



RESIDENTIAL WORKFORCE HOUSING

Haliimaile Road

Hoku'ula is a new single family fee-simple project consisting of 176 homes located in Haliimaile, Maui, Hawaii. The developer, Hoku'ula Partners LLC, intends to construct a residential community in which 50% of the homes will be offered as “residential workforce housing units”, as defined in Section 2.96, Maui County Code.

Residential Workforce Housing

Residential Workforce Housing was (“RWH”) was established by the Maui County Council under Chapter 2.96, Maui County Code (“MCC”). The RWH policy is intended to enhance public welfare by ensuring that housing needs of the County are addressed. The critical shortage of affordable housing makes the purchase or rental of a home by the majority of Maui’s working residents extremely difficult. The purpose for creating RWH is to maintain a sufficient resident workforce in all fields of employment, and to ensure the public safety and general welfare of the residents of Maui. This policy encourages the provision and maintenance of RWH, for both purchase and rental, to meet the needs of income-qualified households for the workforce, students, and special housing target groups.

What are RWH Units?

RWH units are generally units or lots to be sold or rented first to Maui County residents with certain income groups, as set forth in Chapter 2.96, MCC.

What types of housing will be included as RWH units at Hoku'ula?

The Developer intends to offer 50% as RWH units, consisting of three-bedroom and four-bedroom homes.

The following income categories will be offered:

- Twenty-seven (27) units will be designated for the “below-moderate income”
- Forty-four (44) units will be designated for the “moderate income”
- Seventeen (17) units will be designated for the “above-moderate income”

How do you know you are eligible for a RWH unit?

In order to qualify for a RWH unit, an applicant must meet ALL of the following requirements:

1. Be a **citizen of the United States or a permanent resident alien.**
2. Must be a **resident of Maui County.** “Resident” means a person who meets the follow criteria:
 - Currently employed in the County;
 - Retired from employment in the County, having worked in the County immediately prior to retirement;
 - A full-time student residing in the County;
 - A disabled person residing in the County who was employed in the County prior to becoming disabled;
 - The parent or guardian of a disabled person residing in the County;
 - A spouse or dependent of any such employee, retired person, student, or disabled person residing in the County; or
 - In the event of the death of the employee, retired person, student, or disabled person, the spouse or dependent of any such person residing in the County.
3. Be **eighteen years of age** or older.
4. Have a **gross annual family income (not to include the income of minors) which does not exceed 140% of the County’s area median income (AMI),** as established by the United States Department of Housing and Urban Development (HUD) , or as adjusted by the Department of Housing and Human Concerns (DHHC), for Hana, Lanai, and Molokai.

5. **Have assets that do not exceed 140% of the County's AMI** as established by HUD or as adjusted by DHHC, for Hana, Lanai, and Molokai. Assets shall include all cash, securities, stocks, bonds and real property. Real property shall be valued at fair market value less liabilities on such real property.
6. For a **period of 3 years before the submittal of the ownership application, have not had an interest of 50% or more in real property** in fee or leasehold in the United States, where the unit or land is deemed suitable for dwelling purposes, unless the buyer is selling a RWH unit and purchasing a different RWH unit that is more appropriate for the buyer's family size.
7. **Pre-qualify for a loan and submittal of Pre-qualification Letter.** Pre-qualify for a loan with the applicant's choice of lender.

RWH Unit Selection Process

In order to give interested parties a fair and equitable opportunity to purchase one of the RWH units in the Project, the RWH units will be offered through a wait list and initial lottery selection process.

- Wait Lists – The Wait Lists will be established in accordance with the process and procedure in the public notices published by the Developer in the Maui News announcing the RWH units and the Project.
- To be placed on the Wait List, prospective buyers must get pre-qualified with lender of their choice. First Time Homebuyers certification is required as part of application submittal.

Three Wait Lists will be established based on the qualifying income groups:

- Wait List A 80% - 100% AMI
- Wait List B 101% - 120% AMI
- Wait List C 121% - 140% AMI

Lotteries and Additions to Wait Lists

Residents on the wait lists shall receive first priority for the available units. Nonresidents on the wait lists may purchase a RWH unit once the wait lists have been exhausted of all residents.

The Developer or through its sales broker will hold one lottery for all qualified buyers on the Wait Lists. The lottery will be utilized as the means to determine priority positions in the RWH unit selection process for each specific income group. Prospective buyers will only be able to select from the RWH units that are available when they are selecting their RWH unit. If when selected, the prospective buyer is not interested in purchasing one of the RWH units being offered, then the prospective buyer will lose his or her priority position and will be placed at the end of the Wait List.

