

ORDINANCE NO. \_\_\_\_\_

BILL NO. 72 (2024)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.35 AND  
SECTION 16.28.010, MAUI COUNTY CODE, RELATING TO  
DEPARTMENT OF HOUSING REVOLVING FUNDS

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

SECTION 1. Section 3.35.025, Maui County Code, is amended to read as follows:

**“3.35.025 Definitions.** A. Whenever used in this chapter, unless a different meaning clearly appears from the context, the definitions in section 2.96.020 of this code [shall] apply.

B. “Gap income” [shall refer] refers to [those] households whose gross annual family income is more than [one hundred forty] 140 percent, but not more than [one hundred sixty] 160 percent, of the area median income as established by the United State Department of Housing and Urban Development or as adjusted by the department of [housing and human concerns, for Hana, Lanai, and Molokai.] housing, for Hāna, Lāna‘i, and Molokai.”

SECTION 2. Section 3.35.030, Maui County Code, is amended to read as follows:

follows:

**“3.35.030 Administration.** A. The director of finance [shall] must establish a separate account to record revenues and supplemental transfers credited to, and expenditures made from, the fund.

B. Any unencumbered balance in the fund at the end of each fiscal year [shall] will not lapse, but [shall] will remain in the fund, accumulating from year to year.

C. The director of housing [and human concerns shall] will administer the fund.

D. The director of housing [and human concerns] and the director of finance may adopt administrative rules necessary to carry out the purposes of this chapter.

E. Revenues received from a developer to partner with a nonprofit organization or community land trust are deemed

appropriated upon receipt and are authorized to be expended for the purposes of the fund.”

SECTION 3. Section 3.35.070, Maui County Code, is amended to read as follows:

**“3.35.070 Grant or loan requirements.** A. A grant or loan agreement for distribution of funds must contain the following conditions and restrictions, unless otherwise approved by the council by resolution:

1. Title to any real property must be held in perpetuity by the grantee or borrower unless conveyed to the County or to a qualified nonprofit or community land trust.

2. The grantee or borrower must submit annual reports to the department of housing [and human concerns] documenting the progress toward implementing long-term management of the affordable housing project.

3. The project must not be sold, exchanged, divested, or converted to other uses that are inconsistent with the purposes set forth in this chapter without the prior approval of the council by resolution.

4. If the grantee or borrower dissolves or is adjudicated bankrupt, title to any real property that has been funded or improved by a grant or loan issued from the fund must be conveyed to the County or to a qualified nonprofit or community land trust as approved by the council by resolution.

5. The grantee or borrower must not distribute or redistribute grant or loan funds to other organizations.

B. Unless otherwise approved by council by resolution, loans from the fund must:

1. Be secured by a first mortgage lien in favor of the County or, subject to council approval by resolution, be secured by a second mortgage lien in favor of the County.

2. Have a term set by the director of housing. [and human concerns.]

3. Require the borrower to execute a promissory note in favor of the County.

4. Include an interest rate set at [three]3 percent per annum.

5. Be recorded with the bureau of conveyances or the land court of the State.

C. If a borrower defaults or the project is not serving the affordable housing needs as set forth in this chapter, the following may be required of the borrower:

1. Forfeit the land or property to the County.

2. Full repayment of the principal balance at an annual interest rate equal to two times the prime rate at the time of default.”

SECTION 4. Section 16.28.010, Maui County Code, is amended to read as follows:

**“16.28.010 Definitions.** A. “Council” means the council of the [county] County of Maui.

B. “Director” means the director of [human concerns] housing of the [county] County of Maui.

C. “Experimental and demonstration housing projects” means those housing projects approved under the provisions of [Hawaii] Hawai’i Revised Statutes [Section] section 46-15.

D. “Mayor” means the mayor of the [county] County of Maui, or any person lawfully exercising the powers and duties of the mayor.

E. “Plans and specifications” means the plans and specifications for experimental and demonstration housing projects submitted to the director for approval.”

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 on July 1, 2024.

APPROVED AS TO FORM AND LEGALITY:



KRISTINA C. TOSHIKIYO  
Department of Corporation Counsel  
County of Maui

LF2024-0118  
2024-04-10 Ord Amd Ch 3.35 & Sec 16.28.010

INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "James R. Lee". The signature is written in black ink and is positioned above a horizontal line.

Upon the request of the Mayor.

DIGEST

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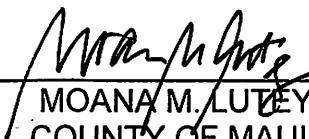
This bill proposes to update Chapter 3.35 and Section 16.28.010, Maui County Code, to remove references to the Department of Housing and Human Concerns and replace with Department of Housing, effective July 1, 2024.

I, MOANA M. LUTEY, County Clerk of the County of Maui, State of Hawaii, DO  
HEREBY CERTIFY that the foregoing BILL NO. 72 (2024) was passed on First Reading  
by the Council of the County of Maui, State of Hawaii, on the 19th day of April, 2024, by  
the following vote:

AYES: Councilmembers Tom Cook, Gabriel Johnson, Natalie A. Kama,  
Tamara A. M. Paltin, Keani N. W. Rawlins-Fernandez, Shane M.  
Sinenci, Nohelani U'u-Hodgins, Vice-Chair Yuki Lei K. Sugimura,  
and Chair Alice L. Lee.

NOES: None.

DATED at Wailuku, Maui, Hawaii, this 22nd of April, 2024.

  
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MOANA M. LUTEY, COUNTY CLERK  
COUNTY OF MAUI, STATE OF HAWAII

Copies of the foregoing Bill, in full, are on file in the Office of the County Clerk,  
County of Maui, for use and examination by the public.