noted that although Kauai's 20-year affordable housing deed restriction was in line with other Hawaii Counties, it was significantly shorter than similar programs on the U.S. mainland that typically required longer affordability terms. Largely informed by this study, our Housing Policy was again amended in 2020 by Ord. 1081 extending the period of affordability for deed restricted for-sale homes to 50 years.

In none of the iterations of Kauai County's affordable housing deed restriction have the period of restriction automatically restarted upon sale. As a practical matter, however, Kauai County virtually always exercises its first right of purchase when a restricted home is sold. When we do so we typically resell the home within our Limited Appreciation Leasehold Program, rendering a continuing deed restriction unnecessary.

Thank you for the invitation to appear and the opportunity to testify. If any committee members have questions about Kauai's housing programs, I would be happy to provide additional follow-up information.

REALTORS® ASSOCIATION OF MAUI, INC.

February 5, 2025

Councilmember Tasha Kama, Chair
Councilmember Nohe U'u- Hodgins, Vice Chair
Members of the Committee on
Housing and Land Use

RE: **Bill 12 – RELATING TO RESIDENTIAL WORKFORCE HOUSING DEED RESTRICTION TIME PERIODS**
Hearing Date – February 5, 2025 at 9:00 a.m.

Aloha Chair Kama, Vice Chair U'u- Hodgins and members of the committee,

Thank you for allowing the Realtors Association of Maui ("**RAM**") to submit testimony providing **COMMENTS** on **Bill 12 – RELATING TO RESIDENTIAL WORKFORCE HOUSING DEED RESTRICTION TIME PERIODS**. RAM is an association of over 2003 real estate brokers and salespersons dedicated to the preservation of the fundamental right to own, transfer, and use real property.

Bill 12's purpose is to increase the time-periods that residential workforce housing ownership units are subject to deed restrictions as follows:

1. 20 years for the below-moderate income group
2. 16 years for the moderate income group, and
3. 10 years for the above-moderate income group.

RAM appreciates the intent of the measure, however, the measure does present concerns in implementing the proposed deed restriction periods.

First, the current proposal to double the length of deed restriction terms would be detrimental for first-time homebuyers. For example, a 20-year deed restriction for below-moderate income units would be restrictive for young local families looking to purchase their first property home. RAM is concerned that deed restrictions will deter both demand from homebuyers and negative impact housing supply, as developers will have a difficult time financing their projects if there is a lack of homebuyer interest. In conjunction, RAM is concerned that the buyback program will disincentivize maintenance and home investment for projects under Bill 12.

Furthermore, the proposal to lengthen Maui's deed restrictions could put homeowners in an unreasonably long equity trap. The current deed restriction periods outlined in Maui County Code 2.96 are reasonable because they provide a good balance between community stability and upward mobility for a homeowner. As currently drafted, the long duration of the deed restrictions in Bill 12 will preclude our local residents from climbing the housing ladder. Consideration should be given to gradual release mechanisms that allow homeowners to gain partial equity over time.

Additionally, Bill 12 lacks clarity in key provisions that impact the implementation of the measure. First, the Owner-occupancy waiver process should be defined. The bill allows waivers for owner-occupancy restriction in special circumstances but does not define what constitutes "short-term contracts for off-island employment. Second, a clear application process, time limits, and appeal process should be established to avoid unnecessary barriers for homeowners facing temporary relocations. Third, the bill should specify how appraisals are conducted and whether the owner can dispute valuations. Fourth, the bill states that an owner "must sell to an income-qualified household," however, there is no enforcement mechanism to ensure compliance.

While protecting affordability is important, longer restrictions may deter families from purchasing workforce housing due to reduced financial mobility. It would be helpful to compare the changes to similar policies in other counties or states to assess long-term viability and effectiveness. The intent of the bill is commendable in extending deed restriction periods, but additional safeguards are needed to balance affordability with homeowners' ability to build equity. Strengthening the County's enforcement, funding mechanisms, and clarity on waivers may ensure that these changes effectively serve the workforce housing community.

Mahalo for your consideration,

Lynette Pendergast

Lynette Pendergast, President
REALTORS® Association of Maui, Inc.

HLU Committee

From: County Clerk
Sent: Wednesday, February 5, 2025 10:40 AM
To: HLU Committee
Subject: FW: Housing and Land Committee Testimony - Bill 12
Attachments: 2025.2.5 RAM Testimony Bill 12.pdf

From: Madison K. Kalahui <mkalahui@imanaka-asato.com>
Sent: Wednesday, February 5, 2025 9:43 AM
To: County Clerk <County.Clerk@mauicounty.us>
Subject: Housing and Land Committee Testimony - Bill 12

You don't often get email from mkalahui@imanaka-asato.com. Learn why this is important

Aloha,

Please find attached a testimony for Bill 12.

