



DEPARTMENT OF
HOUSING AND HUMAN CONCERNS
COUNTY OF MAUI

ALAN M. ARAKAWA
Mayor

CAROL K. REIMANN
Director

JAN SHISHIDO
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November 28, 2017

Arnold Wong, Chairperson
& Land Use Commissioners
Land Use Commission
235 S. Beretania St. #406
Honolulu, Hawaii 96813

2017 DEC - 4 A 6: 23
LAND USE COMMISSION
STATE OF HAWAII

SUBJECT: MOTION OF PETITIONER MAUI OCEANVIEW LP TO AMEND DECISION AND ORDER; IN THE MATTER OF THE PETITION OF MAUI LAND & PINEAPPLE COMPANY, INC., a Hawaii corporation, TO AMEND THE AGRICULTURAL DISTRICT BOUNDARY INTO THE URBAN LAND USE DISTRICT FOR APPROXIMATELY 310,440 ACRES OF LAND AT MAHINAHINA AND KAHANA, DISTRICT OF LAHAINA, MAUI, HAWAII, TAX MAP KEY NO. 4-3-01; POR. 31 AND 79 (DOCKET NO. A04-751)

Dear. Mr. Wong and Commissioners:

I am the director of the Maui County Department of Housing and Human Concerns (DHHC).

I have met several times with Mr. Paul Cheng of Maui Oceanview LP regarding his plans for implementing the West Maui Project District No. 5 (Pulelehua) and he has shared his conceptual plans for building out the Pulelehua community.

Mr. Cheng's planned Pulelehua Phase 1 for a rental project is the only rental housing project currently being proposed in the West Maui region. Given the acute shortage of housing, especially rental housing on Maui, DHHC supports all projects moving forward that comply with the County of Maui's Workforce Housing Policy (Maui County Code chapter 2.96). Maui County Code §2.96.40 provides:

Developers shall be required to provide a number of residential workforce housing units equivalent to at least twenty-five percent, rounding up to the nearest whole number, of the total number of market rate 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, created.

Maui County Code §2.96.20 defines “residential workforce housing unit” as follows:

"Residential workforce housing unit" means a unit or lot to be sold or rented to residents within one of the following income groups as established by the department [DHHC]:

1. "Very low income," which are those households whose gross annual family income is fifty percent or less of the area median income as established by HUD, or as adjusted by the department, for Hana, Lanai, and Molokai.
2. "Low income," which are those households whose gross annual family income is more than fifty percent, but not more than eighty percent of the area median income as established by HUD, or as adjusted by the department, for Hana, Lanai, and Molokai.
3. "Below-moderate income," which are those households whose gross annual family income is more than eighty percent, but not more than one hundred percent of the area median income as established by HUD, or as adjusted by the department, for Hana, Lanai, and Molokai.
4. "Moderate income," which are those households whose gross annual family income is more than one hundred percent, but not more than one hundred twenty percent of the area median income as established by HUD, or as adjusted by the department, for Hana, Lanai, and Molokai.
5. "Above-moderate income," which are those households whose gross annual family income is more than one hundred twenty percent, but not more than one hundred forty percent of the area median income as established by HUD, or as adjusted by the department, for Hana, Lanai, and Molokai.

Under Maui County’s current requirements, Maui Oceanview LP will need to provide a minimum of 25% of the total market units as residential workforce housing units.

Maui Oceanview LP and DHHC are negotiating a Housing Agreement to memorialize the commitment to provide 25% of the market units as residential workforce housing units at Pulelehua in accordance with Maui County Code §2.96.80. The Housing Agreement will include as required under Maui County Code §2.96.80(A):

1. Sales or rental periods for the residential workforce housing units, which specify procedures for the release of units from the residential workforce housing requirements should units not be sold or rented following the expiration of the sales or rental periods;
2. Identification of the number, type, and location of units;

Arnold Wong, Chairperson
& Land Use Commissioners
Land Use Commission
November 28, 2017
Page 3 of 3

3. Designation of units for specific income and/or special housing target groups;
4. Marketing process for the residential workforce housing units;
5. Eligibility of income-qualified households;
6. Provision for residential workforce housing credits, as applicable;
7. Payment of in-lieu fees or provision of in-lieu land; and
8. Resale restrictions, which may include buy-back provisions, shared equity, and encumbrances.

DHHC hopes to complete negotiations with Maui Oceanview LP on the Housing Agreement shortly.

DHHC supports Maui Oceanview LP's motion to amend the decision and order to clarify that it can develop rentals as well as fee simple sales. DHHC also supports the request to align the number of affordable housing units required with Maui County's current Workforce Housing Policy.

Sincerely,



CAROL K. REIMANN
Director of Housing and Human Concerns

cc: Maui Oceanview LP