Council Chair Alice L. Lee

Vice-Chair Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore Tasha Kama

Councilmembers Gabe Johnson Kelly Takaya King Michael J. Molina Tamara Paltin Shane M. Sinenci Yuki Lei K. Sugimura



Director of Council Services Traci N. T. Fujita, Esq.

Deputy Director of Council Services David M. Raatz, Jr., Esq.

COUNTY COUNCIL COUNTY OF MAUI 200 S. HIGH STREET WAILUKU, MAUI, HAWAII 96793 www.MauiCounty.us

March 8, 2022

The Honorable Maile Medeiros David Chair and Presiding Officer Hawai'i County Council 25 Aupuni Street, Suite 1402 Hilo, Hawai'i 96720

Dear Chair David:

SUBJECT: COMPREHENSIVE AFFORDABLE HOUSING PLAN: EXPANDING AFFORDABLE HOUSING FUNDING (AH-14(7))

At its meeting of February 25, 2022, the Maui County Council's Affordable Housing Committee discussed the attached proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING TITLE 3, MAUI COUNTY CODE, RELATING TO USE OF THE AFFORDABLE HOUSING FUND."

The Committee noted Hawai'i County Council's Bill 111 (Draft 2), which targets residential tier two, passed first reading at your February 23, 2022, Council meeting could be an exemplar for our proposal.

May I please request a response to the following as it relates to Bill 111 (Draft 2):

- 1. Please explain how the proposed legislation will be implemented.
- 2. What is the projected amount needed to fund the "Countysponsored programs to address homelessness" referenced in the Bill?
- 3. Please list the factors that determine this amount.

- 4. How much of that money is anticipated to be derived from real property taxes?
- 5. How much will real property taxes need to be raised in order to fund the program, if at all?

May I further request your written response by **March 16, 2022**. To ensure efficient processing, please transmit your response to ah.committee@mauicounty.us and include the relevant Committee number in the subject line of your response.

Should you have any questions, please contact me or Committee staff (Paige Greco at 808-270-7660, or Stacey Vinoray at 808-270-7147).

Sincerely,

GABE JOHNSON, Chair Affordable Housing Committee

ah:ltr:014(7)a01:pmg

Attachment

ORDINANCE NO. _____

BILL NO. _____ (2022)

A BILL FOR AN ORDINANCE AMENDING TITLE 3, MAUI COUNTY CODE, RELATING TO USE OF THE AFFORDABLE HOUSING FUND

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

SECTION 1. The purpose of this Ordinance is to clarify and expand

allowable uses of the Affordable Housing Fund.

SECTION 2. Section 3.35.010, Maui County Code, is amended by

amending subsection B to read as follows:

"B. In adopting fiscal [years 2008 through 2021] <u>year</u> annual operating budgets and capital improvement programs, the council [shall] <u>must</u> appropriate a minimum of [two] <u>3</u> percent of the certified real property tax revenues to the affordable housing fund. Any appropriations to this fund [shall] <u>must</u> not substitute, but [shall] <u>must</u> be in addition to, those appropriations historically made for the purposes stated [in this chapter]."

SECTION 3. Section 3.35.040, Maui County Code, is amended to

read as follows:

"3.35.040 Use of fund. The council may make appropriations from the affordable housing fund for <u>the provision</u>, <u>protection</u>, <u>and</u> <u>expansion of affordable housing and suitable living environments</u>, including the rehabilitation of existing structures, land purchase or other acquisition of land or property entitlements, planning, design, and construction, for residents whose income is between very low income, as defined in section 2.96.020, and gap income, as defined in section 3.35.025(B), in addition to the following:

A. To increase the supply of affordable, rental, and owneroccupied housing[;].

B. To acquire interests in real property[for purposes set forth in this chapter;].

C. For planning, design, or construction of affordable rental or owner-occupied housing for residents within income-qualified groups[;].

D. To provide housing for elderly, disabled, and homeless residents lacking a permanent home[;].

E. To provide grants or loans to an entity building 100 percent affordable projects or to any nonprofit or community land trust that complies with section 501(c) of the Internal Revenue Code and any other requirement under federal, state, and county law regulating the conduct of charitable or nonprofit organizations, provided that the purpose of any grant or loan [shall] <u>must</u> be for the purposes [set forth] in section 3.35.010[of this chapter;].

F. To leverage funds provided by federal, state, nonprofit, or for-profit organizations and other non-County entities to further expand affordable housing opportunities[;].

G. To acquire existing housing or cooperative units for rehabilitation as affordable rental or owner-occupied housing, or both[; or].

H. To increase investment in public infrastructure in connection with related affordable housing projects.

<u>I. To provide comprehensive infrastructure assessments for priority affordable housing projects.</u>

J. To provide long-term planning for affordable housing and houselessness solutions.

<u>K. To provide funds for payment of principal and interest on</u> <u>bonds issued.</u>"

SECTION 4. 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 5. This Ordinance takes effect on November 1, 2022, except

Section 2 which takes effect on this Ordinance's approval.

APPROVED AS TO FORM AND LEGALITY:

/s/ MIMI DESJARDINS

MIMI DESJARDINS Department of the Corporation Counsel County of Maui ah:misc:014(7)abill04:rem LF2021-0011 AH-14(7) Amd Ch. 3.35.010 & 3.35.040

INTRODUCED BY: