

REQUEST FOR LEGAL SERVICES

Date: November 8, 2017
From: Stacy Crivello, Chair
Housing, Human Services, and Transportation Committee


TRANSMITTAL

Memo to: DEPARTMENT OF THE CORPORATION COUNSEL
Attention: Gary Murai, Esq.

Subject: LOW-INCOME HOUSING TAX CREDIT PROJECT FOR SALE UNDER QUALIFIED CONTRACT REQUEST (FRONT STREET APARTMENTS, LAHAINA) (HHT-39)

Background Data: Please review the attached proposed resolution, and approve as to form and legality. Please also include the signed hard copy in your response.

Work Requested: FOR APPROVAL AS TO FORM AND LEGALITY
 OTHER:

Requestor's signature  Stacy Crivello	Contact Person <u>Shelly Espeleta</u> (Telephone Extension: <u>7134</u>)
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ROUTINE (WITHIN 15 WORKING DAYS) RUSH (WITHIN 5 WORKING DAYS)
 PRIORITY (WITHIN 10 WORKING DAYS) URGENT (WITHIN 3 WORKING DAYS)

SPECIFY DUE DATE (IF IMPOSED BY SPECIFIC CIRCUMSTANCES): November 9, 2017, 10 a.m.
REASON: To meet posting deadline for the November 16, 2017 HHT meeting.

FOR CORPORATION COUNSEL'S RESPONSE

ASSIGNED TO:	ASSIGNMENT NO.	BY:
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TO REQUESTOR: APPROVED DISAPPROVED OTHER (SEE COMMENTS BELOW)
 RETURNING--PLEASE EXPAND AND PROVIDE DETAILS REGARDING ITEMS AS NOTED

COMMENTS (NOTE - THIS SECTION NOT TO BE USED FOR LEGAL ADVICE): _____

DEPARTMENT OF THE CORPORATION COUNSEL

Date _____

By _____

(Rev. 7/03)

hht:ltr:039acc01:ske

Attachment

Resolution

No. _____

URGING THE GOVERNOR OF THE STATE OF HAWAII AND THE HAWAII STATE LEGISLATURE TO SUPPORT AFFORDABLE HOUSING AT FRONT STREET APARTMENTS

WHEREAS, Front Street Apartments located adjacent to Kenue Street and Wainee Street, Lahaina, Maui, Hawaii consists of 142 affordable housing units and related structures, totaling six buildings on 8.538 acres of land, and situated on property identified by tax map key (2) 4-5-003:013; and

WHEREAS, in addition to certain exemptions and waivers provided by the County, the State of Hawaii and Federal governments provided more than \$1.5 million in tax credits to develop Front Street Apartments; and

WHEREAS, Front Street Apartments was intended to remain affordable for 50 years, according to an Affordability Commitment expiring on December 31, 2051; and

WHEREAS, a loophole in the Internal Revenue Service tax code allows for owner, Front Street Affordable Housing Partners, to sell the complex after 15 years, thereby removing Front Street Apartments from the affordable rental market; and

WHEREAS, West Maui, including Lahaina, has the highest average rents in the County, and currently provides an insufficient number of low-income housing for the area, causing many West Maui residents to move or travel outside of the region, further contributing to increased traffic congestion, and burdening roadways and infrastructure; and

WHEREAS, an estimated 75 to 80 percent of Front Street Apartment tenants are employed, but will be unable to afford rent if the complex is sold, while the remaining 15 to 20 percent of tenants are disabled or retired and living on fixed incomes; and

WHEREAS, Maui County, as a whole, is experiencing an increase in homelessness and there is a continual struggle to provide affordable housing units for residents; and

Resolution No. _____

WHEREAS, over the next 10 years, Maui alone is in need of 13,949 affordable units, or over 1,000 affordable units per year, in order to meet the community's growing demands for affordable housing; and

WHEREAS, the removal of Front Street Apartments from the affordable rental unit inventory will exacerbate the affordable housing crisis on Maui and in our State; now, therefore,

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

1. That it does hereby urge the Governor of the State of Hawaii and the Hawaii State Legislature to support affordable housing at Front Street Apartments; and
2. That certified copies of this Resolution be transmitted to the Governor of the State of Hawaii; the President of the State Senate; the Speaker of the State House of Representatives; the County's delegation to the State Legislature; the Mayor of the County of Maui; the Corporation Counsel; and the Director of Housing and Human Concerns.

APPROVED AS TO FORM AND LEGALITY

GARY MURAI
Deputy Corporation Counsel
County of Maui

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