

Plan would cut fees, boost affordable housing

By CHRIS HAMILTON, Staff Writer

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WAILUKU – The County Council is moving forward with a three-year-old plan to reduce or eliminate some county construction fees in order to promote more affordable housing.

Policy Committee Chairman Danny Mateo's bill would piggyback on an ordinance enacted a year ago that requires up to 50 percent affordable housing in all new residential developments.

Discussed in committee Thursday, Mateo's bill would reduce permit, assessment and review costs for driveways, building plans, electrical work, wastewater infrastructure, plumbing, grading and grubbing, and parks.

For the construction of a single-family, three-bedroom home, that could save a developer roughly up to \$17,800, according to county memos.

"I think it's also important that we don't give out the whole store. We still have a county to run," said Department of Housing and Human Concerns Director Vanessa Medeiros. "Time will tell whether reducing the fees will equate to lower housing costs."

She suggested streamlining the entire county permitting process to stimulate the market for affordable homes.

Mateo agreed and said he's asked Mayor Charmaine Tavares' administration to pursue that goal.

Mateo said he also has asked county attorneys to draft a provision in the bill that would waive fees completely in housing development projects that are 100 percent affordable. The bill's new language may also create a sliding fee scale for developers who build homes intended for the poorest people to own.

"The reality, though, is that most developers will need a mix of market (rate) and affordable housing to make it workable," Mateo said.

The measure could finally get a committee vote in the coming weeks, Mateo said.

Council Member Michael Victorino called on his colleagues to get the measure passed along with other future provisions intended to create more affordable housing for residents. One other idea is to exempt some developments from density limits in certain areas.

Council Chairman Riki Hokama suggested the county consider returning to building affordable housing itself, an effort that was abandoned by past administrations. He also called on Tavares to explore that option.

The skyrocketing prices of homes and rentals as well as the high cost of living has led many

longtime residents to leave, many of whom are considered essential for any community to thrive or even exist, such as police officers, firefighters, teachers and nurses.

"We need to give developers a carrot to bite on," Council Member Mike Molina said.

David Goode, president of KSD Hawaii and a former county public works director, wrote a letter in favor of the bill. Goode's company is responsible for two housing projects in the works in Central Maui: Na Mala O Waihee and Waiolani Pikake.

"Essentially, I'm in support of any incentive," Goode said. "It just makes it that much easier to produce. . . . We are on the right track; we just need a bigger train on the track."

Goode said in an interview that he would like to see the parks assessment be included in the bill. A development's parks assessment can add between \$7,000 and \$30,000 to the cost of each home, he said.

"If you want us to deliver a \$250,000 home, put in the parks fee," he said.

However, officials with the Department of Parks and Recreation oppose reducing parks fees in the affordable housing bill because the fees make up a growing portion of the department's capital improvement budget.

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