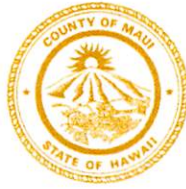


MICHAEL P. VICTORINO
Mayor

SANDY K. BAZ
Managing Director



OFFICE OF THE MAYOR
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

April 19, 2021

Ms. Kathy Kaohu, County Clerk
County of Maui
200 South High Street
Wailuku, Hawaii 96793

RECEIVED
2021 APR 19 PM 2:18
OFFICE OF THE
COUNTY CLERK

Dear Ms. Kaohu:

SUBJECT: **BILL 10 (2021) DRAFT 1**

As Mayor of the County of Maui, I wholeheartedly support the development of attainable housing and affordable rentals for our residents. I believe housing is a top priority for our workforce and our economic health.

At its meeting of April 6, 2021, the Council of the County of Maui passed on final reading, Bill 10 (2021) Draft 1, amending Section 2.96.030, Maui County Code ("MCC"), relating to Residential Workforce Housing Projects Developed under Chapter 201H, Hawaii Revised Statutes.

Pursuant to Section 4-3(1) of the Revised Charter of the County of Maui (1983), as amended, "if the mayor disapproves...the mayor shall specify the mayor's objections thereto in writing and return the bill to the county clerk with the mayor's objections...".

Chapter 2.96, MCC, relating to Residential Workforce Housing Policy, was established to meet the needs of income-qualified household for the workforce, students, and special housing target groups.

Section 2.96.010, MCC, states, "To maintain a sufficient resident workforce in all fields of employment, and to ensure the public safety and general welfare of the residents of the county, resident workforce housing needs must be addressed."

COUNTY COMMUNICATION NO. 21-210

Furthermore, a residential workforce housing unit is defined as a unit or lot to be sold or rented to residents within five income groups, starting at very low income to above-moderate income. These categories address households ranging from fifty percent or less to more than one hundred twenty percent, but not more than one hundred forty percent of the area median income as established by the U.S. Department of Housing and Urban Development.

Therefore, I object to Bill 10 for the following reasons:

1. The County of Maui's Countywide Policy Plan, identifies "Expand Housing Opportunities for Residents" as one of its core recommendations. The plan further identifies, "to achieve balance in the housing market, it is important to work cooperatively with developers to ensure **a range** of housing options is available for varying income levels and demographic groups." The passage of Bill 10 contradicts this urgent need to expand housing opportunities for Maui County's workforce by further limiting the type of housing inventory and increasing the cost of the county's limited housing supply.
2. Bill 10 adds another layer of regulation to our existing workforce housing approval processes, that would further delay a project from moving forward. The Council recently contracted Hawaii Community Assets to develop a comprehensive affordable housing plan to build 5,000 affordable homes for households at or below 120% of the Area Median Income. The plan's draft recommendations point to streamlining zoning regulations and improving predictability in planning, permitting, and Council review processes. The draft plan further states, the Council's "approval process leads to derailment of the project and having to repeat the process adding time to development and increasing costs dramatically."
3. Our county is still recovering economically from the impacts of the COVID-19 pandemic. While I recognize the intentions of Bill 10, I am deeply concerned that the goal of building 5,000 units will not be met if it is enacted. Increasing the affordability requirements contained in Bill 10 mirrors changes that were made to the Residential Workforce Housing Policy by the Council in 2006 for the same purposes. Only three workforce housing units were developed in Maui County from then until 2014. Realizing the lack of development of workforce

Ms. Kathy Kaohu
April 19, 2021
Page 3

housing units, the affordability requirements were reviewed by the Council and subsequently reduced in 2014. This amendment resulted in hundreds of units becoming available for our workforce.

We must consider the teacher, nurse, firefighter, police officer, and all skilled professionals who keep our community strong. These hard-working residents will be most hurt by the enactment of Bill 10. They are the foundation of a healthy and vibrant economy. This type of policy has been tried before by the Council, and unfortunately it did not create more affordable housing for our residents. Instead, let's work together to find creative ways to encourage building affordable homes so badly needed by our workforce.

I oppose Bill 10 and strongly urge the Council to reconsider the unintended effect Bill 10 will have on housing availability for our workforce. I remain committed to working with the Council to provide for the housing needs that will keep Maui Nui Strong.

Sincerely,

A handwritten signature in black ink that reads "Michael P. Victorino". The signature is fluid and cursive, with a long horizontal stroke at the end.

MICHAEL P. VICTORINO
Maui County Mayor

Cc: Sananda K. Baz, Managing Director
Lori Tshako, Director of Housing and Human Concerns

WE HEREBY CERTIFY that the foregoing BILL NO. 10 (2021), Draft 1

1. Passed FINAL READING at the meeting of the Council of the County of Maui, State of Hawaii, held on the 6th day of April, 2021, by the following vote:

| | | | | | | | | |
|--------------------------|--|--------------------|--------------------|------------------|----------------------|------------------------|---------------------|-------------------------|
| Alice L. LEE Chair | Keani N. W. RAWLINS- FERNANDEZ Vice-Chair | Gabriel JOHNSON | Natalie A. KAMA | Kelly T. KING | Michael J. MOLINA | Tamara A. M. PALTIN | Shane M. SINENCI | Yuki Lei K. SUGIMURA |
| No | Aye | Aye | No | Aye | Aye | Aye | Aye | No |

2. Was transmitted to the Mayor of the County of Maui, State of Hawaii, on the 7th day of April, 2021.

DATED AT WAILUKU, MAUI, HAWAII, this 7th day of April, 2021.

RECEIVED

'21 APR -7 AM 10:24

OFFICE OF THE MAYOR



ALICE L. LEE, CHAIR
Council of the County of Maui



KATHY L. KAOHU, COUNTY CLERK
County of Maui

THE FOREGOING BILL IS HEREBY APPROVED THIS DAY OF , 2021.