In the event that the RWH units are not sold within the first 90 days after they are offered for sale, and Developer made a good faith effort, as determined by the director of DHHHC, to contact and qualify applicants on the Wait List, the sale of remaining units shall be conducted as follows:

- For the next 90 day period, units shall be offered for sale to the next higher RWH Income Group, at the original sales price. For example, units targeted for families earning up to 120% of AMI may be sold to families earning up to the families earning up to 140% AMI.
- Units shall be offered to next higher income group every 90 days until the units are sold or there are no more income groups available. Then units shall be offered to nonresidents on the Wait List in the order in which their names were drawn in the lottery, for the next 90 day period, provided the applicant's income is within the RWH income groups.
- At the expiration of the offering periods above, any remaining RWH units may be offered at market prices by the Developer without deed restrictions.

Once the RWH unit is sold, what restrictions will affect the use, resale or occupancy of the RWH unit?

There are restrictions that owners of RWH units will be subject to during the Restriction Periods, based on certain income categories as follows:

<u>Income Group</u>	<u>Restriction Period</u>
80 – 100% of AMI	10 years
101 – 120% of AMI	10 years
121 – 140% of AMI	10 years

The unit must be owner-occupied for the Restriction Period mentioned above, per income group. Under special circumstances (i.e., assignment to active military duty or short-term contracts for off-island employment), an owner of a RWH Unit may appeal to the Department of Housing and Human Concerns (DHHC) for a waiver.

Upon a decision by the unit owner to sell the unit within the Restriction Period applicable to said unit, the unit owner shall obtain a current appraisal of the unit and notify DHHC in writing of the owner’s intention to sell, together with a copy of the appraisal.

The County will have the first option to purchase the RWH Unit from the owner for a period of 90 days following receipt of the written notification. If the County waives its option to purchase, then the RWH Unit may be sold to the general public, subject to all deed restrictions.

The maximum resale price shall be established by the DHHC using the following method:

- The appraisal of the property secured by the lender for the initial purchase of the RWH Unit (the “Initial Appraisal”)
- A new appraisal shall be required upon a decision to sell the RWH unit (the “Current Appraisal”)
- 25% of the price of the RWH unit shall be limited to the value of the RWH unit as set forth in the Initial Appraisal. Any increase in value from the Initial Appraisal to the value stated in the Current Appraisal.

The deed restrictions shall remain effective for the remainder of the Restriction Period on a resale within the applicable Restriction Period.

Purchase Sales Agreement Packet

Selected buyers will be required to submit the following to become qualified for the purchase of a RWH unit:

- Purchase Sales Agreement for Hoku'ula.
- Initial deposit of \$10,000 due at time of signing Sales Agreement, with additional deposit equal to 5% of sales price (less the initial deposit) due 30 days after execution of Purchase Sales Agreement.
- Buyer will have a 30 day rescission period, upon execution of PSA to review documents as provided as part of PSA and a right to cancel within this period for any reason. Initial deposit is refundable during this 30 day rescission period.

BUYER ELIGIBILITY CHECKLIST

___ I am a citizen of the United States or a permanent resident alien.

___ I am a resident of Maui County since I am (at least one):

___ Currently employed in the County;

___ Retired from employment in the County, having worked in the County immediately prior to retirement;

___ A full-time student residing in the County;

___ A disabled person residing in the County who was employed in the County prior to becoming disabled;

___ The parent or guardian of a disabled person residing in the County;

___ A spouse or dependent of any such employee, retired person, student, or disabled person residing in the County; OR

___ In the event of the death of the employee, retired person, student, or disabled person, the spouse or dependent of any such person residing in the County.

___ I am eighteen years of age or older.

___ I have a gross annual family income which does not exceed 140% of the County's AMI as established by HUD or as adjusted by DHHC for Hana, Lanai, and Molokai.

___ My assets do not exceed 140% of the County's AMI as established by HUD or as adjusted by DHHC for Hana, Lanai, and Molokai.

___ I do not own 50% or more interest in any real estate suitable for dwelling and have not owned any for three years before the date of this application, or if I do, the only interest I own is in another affordable or RWH unit.

___ I have a Loan Pre-qualification Letter from a lender that is dated no more than 120 days prior from the date of this application.

APPLICATION REQUIRED DOCUMENTS CHECKLIST

___ **Registration Agreement for a RWH Unit** (completed, executed by all prospective buyers)

___ **Loan Pre-qualification Letter from lender of their choice**

___ **Homeowners Certification** from approved certified Homeownership/Housing Counseling Program

Note: Check with your individual lender for loan details and qualifications as each lender may have additional requirements.

___ Completed Uniform Residential Loan Application

___ Current pay stubs (for past month) and/or copies of other income sources

___ 2019 W-2 Statement/State and Federal Income Tax Returns

___ 2019 & 2020 State and Federal Income Tax Returns

___ Current Bank Statements or Brokerage Account Statements

___ **Eligibility Affidavit** (completed, executed by all prospective buyers and notarized)

___ **Documents confirming Maui residency**

___ One of the following: (a) 2019 Resident State of Hawaii tax return, (b) confirmation of current registration to vote in Hawaii, or (c) confirmation of current employment in Maui; **AND**

___ One of the following: (a) a valid Hawaii driver's license or (b) a valid State of Hawaii identification card.