Mahalo,
Madison Kalahui, Government Relations Assistant
Imanaka Asato

IMANAKA ASATO | A LIMITED LIABILITY LAW COMPANY
Topa Financial Center, Fort Street Tower
745 Fort Street Mall, 17th Floor, Honolulu, HI 96813
T: (808) 521-9500 | F: (808) 541-8217
mkalahui@imanaka-asato.com | www.ImanakaAsato.com

HLU Committee

From: Alan LLoyd <mauitenantassociation@gmail.com>
Sent: Wednesday, February 5, 2025 7:56 AM
To: HLU Committee
Subject: HLU mtg 2/5/25 Bill 12

You don't often get email from mauitenantassociation@gmail.com. Learn why this is important <https://aka.ms/LearnAboutSenderIdentification>

HLU Committee
Maui County Bld
Wailuku, hI 96793

Dear Committee members;

The Maui Tenants and Workers Association is in support of Bill 12 (2023).
We are in favor of increasing the time periods for workforce housing units which are subject to deed restrictions. We are in favor of Deed restrictions for multi family of 10 years, 20 years for those below moderate income, 16 years for those of moderate income, and 10 years for those above moderate income.

We favor these as it allows a longer period of time for housing to be affordable.

Sincerely,
Alan Lloyd, Steering Committee, Maui Tenants and Workers Association

HLU Committee

From: Carolyn Auweloa <carolyn@lahainacommunitylandtrust.org>
Sent: Wednesday, February 12, 2025 9:28 AM
To: HLU Committee; Tamara A. Paltin
Cc: Julie Brunner; Autumn Ness
Subject: Data sources for Median sale prices and income
Attachments: affordability gap.pdf

Aloha Tam and HLU committee,

As requested, here are the data sources for the stat I shared with you during the committee session last week.

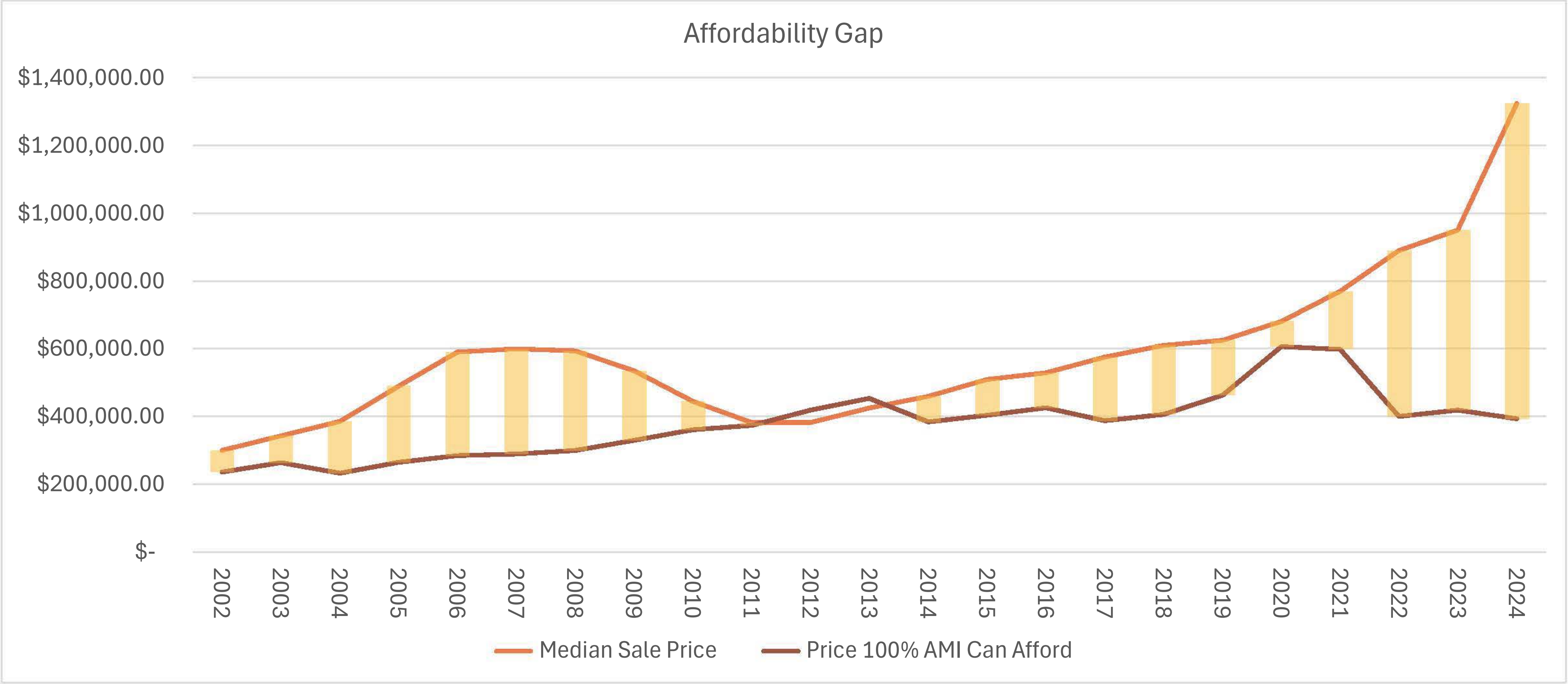
Median sales prices for homes were collected for Maui County from the Maui County Data Book archives and Housing Statistics from RAM.

https://hisbdc.org/business-research-library/maui-county-data-book/
https://www.ramaui.com/housing-statistics

Median income data is from HUD.
https://www.huduser.gov/portal/datasets/il.html#documents_2024

We put together a graph that shows the affordability gap between Median sale prices and the affordable home price for a family of 4 at 100% AMI at prevailing interest rates for the relevant year. See attached.