MICHAEL P. VICTORINO, MAYOR
County of Maui

I HEREBY CERTIFY that upon approval of the foregoing BILL by the Mayor of the County of Maui, the said BILL was designated as ORDINANCE NO. of the County of Maui, State of Hawaii.

KATHY L. KAOHU, COUNTY CLERK
County of Maui

Passed First Reading on February 19, 2021
Effective date of Ordinance

I HEREBY CERTIFY that the foregoing is a true and correct copy of Ordinance No. , the original of which is on file in the Office of the County Clerk, County of Maui, State of Hawaii.

Dated at Wailuku, Hawaii, on

County Clerk, County of Maui

ORDINANCE NO. _____

BILL NO. 10 (2021)
Draft 1

A BILL FOR AN ORDINANCE AMENDING SECTION 2.96.030, MAUI COUNTY CODE, RELATING TO RESIDENTIAL WORKFORCE HOUSING PROJECTS DEVELOPED UNDER CHAPTER 201H, HAWAII REVISED STATUTES

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

SECTION 1. Section 2.96.030, Maui County Code, is amended to read as follows:

“2.96.030 Applicability. A. Any development, including the subdivision of land [and/]or the construction of single-family dwelling units, two-family dwelling units, multi-family dwelling units, or hotels, as defined in section 19.04.040 [of this code], whether constructed at one time or over several years, [shall be] is subject to this chapter upon final subdivision or building permit approval, whichever is applicable and occurs first, if it will result in the creation of the following:

1. Ten or more lots, lodging units, time share units, or dwelling units, excluding farm labor dwellings or a second farm dwelling, as defined in section 19.04.040 [of this code; provided that,] so long as such farm labor dwelling or farm dwelling is in full compliance with chapter 205, Hawaii Revised Statutes, and is not part of a condominium property regime, as [set forth] stated in chapter [514A] 514B, Hawaii Revised Statutes[;].

2. A conversion of ten or more hotel units to dwelling units or time share units[; or].

3. Any hotel redevelopment or renovation project that increases the number of lodging or dwelling units in a hotel by ten or more.

B. Exemptions. This chapter [shall] does not apply to any development that falls into one or more of the following categories:

1. A development subject to an affordable housing requirement, evidenced by an executed affordable housing agreement with the County, currently in effect and approved prior to the effective date of this chapter[;].

2. A development subject to a change in zoning condition that requires affordable or residential workforce housing, unless the condition expressly allows for the application of the affordable housing or residential workforce housing policy [set forth herein;].

3. A subdivision granted preliminary subdivision approval prior to the effective date of this chapter[;].

4. A building permit application submitted prior to the effective date of this chapter;

5. A family subdivision[,] for immediate family members, as described in subsections 18.20.280.B.1 and B.2 [of this code;].

6. A development by a government entity or a community land trust, as approved by the director[; or].

7. A development within the boundaries of the Wailuku redevelopment area, as defined by the Maui redevelopment agency [pursuant to] under chapter 53, Hawaii Revised Statutes.

C. Adjustment by developer.

1. A developer of any development subject to this chapter may appeal to the council for a reduction, adjustment, or waiver of the requirements based upon the absence of any reasonable relationship or nexus between the impact of the development and the number of residential workforce housing units or in-lieu fees[/] or land required.

2. Any such appeal [shall] must be made in writing and filed with the county clerk prior to final subdivision approval or issuance of a building permit for the development, whichever is applicable. Any such appeal [shall] will administratively stay the processing of the development's subdivision or building permit, whichever is applicable, until a decision on the appeal is rendered. The appeal [shall] must set forth in detail the factual and legal basis for the claim of reduction, adjustment, or waiver, and the developer [shall] will bear the burden of presenting substantial evidence to support the appeal, including comparable and relevant technical information.

3. The council, or if the appeal is assigned to a council committee, the council committee, [shall] must convene a meeting within forty-five days of the county clerk's receipt of the appeal, to consider the appeal. The council [shall] must approve or disapprove the appeal by resolution within forty-five days from the date the developer has concluded its presentation of evidence supporting the appeal in a council or committee meeting.

4. If the council or [a council] committee has not convened a meeting within forty-five days of the county clerk's receipt of the appeal, or if the council does not approve or disapprove the appeal by resolution within forty-five days from the date the developer has concluded its presentation of evidence at the council or [council] committee meeting, the appeal, as submitted by the developer, [shall] will be deemed approved by the council.

5. If a reduction, adjustment, or waiver is granted by the council, any subsequent substantive change or modification in use within the development, as determined by the director, [shall] will invalidate the reduction, adjustment, or waiver previously granted.

D. Adjustment by [Director.] director. The director may, subject to council approval by resolution, authorize a reduction, adjustment, or waiver of any provision of this chapter.

E. Projects [pursuant to] under chapter 201H, Hawaii Revised Statutes, [shall be] are subject to the requirements of this chapter[, provided that where]. Where the terms of this chapter and chapter 201H are in conflict, [the terms contained in chapter 201H shall control.] the stricter provisions will control.

F. Projects under chapter 201H, Hawaii Revised Statutes, are required to provide a minimum of seventy-five percent of the total dwelling units for very low, low, below-moderate, moderate, and above-moderate income households, unless a lower percentage, which is greater than fifty percent, is approved by council resolution."

SECTION 2. 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 3. This Ordinance will take effect on approval, but will not apply to projects that have been submitted to the Department of Housing and Human Concerns for review prior to the effective date.

APPROVED AS TO FORM AND LEGALITY:

/s/ Mimi Desjardins
Department of the Corporation Counsel
County of Maui
LF2021-0324