

Resolution

No. 25-167

**APPROVING EXEMPTIONS FROM, AND MODIFICATIONS TO, THE
REQUIREMENTS OF SECTION 3.35.070, MAUI COUNTY CODE,
FOR THE HALE MAHAOLU KE KAHUA AFFORDABLE HOUSING PROJECT
IN THE WAIIEHU COUNTRY TOWN DISTRICT**

WHEREAS, on June 8, 2023, the Maui County Council adopted Ordinance 5528, the Fiscal Year 2024 Budget, appropriating up to \$6,000,000 for a loan from the Affordable Housing Fund for the development of the Hale Mahaolu Ke Kahua Affordable Housing Project; and

WHEREAS, the developer, Waiehu Housing, LP, a Hawaii limited partnership, has requested certain exemptions from, and modifications to, the requirements of Section 3.35.070, Maui County Code; and

WHEREAS, under Section 3.35.070, Maui County Code, a grant or loan agreement for the distribution of funds must contain certain conditions and restrictions unless otherwise approved by the Council by resolution; and

WHEREAS, the proposed exemptions and modifications are attached and incorporated as Exhibit "1;" and

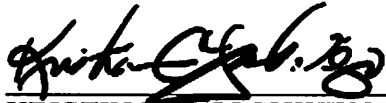
WHEREAS, in accordance with Section 4-1 of the revised charter of the County of Maui (1983), as amended, the Council is authorized to act by resolution; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it approves of the exemptions from, and modifications to, the requirements of Section 3.35.070, Maui County Code, for the Hale Mahaolu Ke Kahua Affordable Housing Project in the Waiehu Country Town District;
2. That it authorizes the Mayor, or his designee, to execute any documents and take all necessary actions to effectuate the intent of this Resolution; and
3. That certified copies of this Resolution be transmitted to the Mayor, Director of Finance, Director of Housing and Monte Heaton, Senior

Project Manager, Waiehu Housing, LP, a Hawaii limited partnership.

APPROVED AS TO FORM
AND LEGALITY:

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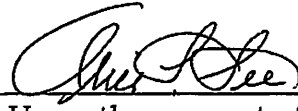
KRISTINA C. TOSHIKIYO
Deputy Corporation Counsel
County of Maui
LF 2021-1056
2025-08-01 Reso Hale Mahaolu Ke Kahua

EXHIBIT “1”

PROPOSED EXEMPTIONS AND MODIFICATIONS TO SECTION 3.35.070, MAUI COUNTY CODE

1. An exemption from Section 3.35.070(A)(1), Maui County Code, requiring that, “[t]itle to any real property must be held in perpetuity by the grantee or borrower unless conveyed to the County or to a qualified nonprofit or community land trust[,]” so that the Borrower will not own the property on which the project will be built until closing, and that after closing the property be transferred to a qualified affordable housing provider without a Council Resolution if the transferor obtains the prior written consent of the Director of Housing.
2. An exemption from Section 3.35.070(A)(3), Maui County Code, requiring that, “[t]he project must not be sold, exchanged, divested, or converted to other uses that are inconsistent with the purposes set forth in this chapter without the prior approval of the council by resolution[,]” so that the property be permitted to be sold, exchanged or divested with the prior written consent of the Director of Housing.
3. An exemption from the provisions of Section 3.35.070(B)(1), Maui County Code, requiring that the County loan, “[b]e secured by a first mortgage lien in favor of the County or, subject to council approval by resolution, be secured by a second mortgage lien in favor of the County[,]” so that the loan may be secured without a mortgage until closing, and that the loan may be in the third position, or other such position that is reasonably acceptable to the Director of Housing, to the extent that additional financing, which is senior to the Affordable Housing Fund loan, is reasonably obtained to construct the project.
4. Authorizing the modification of the provisions of Section 3.35.070(B)(4), Maui County Code, requiring that the loan, “[i]nclude an interest rate set at three percent per annum[,]” to allow the interest rate for the loan to be set at zero percent per annum until a permanent certificate of occupancy is issued for the project, and one percent per annum simple interest thereafter. This is in line with the Rental Housing Revolving Fund soft financing, which the Affordable Housing Fund will be subordinate to.

INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "Chris Lee", is written over a horizontal line.

Upon the request of the Mayor.