Let us know if you have any questions.
Mahalo!
carolyn


Affordability Gap
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2024
Median Sale Price
Price 100% AMI Can Afford

Housing and Land Use Committee (2025-2027) on 2025-03-10 9:00 AM

Meeting Time: 03-10-25 09:00

eComments Report

Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
Housing and Land Use Committee (2025-2027) on 2025-03-10 9:00 AM	03-10-25 09:00	2	8	2	2	0

Sentiments for All Meetings

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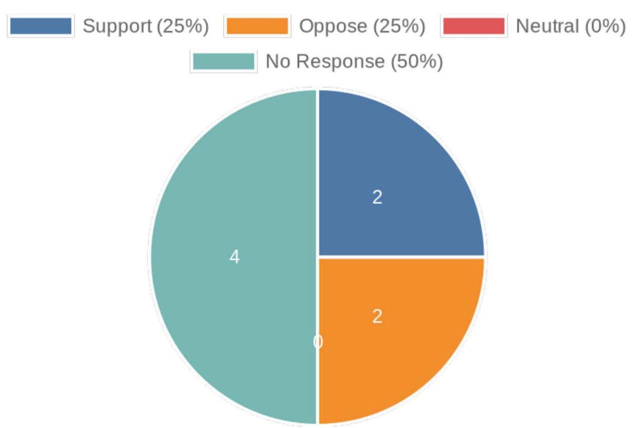
Overall Sentiment



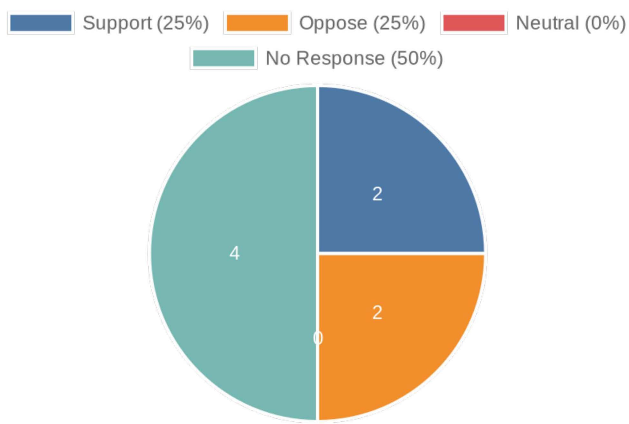
Housing and Land Use Committee (2025-2027) on 2025-03-10 9:00 AM
03-10-25 09:00

Agenda Name	Comments	Support	Oppose	Neutral
A G E N D A	5	2	1	0
Bill 22 (2024) HLU-24 BILL 22 (2024), BILL 12 (2023), AND BILL 74 (2023) RELATING TO RESIDENTIAL WORKFORCE HOUSING DEED RESTRICTIONS	3	0	1	0

Sentiments for All Agenda Items

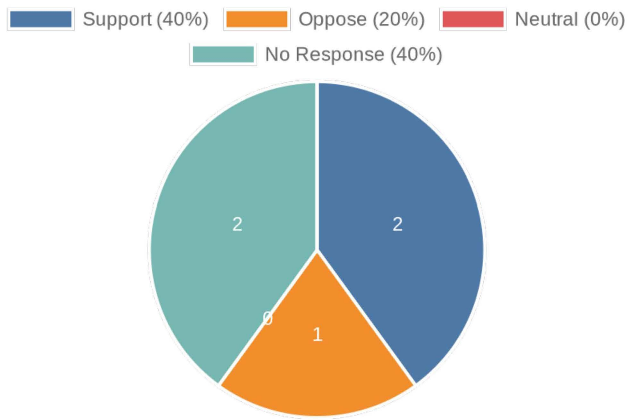
The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



Agenda Item: eComments for A G E N D A

Overall Sentiment



Guest User
Location:
Submitted At: 3:35pm 03-10-25

I noticed that you mentioned the 20% question, but missed the mark - it is not related to income as Mr. Savio based his answer, rather it is related to the deed restriction that requires a restriction on resale, allowing the property owner to retain a percentage of the market value upon resale. THe problem is that HUD/FHA allows for this type of profit sharing, but it cannot be below 50% shared value in order to meet HUD/FHA guidelines - the way the restriction is now, at around 20%, new purchasing residents will not be able to get a low interest loan under FHA - pricing intended buyers out of the market.

