

August 4, 2022, Committee Meeting

AFFORDABLE HOUSING COMMITTEE
Amendment Summary Form

Legislation: Bill 107 (2022) entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 2.96, MAUI COUNTY CODE, RELATING TO AFFORDABLE HOUSING SALES PRICE GUIDELINES."

Proposer: Gabe Johnson, Chair 
Affordable Housing Committee

Description: I propose to amend the bill to address concerns raised in testimony and discussion regarding different price guidelines where developers receive direct County subsidies versus when they do not.

Motion: Move to amend Bill 107 by amending Subsection 2.96.060(C)(1) to read as follows:

"The sales price of a new dwelling unit must be established by the department using the current HUD area median income for Maui County and adjusted for very low, low, below moderate, moderate, above moderate, and gap income ranges. The sales price must be calculated using total housing costs capped at 31 percent of gross annual income within each range when a developer receives direct County subsidies. Total housing costs include principal, interest, real property taxes, homeowner's insurance, mortgage insurance, and homeowner's association dues."

And, further, by adding a proposed Subsection 2.96.060(C)(2) to read as follows:

"The sales price must be calculated using only principal and interest capped at 28 percent of gross annual income within each range when a developer does not receive direct County subsidies."

And, further, by adding a proposed Subsection 2.96.060(C)(3) to read as follows:

"The department must make available a home acquisition subsidy program to ensure affordability of units that have

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been priced according to section 2.96.060(C)(2). Subsidies from this program must be used to fund the difference between prices established under subsection 2.96.060(C)(1) and subsection 2.96.060(C)(2). Subsidies from this program must be in the form of loans, grants, deferred mortgage payments, or any other mechanism the council finds appropriate.”

Attachment: Proposed CD1 version of Bill 107 (2022), incorporating the proposed amendments.

ah:misc:017aasf03

ORDINANCE NO. _____

BILL NO. 107, CD1 (2022)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 2.96, MAUI COUNTY CODE, RELATING TO AFFORDABLE HOUSING SALES PRICE GUIDELINES

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

SECTION 1. The purpose of this Ordinance is to establish a new method of determining the sales price for an affordable dwelling unit.

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

“C. Sales price - dwelling units.

1. The sales price of a new dwelling unit [shall] must be established by the department [based on] using the current HUD [price guidelines.] area median income for Maui County and adjusted for very low, low, below moderate, moderate, above moderate, and gap income ranges. The sales price must be calculated using total housing costs capped at 31 percent of gross annual income within each range when a developer receives direct County subsidies. Total housing costs include principal, interest, real property taxes, homeowner’s insurance, mortgage insurance, and homeowner’s association dues.

2. The sales price must be calculated using only principal and interest capped at 28 percent of gross annual income within each range when a developer does not receive direct County subsidies.

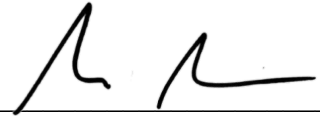
3. The department must make available a home acquisition subsidy program to ensure affordability of units that have been priced according to section 2.96.060(C)(2). Subsidies from this program must be used to fund the difference between prices established under subsection 2.96.060(C)(1) and subsection 2.96.060(C)(2). Subsidies from this program must be in the form of loans, grants, deferred mortgage payments, or any other mechanism the council finds appropriate.”

SECTION 3. 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 4. This Ordinance takes effect within thirty days of publication of the 2023 HUD area median income guidelines.

ah:misc:014(6)abill05

INTRODUCED BY:

A handwritten signature in black ink, consisting of a stylized 'G' followed by a horizontal line and a small flourish.

GABE JOHNSON