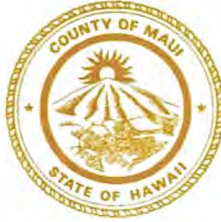


MICHAEL P. VICTORINO
Mayor

LORI TSUHAKE
Director

LINDA R. MUNSELL
Deputy Director



RECEIVED
2020 JUL -9 AM 10:14
OFFICE OF THE MAYOR

DEPARTMENT OF HOUSING
& HUMAN CONCERNS
COUNTY OF MAUI
2200 MAIN STREET, SUITE 546
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7805

July 8, 2020

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Michael P. Victorino 7/9/20
Mayor Date

OFFICE OF THE
COUNTY COUNCIL

2020 JUL 10 PM 2:43

RECEIVED

For Transmittal to:

Honorable Tamara Paltin, Chair
Planning and Sustainable Land Use Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Paltin:

**SUBJECT: CHANGE IN ZONING FOR THE PROPOSED KILOHANA MAKAI
WORKFORCE HOUSING PROJECT (KIHEI) (PSLU-56)**

The Department is in receipt of your correspondence, dated June 19, 2020, requesting information related to the above subject. Please see the response below.

- 1. Please evaluate the proposed conditions for any redundancy with Chapter 2.96, Maui County Code. The Committee is considering whether to leave in redundant conditions. Do you advise for or against redundancy?**

The Department initiated a Request for Legal Services on this item to obtain guidance from Corporation Counsel in evaluating proposed conditions for possible redundancy. Corporation Counsel determined that some conditions present conflicts with Chapter 2.96, Maui County Code (MCC). The Department would advise against both redundancy and conflicts. The proposed conditions identified with conflicts as written are:

Condition 1.a. The proposed condition sets a deed restriction of 30 years. This conflicts with 2.96.060.B.1.

Condition 1.b. The first requirement of this proposed condition conflicts with 2.96.060.B.2.g in that it only requires resale to an income qualified household, not one in the same AMI category as the original owner. The second requirement of this proposed condition violates the equity formula specified in 2.96.060.B.2.f, which says that the original owner may retain 25% of the increase in value between an appraisal at time of occupancy and an appraisal at the time of the decision to sell.

Condition 3. The proposed condition conflicts with 2.96.090, which describes the procedure as being carried out by the developer, with oversight by DHHC via a description of the procedure as contained in the Residential Workforce Housing Agreement, pursuant to MCC 2.96.080.A.4 and MCC 2.96.080.A.5.

2. Would the proposed Conditions 1a and 1b create any conflict with Chapter 2.96? In your response, please consider whether the conditions would create any problem in amending the affordable housing agreement.

As described above, there are identified conflicts with proposed Conditions 1a and 1b. This project has already entered into a Residential Workforce Housing Agreement (RWHA) that has been executed with the County. The RWHA complies with all requirements outlined in MCC 2.96, and once recorded is a binding document pursuant to MCC 2.96.080.B. The County would be able to enforce the terms of that agreement as executed. When proposed conditions present conflicts with the Maui County Code as written, it is possible that this could present problems in amending the RWHA.

3. Has language similar to proposed Condition 5 been included in other Chapter 2.96 projects? If so, please include the name of each project.

No, there has not been language specifying a preference based on area of employment in a previous 2.96 project.

Thank you for the opportunity to provide this information. Please contact me at Ext. 7805 should you have any questions.

Sincerely,



LORI TSUHAKE, LSW, ACSW
Director of Housing and Human Concerns

xc: Housing Division