

# REQUEST FOR LEGAL SERVICES

**D a t e:** August 8, 2022  
**F r o m:** Gabe Johnson, Chair  
Affordable Housing Committee

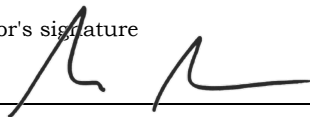
**TRANSMITTAL**

**Memo to:** DEPARTMENT OF THE CORPORATION COUNSEL  
Attention: Mimi DesJardins, Esq.

**Subject:** **BILL 107, CD 1 (2022), RELATING TO AFFORDABLE HOUSING SALES PRICE GUIDELINES** (AH-14(6))

**Background Data:** Please see the attached bill. Please submit the response to ah.committee@mauicounty.us with reference to AH-14(6).

**Work Requested:** ☒ FOR APPROVAL AS TO FORM AND LEGALITY  
☐ OTHER:

Requestor's signature  Gabe Johnson	Contact Person <u>Paige Greco or Richard E. Mitchell</u> (Telephone Extension: <u>7660 or 7662, respectively</u> )
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☐ ROUTINE (WITHIN 15 WORKING DAYS) ☐ RUSH (WITHIN 5 WORKING DAYS)  
☐ PRIORITY (WITHIN 10 WORKING DAYS) ☐ URGENT (WITHIN 3 WORKING DAYS)

☒ SPECIFY DUE DATE (IF IMPOSED BY SPECIFIC CIRCUMSTANCES): August 11, 2022  
REASON: For posting on the August 18 Affordable Housing Committee meeting agenda

## FOR CORPORATION COUNSEL'S RESPONSE

ASSIGNED TO:	ASSIGNMENT NO.	BY:
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TO REQUESTOR: ☐ APPROVED ☐ DISAPPROVED ☐ OTHER (SEE COMMENTS BELOW)  
☐ RETURNING--PLEASE EXPAND AND PROVIDE DETAILS REGARDING ITEMS AS NOTED

COMMENTS (NOTE - THIS SECTION NOT TO BE USED FOR LEGAL ADVICE): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DEPARTMENT OF THE CORPORATION COUNSEL

Date \_\_\_\_\_

By \_\_\_\_\_  
(Rev. 7/03)

ah:ltr:014(6)acc03:pmg

Attachment

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 estimated total housing costs capped at 31 percent of gross annual income within each range when a developer receives direct County subsidies in accordance with section 3.35.040. 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 create a program within the home acquisition and ownership programs revolving fund to ensure affordability of units for buyers of workforce housing in projects that have been priced according to section 2.96.060(C)(2). Subsidies from this program must be used to subsidize buyers in an amount necessary such that a recipient’s final estimated total housing cost does not exceed 31 percent of their household income. Subsidies from this program must be in the form of loans, grants, deferred mortgage payments, or any other mechanism the council finds

appropriate. Any proposed subsidy to a homebuyer from this program must be administered in accordance with chapter 3.34. This program is subject to budget appropriation and availability of funding.”

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:

  
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GABE JOHNSON