Guest User
Location:
Submitted At: 2:17pm 03-10-25

You cannot impose a 20% deed restriction on resale for workforce housing - it will limit the pool of potential buyers who need it most. HUD requires a minimum of 50% shared appreciation limit. As such, the workforce housing with a 20% deed restriction will never achieve FHA approval, limiting the ability of potential homeowners to get an FHA loan with a low down payment.
Thank you,
Meredith Muller

Stan Franco
Location:
Submitted At: 10:35am 03-10-25

I speak for myself. I support Bills 12 and 74. We have been trying different ways to keep our homes from being resold to investors who see a high upside to Maui homes. These bills work to curb this practice and should be approved. We cannot afford to continue to build affordable homes to have them resold within 5 to 10 years. We see movement of our young people off island because they cannot find affordable homes. This means that our future leadership of our beautiful island will be increasing non-islander people. Many of them do not know what aloha and ohana mean. Let us stop the practice of the County of Maui giving developers lower county requirements or cash to build these homes and within 10 years they are sold to the highest bidder. Enough already!

Stan Franco
Location:
Submitted At: 10:35am 03-10-25

I speak for myself. I support Bills 12 and 74. We have been trying different ways to keep our homes from being resold to investors who see a high upside to Maui homes. These bills work to curb this practice and should be approved. We cannot afford to continue to build affordable homes to have them resold within 5 to 10 years. We see movement of our young people off island because they cannot find affordable homes. This means that our future leadership of our beautiful island will be increasing non-islander people. Many of them do not know what aloha and ohana mean. Let us stop the practice of the County of Maui giving developers lower county requirements or cash to build these homes and within 10 years they are sold to the highest bidder. Enough already!

Edward Codelia
Location:
Submitted At: 10:03am 03-10-25

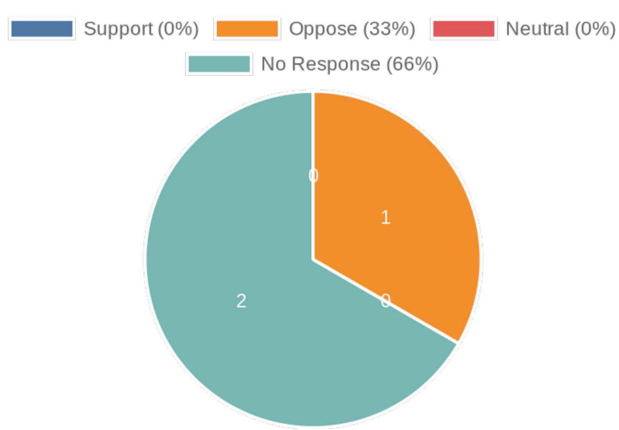
Testimony to the Housing and Land Use Committee
Regarding Bills 22 (2024), 12 (2023), and 74 (2023)
Aloha Chair and Members of the Housing and Land Use Committee,
I appreciate the opportunity to provide testimony regarding Bills 22 (2024), 12 (2023), and 74 (2023), which propose extending deed restrictions on workforce housing, expediting county purchases of these units, and enforcing continued affordability through resale restrictions. While the intent behind these policies is to preserve affordable housing for the long term, I urge the committee to consider the unintended consequences these changes could have on homeownership opportunities, developer participation, and overall housing stability in Maui County.
One of the primary concerns with these bills is that they create significant differences between first-time homebuyer opportunities in the general market and those purchasing workforce housing. Traditional first-time homebuyer programs offer financial assistance, such as down payment support or low-interest loans, but they do not impose resale restrictions that limit equity growth. Buyers in these programs can build wealth, sell their homes at market value, and use that capital to move into another home, creating upward mobility.
In contrast, workforce housing with extended deed restrictions traps homeowners in a cycle where their home remains affordable but does not provide the same financial benefits as market-rate homeownership. The inability to sell at market value significantly limits financial mobility, preventing families from using their home as a stepping stone to economic stability. Many residents aspire to move into market-rate housing over time, but these restrictions make that goal much harder to achieve. Instead of promoting homeownership as a tool for financial independence, these policies create a separate class of homeowners with fewer rights and opportunities.
Additionally, these bills could reduce developer incentives to build workforce housing. If buyers are deterred by long-term resale restrictions, fewer workforce housing units will be sold, discouraging future development. Private sector participation is essential for increasing housing inventory, and overly restrictive policies could push developers toward building only market-rate units, worsening the affordability crisis. Instead of discouraging development, the county should consider incentive-based approaches such as tax credits, fee reductions, or flexible zoning options to encourage workforce housing while allowing homeowners a pathway to financial growth.
Another critical concern is the administrative burden these policies will create. Restarting deed restrictions upon resale and fast-tracking county purchases of workforce housing units will require additional staffing, oversight, and financial resources. If the county is unable to efficiently manage these processes, delays in approvals, repurchases, and resale transactions could make workforce housing even less accessible to those who need it most. A more efficient approach would be to implement structured buyback programs or shared equity models that simplify the resale process while maintaining affordability.
Beyond administrative concerns, these policies could also distort the real estate market. If a significant portion of Maui's housing stock remains locked under strict resale conditions while market-rate homes continue to appreciate, a two-tiered housing system will emerge. This could discourage participation in workforce housing programs altogether, leaving units unsold and further reducing affordable housing inventory. Instead of creating policies that separate workforce housing from the general market, solutions should focus on gradual affordability transitions that allow homeowners to benefit from appreciation while still maintaining long-term affordability for future buyers.

