

November 26, 2019

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F R O M: Alison Stewart  
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SUBJECT: **MAUI NUI ATTAINABLE HOUSING FORUM, OCTOBER 16, 2019**  
(PAF 19-327)

I attended sessions of the Maui Nui Attainable Housing Forum on October 16, 2019, at the Maui Arts & Cultural Center. The forum was presented by the Maui Chamber of Commerce, the Office of the Mayor, and the Department of Housing and Human Concerns ("DHHC"), with the theme "Let's get them built!" The forum included sessions on housing policy, community engagement, infrastructure, land use, and financing.

In the final plenary, moderators of the breakout sessions presented "Charette Reports" summarizing the main takeaways and action items from each discussion. Some of the reported action items are outlined below. Another session, called "What It Takes to Pencil Out," included discussion about finance and is also summarized below.

## **CHARETTE REPORTS<sup>1</sup>**

### **Housing Policy:**

- Develop a countywide comprehensive housing plan.\*
- Use County funds to develop infrastructure for housing projects.\*
- Provide homebuyer education.\*
- Encourage developers to meet with the community about prospective projects; at least three of those meetings should be scheduled after 5:00 p.m.
- Establish a DHHC "Help Center" for developers and residents.
- Encourage third-party plan review.
- Ensure that workforce housing is restricted to those who live and work in the county.

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<sup>1</sup> Asterisk denotes action item was reported in multiple sessions.

- Create “development standards” to establish guidelines for housing.

**Community Engagement:**

- Develop a comprehensive housing and zoning plan.\*
- Establish a County Housing Authority to receive funding, purchase land, and develop projects.
- Separate Housing from Human Concerns.
- Elected officials should engage with communities outside of election time to mitigate NIMBY issues and public mistrust.
- Extend Councilmember terms; having only a two-year term forces members to spend too much of their time focused on re-election.

**Infrastructure:**

- Develop an infrastructure plan, including transportation enhancements, for priority areas identified for affordable-housing developments.\*
- Use general obligation bonds to finance housing projects.\*
- Use general excise tax surcharge to finance housing projects.
- Create community facilities districts to fund infrastructure projects.
- Prioritize infill development.
- Develop and implement a “complete streets” policy.
- Provide incentives for cesspool-to-septic conversions, and prioritize conversions based on inspections; those causing the most harm should be converted first.
- Focus on improving policies, such as building codes, rather than relying on processes, such as the Chapter 201H process.

**Land Use:**

- Streamline the entitlement process.\*
- Address challenges associated with the processes for environmental assessments and environmental impact statements, the State Historic Preservation Division (“SHPD”), capital improvements, and the State Land Use Commission (“LUC”).
- Eliminate the LUC; alternatively, limit its jurisdiction to projects of at least 25, 50, or 100 acres.
- Address SHPD staffing shortage.



### **Financing – Government/Lending Requirements:**

- Streamline the entitlement process.\*
- Increase the amount of money in the Affordable Housing Fund.
- Enforce shared equity and resale restrictions.
- Review the County's position on affordable rent, which is different from the State's standards and affects eligibility for certain funds.
- Extend the amount of time given to lottery winners to prepare their finances and documentation.
- Develop an apprenticeship program or succession plan for local developers to ensure a new generation of builders in Maui County.
- Increase real property taxes for non-residents.
- Increase the Hawaii Housing Finance and Development Corporation bond cap.
- Decrease the amount of reporting required under grants.

### **WHAT IT TAKES TO PENCIL OUT**

The presenters in this session on financing were developers Howard Kihune and Vince Bagoyo, who both heralded a prior era when the County initiated its own housing developments and required workforce housing as a condition to resort development or expansion.<sup>2</sup> Their other recommendations and action items included:

- Implement a single, coordinated, multidepartment, permit-review process: developer submits application, every department makes comments within days, developer makes changes, resubmits, project is approved.
- Develop a digital application process for permits with barcode on application that gets scanned at every "stop" so that the developer can track exactly where the application is and who to contact for status updates. Also, the County can track bottlenecks and address any staffing needs.

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<sup>2</sup> In correspondence dated April 18, 2018, the Hyatt Regency's general manager stated: "Collectively, this industry employs over 25,000 residents and represents over 19,000 rooms. It is the largest employer of residents on the Island — directly employing approximately 40% of all residents (indirectly, 75%)."

- For nonprofit developers with “fast track” projects, assign a County “project manager” to serve as a point of contact and help shepherd the project through the permitting process.
- County-initiated zoning changes are easier, faster, and cheaper than when developer-initiated zoning changes. A list of properties that could be rezoned for housing development had been compiled at one point by former Councilmember Robert Carroll.
- Form equity partnerships between the County and developers to leverage general obligation bonds and the County’s bond rating. This could allow for interest rates of 3 percent instead of 5-6 percent.
- Provide homebuyer education, including information and guidance on down-payment-assistance programs. Many residents can afford the mortgage on a home loan, but not the 20 percent down payment.
- Change accessory-dwelling requirements to allow developers to build a single-family home with an ohana dwelling that is considered an extra “unit” of the home, if it is used as a family residence or long-term affordable rental. For example, a three-bedroom main residence with a one-bedroom ohana would be considered a four-bedroom dwelling.
- In lieu of developers creating a waiting list for each project, have the DHHC maintain a countywide database of pre-qualified buyers or renters that developers can access once units are available for sale or rent.

Thank you for the opportunity to attend this forum. Please let me know if you have any questions.