

The Comprehensive Affordable Housing Plan (CAHP) asks us to think differently about housing, subsidies, and the county's role in housing our residents.

"Today the Affordable Housing Fund (AHF) operates from the perspective of limited resources. Developers request funding at levels that are competitive for the resources available, not to meet the needs of county residents."

"It is our collective responsibility to ensure homes are affordable for all."

"Our current affordable housing system does not invest in our local renters and homebuyers to make homes affordable. This is a result of decades-long disinvestment by the federal, state, and county governments in affordable housing.

There is a false narrative that has taken hold that views support to our local residents as a "give away" to those who are undeserving."

Subsidies, either to renters or local homebuyers, should be viewed not as a "give away", but as an investment in making home affordable for our local people and future generations.

Our current affordable housing system is outdated and is providing the type and price of homes exactly as it is set up to do. It fails at delivering homes that are affordable for two primary gap groups in Maui County - households at or below 50% AMI and those at 61-100%.

The dominant narrative is that publicly funded grants and loans, also known as subsidies, are "giveaways" made to those of us who are undeserving. This false notion of the role public grants and loans play in assisting our local renters and homebuyers in accessing affordable homes is outdated and wrong. This false narrative is challenged by the role of housing subsidies offered in the private marketplace. Private banks, credit unions, the mainstream mortgage lending industry overall, and low-income housing tax credit investors, offer grants for down payment and closing costs, reduced fees for first-time homebuyers, and mortgages and equity investments that are subsidized by our federal tax dollars. **Our unwillingness to embrace the view that public grants and loans are "investments" that serve as a bridge to affordable homes for our low- and moderate-income renters and homebuyers is stifling our ability to align private and public resources.** Without aligning these resources, our current affordable housing system is creating a sense of scarcity which leads to uncertainty. **The system is unnecessarily limiting its potential in making more affordable opportunities possible for our families and to support broad-based economic activity and overall community development.**

Our affordable housing crisis, made worse by the COVID-19 global pandemic, promises to get worse if Maui County is unable or unwilling to make the investments in our local renters and homebuyers that are needed to achieve truly affordable housing.

Under the current affordable housing system, a scarcity of resources has limited the capacity of county, councilmembers, community members, and other key stakeholders to contribute solutions to meet the demand for housing among local residents. **Scarcity of resources has resulted in divisions within every part of the affordable housing system from public agencies to for-profit developers to community development nonprofits.** Those with certain relationships and resources tend to benefit from the status quo, while at the same time more local renters and homebuyers find themselves in the affordable housing crisis.

Extremely low property tax rates have left the county little to no resources to fill the gap, leaving county departments with a lack of staffing and resources to create affordable opportunities for county residents who are most in-need. The entire system operates on an assumption of scarcity of resources, creates competition among various interests, dictates short-term council policy making, leads to developer uncertainty, and keeps the county from taking the lead on planning healthy, vibrant and affordable communities.

This is not about building what we can with our current resources.

This is about increasing the resources we have so we can support developers in building what the people actually need.

Council action items, pulled from CAHP

PART 1 of the implementation plan defines the solution:

WHO should get affordable homes?

HOW MUCH can folks really afford to pay?

HOW LONG should homes be affordable?

HOW can the county subsidize the cost of building to make it possible for developers to produce units at truly affordable prices?

These bills work together to build an inventory of affordable homes that are protected from off-island investors, reserved for long-term Maui residents. Homeowners can build modest equity, while keeping units affordable.

This creates a secondary market, insulated from the volatile investment-driven housing market → Affordable units that can be bought and sold among Maui's workforce.

<p>Updated the county rent and sales price guidelines</p> <p>Maximum monthly payment of principal, interest, taxes, insurance, mortgage insurance, and homeowner association fees capped at 31% of the homebuyer's gross monthly income.</p> <p>Establish funding mechanism to allow county to subsidize projects down the new prices using direct to buyer AND/OR builder, AND/OR exemptions, infrastructure partnerships, etc.</p> <p>BILL 107</p>	<p>Amend 2.96 to require county (or its designee) to maintain affordable housing interest list</p> <p>AND</p> <p>Establish a lottery system that gives preference to longer term Maui County residents, to the extent allowed by law</p> <p>BILL 111</p>	<p>Establish Housing as A Human Right</p> <p>CR 21-117</p>	<p>Ensure long term affordability for for-sale homes supported with county resources.</p> <p>Include a model that allows an affordable homeowner to add 25% of market appreciation to the sale price of the unit, keeping the home affordable while allowing the homeowner to build equity = managed appreciation.</p> <p>30 year deed restriction</p> <p>BILL103</p>
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<p>Phase out apartment district properties allowed to be used for short-term occupancy at resale</p> <p>permit and tax them as short-term vacation rentals with revenue dedicated to the Affordable Housing Fund.</p> <p>Resolution 22-154, transmitted to the planning commissions on 6/21/22 - a bill facilitating the conversion of transient vacation rentals to long-term residential use in apartment district-zoned areas.</p>	<p>Examine/Re-define AMI</p> <p>Use Maui County data instead of HUD data to set AMI at levels that reflect the actual income of Maui County's workforce</p>	<p>Amend ordinance 3.35 to allow for use of Affordable Housing Fund monies for Affordable Housing Plan initiatives.</p> <p>Including:</p> <ul style="list-style-type: none"> ● community serving infrastructure ● Housing subsidies, grants, IDAs and loans to assist low-income renters and homebuyers with upfront costs of obtaining rentals and mortgage financing ● Deferred payment mortgages for targeting affordability for local residents ● support services for Tier 1-2 projects ● Planning/design for County- owned Tier 1-2 projects ● Comprehensive infrastructure assessments for priority project areas ● Enable bond sales ● Cultural, environmental and health impact assessments on county owned land ● Rental housing gap financing ● Ohana and ADU development, individual septic and wastewater systems, and long-term financing ● Existing structure acquisition ● Rehabilitation of existing structures ● Provision of housing counseling services and the development of a pre-qualified list of eligible buyers and renters <p style="text-align: right;">BILL 61</p>
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Budget-related Items intended to build funding mechanisms that will help bring the cost of development down/bridge gaps so developers CAN build to the new prices defined in Bill 107

- Created a new Housing Development Division in housing to specifically expedite creating affordable housing on County land
- Earmarked money for a master plan/feasibility study for the County affordable housing project on Lāna'i
- Increased the Affordable Housing fund to total \$58 million (in order to fund infrastructure costs that is preventing County affordable housing projects) by raising RPT on hotels, second homes and investment properties
- Created a \$2.5 million grant for Hawaii Community Foundation to support renters in need and provide grants for new homebuyers
- Funded a comprehensive plan to end homelessness in Maui County

PART 2 of the implementation plan focuses on streamlining & lowering the cost of the development process:

**Please note that these items come directly from the CHAP, and need to be introduced by a council member, go through committee review and receive the input of the community and administration. There may be better ways to streamline the process.