To create a more balanced approach, I encourage the committee to explore alternatives that support affordability while still allowing homeowners to build equity. A graduated release of deed restrictions could provide affordability protections while giving homeowners increasing ownership rights over time. Shared equity programs, where the county retains a portion of appreciation while allowing homeowners to benefit financially, could provide a fair compromise. Additionally, long-term land leases—where buyers own the home but lease the land—have been successfully used elsewhere to maintain affordability while still providing ownership opportunities.
Finally, workforce housing policies should focus on creating opportunities, not barriers. While maintaining affordable housing stock is crucial, homeownership should also serve as a tool for financial growth and stability. First-time homebuyers in the general market have the ability to sell at market rates, build wealth, and move forward in their homeownership journey. Workforce housing participants should have similar opportunities rather than being locked into a system that prevents financial progress.
Maui's housing market remains highly competitive, and while affordability must be a priority, policies must also ensure that workforce housing remains an attractive and viable option for both buyers and developers. Restrictive deed policies may unintentionally reduce workforce housing inventory rather than expand it. Homeownership should provide a pathway to financial security, not a system that keeps families in perpetual affordability restrictions without a way forward.
I respectfully urge the committee to reconsider the long-term implications of these bills and explore alternative policies that promote both affordability and economic opportunity. Thank you for your time and consideration.
Mahalo,

Edward Codelia

Agenda Item: eComments for Bill 22 (2024) HLU-24 BILL 22 (2024), BILL 12 (2023), AND BILL 74 (2023) RELATING TO RESIDENTIAL WORKFORCE HOUSING DEED RESTRICTIONS

Overall Sentiment



Guest User
Location:
Submitted At: 2:08pm 03-10-25

Aloha,

I am a resident of Hale Kaiola - the first 100% Workforce Housing Neighborhood entitled via MCC 2.97. The

Code incentivized the developer, Alaula Builders, who cut corners, left residents with costly construction defects and ultimately disappeared.

At the time of application, our above-moderate unit was originally priced under $400,000 with a 5 year deed restriction pursuant to the MCC. However, developer negotiated a 20 year deed restriction with the county and raised the sales price at the time of purchase to $599,000 applying the 2021 Guidelines at 4% interest and a 5% down payment even though the 2022 guidelines were about to expire at the time we chose our unit.

Further, the developer failed to obtain FHA approval for the development due to the deed restrictions requiring 50% shared appreciation. To afford the 20% down payment on a conventional loan, we emptied a retirement account and borrowed more than the home was worth, effectively giving up the full re-sale value under the workforce housing guidelines.

My advice is to make sure 1) the builder actually delivers affordable workforce housing under the guidelines defined by the MCC, 2) provides quality construction that is up to code and industry standards, and 3) responds to requests to warranty concerns before solidifying proposed deed restrictions on the residents.

We cannot afford our mortgage and HOA fees totaling over $4400 a month, which is well over the 28% affordability cap. Had the system worked as I believe was intended intended by Maui County, the maximum home price of $530,400 under the correct 2022 Guidelines at 6% would have been affordable at $2,681.40 a month for principal and interest.

The key take away is that If the developer fails to deliver affordable housing, residents should not be forced into an unconscionable deed restriction. Perhaps you should start by addressing ways to ensure existing and potential residents are protected before discussing whether to raise the deed restrictions.

Thank you for your consideration.

Guest User
Location:
Submitted At: 3:27pm 03-09-25

Aloha, my name is Mike Morris, and I live in one of the county's workforce housing projects, Hale Kaiola in North Kihei. Many of my neighbors and I cannot be at today's meeting because we are busy working — it's called "workforce housing" for a reason.

We were initially told we would have a 10-year deed restriction and that was doubled to 20 years at the last minute. I am not aware of other projects with such a long, unrealistic timeframe.

If the deed restriction was an agreement to benefit the developer, it's hurting the hard-working residents of Hale Kaiola — those who keep our island home up and running. We're teachers, paramedics, business owners, electricians, and many more essential jobs.

While we're grateful to own a home here on Maui, it has not been without significant obstacles the past two years. From unfulfilled promises to building issues to our monthly HOA fees doubling, the 40 local families who call Hale Kaiola home could use some good news and that can come in the form of reducing our 20-year deed restriction.

We would really like to change the narrative and see something positive and encouraging for our community. Mahalo for your help with changing our deed restriction!

Guest User
Location:
Submitted At: 1:59pm 03-05-25

I would encourage the county on all affordable housing, workforce and non-workforce that the restriction on value be forever.

If you take the definition of a local housing market, it would be local in nature with homes being built bought and sold at prices affordable to people in that community. This is the definition of a local real estate market free of outside influence.

