Biennial Review - 2.96

AH-10 Biennial Review of Residential Workforce Housing Policy (Chapter 2.96 Maui County Code)

Maui County Code 2.96

Intent:

- "To ensure that the housing needs of the County are addressed"
- "To encourage the provision & maintenance of residential workforce housing units for both purchase and rental"

Deputy Director, Housing+ Human Concerns

Maui County Code 2.96 - History

Enacted in December 2006

- 50% Affordability Requirement
- 1 Residential Workforce Housing Agreement Signed
- 3 WF Housing Units Created

Maui County Code 2.96

Amended December 2014

- 25% Affordability Requirement
- 20 Residential Workforce Housing Agreements Signed
- 1,409 Units either complete, under construction, or pending
 - (more data to follow)

Maui County Code 2.96

Triggers:

- Creation of ten or more lots, lodging units, time share units, or dwelling units
- A conversion of ten or more hotel units to dwelling units or time share units
- Any hotel redevelopment or renovation that increases the number of lodging or dwelling units in a hotel by ten or more

Maui County Code 2.96

Where have we applied 2.96?

- Housing projects who already have their entitlements
 - Consistent with the community plan, properly zoned, etc
- · Commercial subdivisions and industrial parks
- Hotels and timeshares

Workforce Housing Agreement

Workforce Housing Agreement Executed

 Prior to receiving final subdivision approval or issuance of building permits

25% of Total Market Rate Lots/units for WFH units

• Developer may receive credits for creating units above 25%

Workforce Housing Agreement

Requirement Satisfied Via:

- Housing Units (build the 25%)
- In Lieu Fee (difference of 100% AMI versus 160% AMI = \$245,100)
- Credits
- Improved/Unimproved Land

Workforce Housing Agreement

30% Below Moderate Income (80%-100% AMI	10 years
50% Moderate Income (101% - 120% AMI)	8 years
20% Above Moderate Income (121% - 140% AMI)	5 years
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Ponal (Inter	Distriction
icrial Viries 1/3 Very Low Income & Low Income (<80% AMI)) concentration 30 years
1/3 Very Low Income & Low Income (<80% AMI) 1/3 Below Moderate Income (81% - 100% AMI)	ent de la communicación de la companya de la compa

Eligibility Criteria - Applicants

- Citizen of the US or permanent resident alien residing in the County
- Gross annual family income not exceeding 140% AMI
 - \$117,320 for 2019
- Assets that do not exceed the County's 140% AMI
- For 3 years prior, not have 50% or more interest in real property in the US unless applicant is selling an affordable unit and purchasing a different affordable unit appropriate to the family size

2.96 Agreements (post 2014 amendment)

		inelafordig Units	Tria Unite Urs egitsingi	Ú
Housing		1,409	718	and the second s
Non-Housing	3		18	(met with credits)
TOTAL 2.96 WFH UNIT	S	1,409	718	
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2.96 Projects Construction Complete

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For Sale Single Family	5	139	44	95	87	8	0
For Sale Multi-Family	3	280	52	228	63	18	147
For Rent Multi-Family	1	56	1	55	55	0	0
Totals	9	475	97	378	205	26	147

2.96 Projects - Sales Distribution

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For Sale Single Family	RWFH Agreements	44	16	47	32	95	
	Actual	52	14	45	28	87	8
For Sale Multi-Family	RWFH Agreements	52	46	109	73	228	V WANTAGE bas **
	Actual	217	16	15	32	63	18

2.96 Projects - Rental Distribution

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For Rent Multi-Family	2.96 Distribution	44	0	4	4	2	2
	100% Affordable	1	0	17	18	10	10
	Actual	1	0	17	17	11	10

Credits

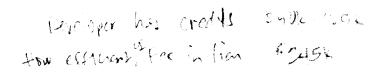
Two types:

- County Issued Credits
 - Issued to the developer for creating more WFH units than required by law
- Act 141 Credits
 - State credits for DHHL projects

Credits - 2.96

Issued for each RWF housing unit sold or rented in excess of the residential workforce housing requirement set forth in 2.96.040

- Any units over 25% requirement
- 100% WFH projects
 - eligible for 75% credits
- 100% WFH projects sold/rented at <61% AMI
 - eligible for 100% credits



Credits - 201H

201H projects require 51% of the units to be WFH units

- Only 100% WFH projects are eligible to earn credits
- Eligible for 50% credits

Credits - Act 141

Under Act 141, Counties are directed to issue credits on a onefor-one basis to DHHL for their projects

- 372 credits were issued for Waiehu Kou & Villages of Leiali'I (more pending)
- Can be used anywhere in the county in which they are earned
- Can be applied toward the respective county's affordable or residential WFH requirements for a development
- Very few limits set on these credits

Using Credits

- Can be used in any community plan area
- Can be used to satisfy the requirement
 - for any type of unit constructed
 - for any income group
- Must be applied to future developments not existing
- The number of credits issued must be set forth in the RWFH agreement with the developer

Does 2.96 Work?

2.96 is not an "incentive"

- It's a requirement (tax, extraction) of 25% of a project
- We have potentially 1,409 units/718 of them WFH

Incentives do exist

100% affordable projects (2.96 or otherwise)

• there are fee waivers and incentives available

Does 2.96 Work?

- Would 2.96 produce more with incentives?
- Should we change the AMI distribution?
- Too early to tell too few projects are finished
- How does it compare to 201H, which does provide incentives?

Does 2.96 Work? 2.96 vs. 201H

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Complete (since 2015)	475	140
Under Construction	698	621
Pending (5 years)	236	625
Totals	1,409	1,386

2.96 Projects Vs 201H

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2.96 (25% no incentives)	668	106	267	183	185	1,409
201H (50% + incentives)	338	190	269	205	394	1,396

2.96 – More Discussion

We appreciate the opportunity to open this discussion

-MAHALO-