Basically, housing prices are tied to wages a recent Maui housing study stated that wages on Maui justified a price for a home in the $400,000to $450,000 range. homes are actually selling at $1,200,000 to $1,300,000 which proves Maui's housing market is distorted due to outside buyers.

It's important to understand. Appreciation is not the reason we buy real estate. It is not the greatest creator of wealth In real estate. The greatest creator of wealth in real estate and the reason we buy real estate is the constant monthly payment. America's 30 year mortgage using fixed rate payments locks in your biggest cost of living, housing , for 30 years and then the payment goes away. You've paid the loan off

By locking in the monthly payment you were able to save your pay raises and use that money to invest in stocks,bonds or your style of living. Possibly using the funds to start your own business pay for your children's college education or help them buy a home. The key factor is we buy a property to lock in our monthly payment for the rest of our life.

rather than going forward, let's go back in time in the 60s a home on Oahu would've cost $22,000 it would've cost you $59,000 to buy that property but the interest expense was only $30,000. Once the longest paid off you were able to live there with no mortgage payment the money you saved from pay raises and the money saved from not making mortgage payments are the greatest creator of wealth .
It is the advantage of homeownership

If you rented that property, you would've paid over $1 million in rent and have nothing to show for it. It's important to understand. Appreciation should not be a major consideration in structuring a permanent way to keep our housing affordable the more important aspect is to keep the housing prices in line with the wages paid in the community

To accomplish this all affordable homes should have a deed restriction that requires the property to be re-sold not in an open market at a market price, but in an open market where the price is established by the increase in wages so if wages go up 20% the price of the home goes up 20%. The key to this program is, we need a mechanism to assure that the homes are resold to workers who live in work in the community.

To accomplish this, we simply need to have the restrictions we have on all affordable units, resident of Hawaii , 18 years of age ,do not own other real estate, but the two most important are they have to have an income restriction where income will not exceed a certain amount and also an asset restriction where the assets cannot exceed 20 or 30% of the price. most of our local buyers do not have large down payments so these restrictions should not be an issue or problem for them, but it should stop Mainland and foreign buyers from purchasing.

So by putting a deed restriction where properties will remain affordable forever. Basing the price increase , overtime ,to wages we have created a true local market. our workers and their families will be able to buy and sell a home at affordable prices forever. Once a home is in the affordable market, it will always be affordable to wagers in Hawaii. Remember local buyers are usually going to give the home to their children .

Again the buyers are losing appreciation or giving up some of their appreciation in return for a affordable hom.e that their families can afford to live in because we've controlled the price that means the property taxes are also reduced and should be increased and tied to wages.

Dont dwell on loss of appreciation because under the present program they can not afford to buy a home and have to rent or leave Hawaii. If they own a home taxes may increase and make ownership more difficult especially in e they retire .

The key to the success of this program is educating our buyers about why home ownership is important and how value is created. we all believe it's appreciation but appreciation is what's making our housing unaffordable, increasing our property taxes, and forcing our families to leave. We need a local market where our community can create wealth and thrive and do better than bing a renter . they will be owners in a controlled market. They cannot compete in the open market because prices are $1 million or more. they cannot afford the payments nor can they afford the property taxes.

This is a solution that would work and I would encourage maui county to be bold and innovative, and consider a unique solution that would allow our workers and their families to remain in Hawaii create wealth and thrive.
Peter savio

Housing and Land Use Committee (2025-2027) on 2025-03-13 9:00 AM

Meeting Time: 03-13-25 09:00

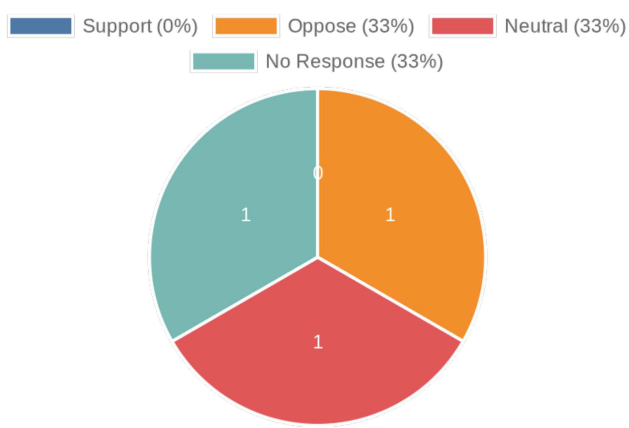
eComments Report

Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
Housing and Land Use Committee (2025-2027) on 2025-03-13 9:00 AM	03-13-25 09:00	2	3	0	1	1

Sentiments for All Meetings

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



Housing and Land Use Committee (2025-2027) on 2025-03-13 9:00 AM

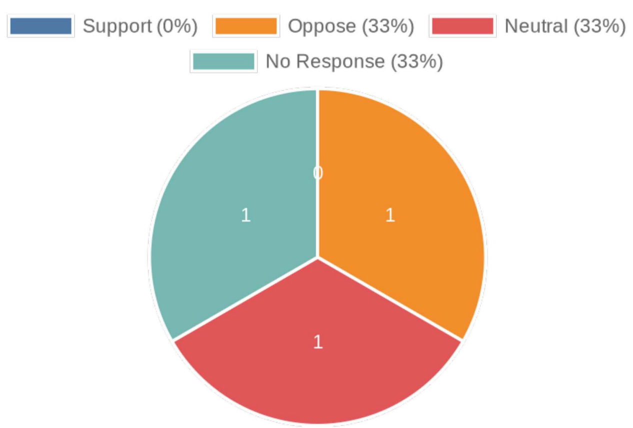
03-13-25 09:00

Agenda Name	Comments	Support	Oppose	Neutral
A G E N D A	3	0	1	1

Sentiments for All Agenda Items

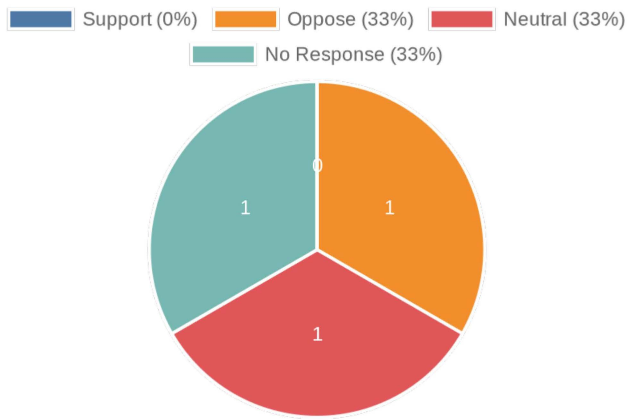
The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



Agenda Item: eComments for A G E N D A

Overall Sentiment



Guest User
Location:
Submitted At: 12:02pm 03-13-25

How Workforce Homeowners Can Build Wealth & What Happens When They Want to Move Up
Workforce housing is designed to provide stable, affordable homeownership for local residents—but many buyers wonder: How do I build wealth in a deed-restricted home? Can I pass it down to my family? What happens when I want to buy a market-rate home?
Here's what homeowners need to know:

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1. Building Wealth in a Workforce Home
Even with deed restrictions, homeowners can build wealth in several ways:
_ Equity Growth – Many workforce housing programs use a shared equity model, where homeowners earn a portion of the home's appreciation over time. Instead of flipping for profit, the home stays affordable, but the owner still benefits from value increases.
_ Mortgage Paydown – Each monthly mortgage payment builds equity, meaning the homeowner owns more of their home as time goes on.
_ Locked-In Housing Costs – Unlike renters who face rising rents, homeowners with a fixed mortgage keep stable payments, allowing them to save and invest elsewhere.
_ Government Assistance & Programs – Some workforce housing programs help with refinancing or second-time home purchases, making it easier to transition into a market-rate home later.

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2. Can Workforce Housing Be Passed Down to Family?
This depends on the program's rules, but in most cases:
_ Yes, but only if the heir qualifies. Workforce homes are meant for working residents, so heirs must meet income and owner-occupancy requirements to inherit the home.
_ If the heir doesn't qualify, the home must be resold under the workforce housing program, keeping it affordable for another local buyer.
_ Some programs allow intergenerational transfers, but only to immediate family members who plan to live in the home.

3. Moving Up: How to Transition to Market-Rate Housing
Workforce housing isn't meant to be a forever home for everyone—some owners eventually want to buy a larger or market-rate home. Here's how they can step up:
_ Selling Within the Program – Homeowners sell their home to another workforce buyer at an affordable price, keeping the housing stock intact while cashing out any allowed equity gains.
_ Using Built-Up Savings & Equity – Over time, mortgage payments and shared equity help homeowners save for a down payment on a market-rate home.
_ Graduation Programs – Some counties offer pathways to market-rate homeownership, such as priority in new developments or financial assistance for a second home purchase.
_ Earning More & Requalifying – If a homeowner's income rises beyond workforce housing limits, they may be required to sell the home and transition to the open market.

Conclusion: Stability First, Wealth Second
Workforce housing is not a get-rich-quick investment, but it does offer something more important: stability, long-term affordability, and a stepping stone to future homeownership.
To truly make this system work for locals, Maui should:
__ Ensure workforce homes remain workforce housing to protect affordability
__ Allow reasonable equity-building opportunities without full market-rate resale
__ Create pathways for homeowners to move into market-rate housing
__ Allow qualified heirs to inherit homes if they meet income and occupancy rules
Workforce housing is meant to keep local families housed, not to be flipped for profit. With smart policies, it can also help owners step up to the next level when they're ready.

Edward Codelia
Location:
Submitted At: 7:54am 03-13-25

March 13, 2025
TO: Housing and Land Use Committee

Why Workforce Housing Should Remain Workforce Housing

Maui's workforce housing program was created to provide affordable homeownership opportunities to local residents who otherwise couldn't afford to buy in the open market. However, without strong protections, these homes often end up becoming part of the expensive market-rate housing stock after just a few years, leaving us in the same housing crisis we are in today. Below are five key reasons why workforce housing must remain workforce housing indefinitely.
Five Reasons Workforce Housing Must Stay Affordable
1. Prevent the Loss of Affordable Homes Over Time.
o If workforce homes are allowed to be sold at market rates after a limited restriction period, they will be lost to outside investors or wealthier buyers. We have already seen this pattern—units originally built to be affordable get flipped for a massive profit once restrictions expire.
2. Protect Local Families and Essential Workers.
o Many of our teachers, nurses, police officers, and service workers can't compete with mainland buyers, investors, and short-term rental conversions. Keeping workforce housing permanently affordable ensures that homes built for our local workforce continue serving future generations.
3. Stop Investor Speculation.
o Some buyers treat workforce housing as a short-term investment, purchasing affordable homes only to sell them at full market value when restrictions expire. This drives up prices and pushes out local families, creating a cycle where workforce housing doesn't actually benefit workers long-term.
4. Keep Communities Stable.
o When workforce housing flips to market rates, it displaces local residents and contributes to the housing crisis. This leads to families leaving the island, causing labor shortages and harming the economy. Keeping these homes affordable keeps our teachers, nurses, police officers, and essential workers in our community.
5. Homeownership Shouldn't Mean a Get-Rich-Quick Scheme.
o Workforce housing is meant to provide stable homes, not quick profits. While homeownership is a wealth-

building tool, its primary purpose in workforce housing is to create stability and keep housing accessible for working families. Without strong resale controls, workforce homes are at risk of becoming just another stepping stone for investors, rather than a sustainable housing option for future residents.
How to Fix Workforce Housing in Maui
Since the County's workforce housing programs have failed to keep homes affordable, real change is needed. Here's what the County should do instead:
1. Adopt a Shared Equity Model.
o Shared equity programs allow families to build wealth over time while ensuring homes remain affordable for future buyers. The County should maintain partial ownership of the homes or use land leases to limit resale prices to keep homes permanently affordable.
2. Cap Home Resale Prices. Workforce housing should be sold only to local workers at prices tied to income levels, not the skyrocketing real estate market. This prevents windfall profits for early buyers and ensures homes remain affordable.
3. Create a Public Housing Trust to Own and Develop Affordable Homes.
o The County should acquire and maintain a permanent stock of workforce housing by owning the land and leasing homes to eligible buyers under long-term agreements. This model is successfully used in cities facing housing crises, preventing homes from being flipped for profit.
4. Public-Private Partnerships for Faster Housing Development.
o The County should provide land or financial incentives for private developers to build true workforce housing with permanent affordability agreements instead of short-term deed restrictions.
5. Strict Owner-Occupancy Enforcement and Anti-Speculation Rules.
o Maui should strengthen owner-occupancy requirements to prevent investors from flipping workforce homes into vacation rentals or luxury properties. Homeowners who sell should only be able to sell to other workforce buyers at set affordability rates, preventing these homes from being lost to the open market.
Final Recommendation
Based on this analysis, I do not support Bills 22, 12, and 74 as written. Instead of making workforce housing permanently affordable, they only delay the loss of affordability by a few more years, which will continue the cycle of scarcity and price inflation.
Maui County needs to implement real shared equity models, enforce owner-occupancy rules, stop speculative selling, and take an active role in developing and maintaining workforce housing. The current program has not worked as intended, and these amendments fail to solve the root problems.
I urge this committee to reject these amendments in their current form and push for stronger policies that ensure permanent affordability, shared equity programs, and real protections against speculative reselling. This is the only way to ensure workforce housing actually serves our local families for generations to come.
Thank you for the opportunity to testify.
Edward Codelia

Guest User
Location:
Submitted At: 8:17am 03-12-25

Thank you again for the opportunity to make my thoughts known on the issue at hand
Obviously there are several folks that would like to make their opinions clear on the subject as well.
I am of the opinion that The county should continue to support those that wish to provide their services of construction and development of housing for various ami groups. And take every opportunity to create more affordable and workforce housing.
And as we all acknowledge those, groups are hopefully upwardly mobile at some time in there working future so that they can move in to more market valued properties Releasing.
Their properties to be used by new families That need and desire housing in Maui county.
In a nutshell, I believe that we should maintain properties in a reasonable time period such as ten years To a maximum of 20, depending upon the A.M I that we are Positioning the properties for
And once the properties are sold, they should be allowed appreciation to the extent of. Yearly inflation rate in hawaii as well as a reasonable appreciation rate somewhere between two percent and three percent annually
The properties should be maintained in their various ami status positions for the entirety of their useful life
. I am going to.
Allow my testimony to stand whereas it appears that there is a plethora of folks willing to state their positions.
I will direct the committee to look at Responses from Lawrence Carnicelli. I believe he has done a Reasonably thorough investigation and responding responses to the questions directed to the group.

Thank you for considering my testimony.And kindly enter this into the File of additional testimony thank you Ray Phillips