

COUNCIL OF THE COUNTY OF MAUI
HOUSING, HUMAN SERVICES, AND
TRANSPORTATION COMMITTEE

June 15, 2018

Committee
Report No. _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Housing, Human Services, and Transportation Committee, having met on May 31, 2018, makes reference to County Communication 18-180, from the Director of Housing and Human Concerns, transmitting the following:

1. A proposed resolution entitled "AUTHORIZING THE PURCHASE OF THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY NUMBER (2)3-5-036-022 PURSUANT TO THE BUYBACK PROVISIONS CONTAINED IN THE WAIKAPU GARDENS PHASE II AFFORDABLE HOUSING AGREEMENT, AS AMENDED."

The purpose of the proposed resolution is to authorize the acquisition of the real property identified for real property tax purposes as tax map key (2) 3-5-036:022 for \$434,386.42, along with any applicable closing costs.

2. A proposed resolution entitled "AUTHORIZING THE PURCHASE OF THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY NUMBER (2)3-5-036-046 AND AN UNDIVIDED INTEREST IN THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY NUMBER (2)3-5-036-057 PURSUANT TO THE BUYBACK PROVISIONS CONTAINED IN THE WAIKAPU GARDENS PHASE II AFFORDABLE HOUSING AGREEMENT, AS AMENDED."

The purpose of the proposed resolution is to authorize the acquisition of the real property identified for real property tax

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purposes as tax map key (2) 3-5-036:046 and an undivided interest in the shared driveway identified for real property tax purposes as tax map key (2) 3-5-036:057 for \$519,882.93, along with any applicable closing costs.

Your Committee notes the Waikapu Gardens Phase II project was approved pursuant to Chapter 201H, Hawaii Revised Statutes (“HRS”), through Resolution 13-112. Section 201H-47, HRS, requires that for a period of ten years after the purchase, if the purchaser desires to sell the property, the County shall have the first option to purchase the property.

Regarding the property identified as tax map key (2) 3-5-036:022, the County received notice of the owner’s intent to sell the affordable unit on April 9, 2018. The County has 90 days, or until July 6, 2018, to complete the purchase, pursuant to Section 2.96.060(B)(2)(c), Maui County Code (“MCC”), relating to residential workforce housing restrictions for ownership units.

Regarding the properties identified as tax map keys (2) 3-5-036:046 and 057, the County received notice of the owner’s intent to sell the affordable unit on April 18, 2018. The County has 90 days, or until July 17, 2018, to complete the purchase.

Your Committee notes pursuant to Section 3.44.015(C), MCC, relating to acquisition of real property, the Director of Finance may acquire property, except that in the case of real property with a purchase price that exceeds \$250,000, the Council shall authorize the acquisition by resolution.

Your Committee is in receipt of a signed written statement dated May 23, 2018, from the owners of the real property identified as tax map key (2) 3-5-036:022, cancelling their request to sell the property.

The Housing Administrator, Department of Housing and Human Concerns, informed your Committee the Department has not received a

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written notice from the owner of the real property identified as tax map keys (2) 3-5-036:046 and 057 to cancel their request to sell the property. He also stated the Department intends to purchase the property.

Your Committee notes if the County purchases the property, the County will be able to control the property's affordability and retain it in the residential workforce housing inventory.

Your Committee inquired about the number of residential workforce housing units purchased by the County while they were still under the deed restriction period. The Housing Administrator advised that in his approximately nine years with the Department, he was aware of only three properties purchased by the County under buyback provisions.

Your Committee discussed the Department's intended use of the property. A Deputy Corporation Counsel said after the property is purchased, the Administration will make a recommendation for its intended use and submit the recommendation to the Council for approval.

Your Committee recommended the proposed resolution be revised to specify, per the deed, that the owner has an undivided one-half interest in the shared driveway identified as tax map key (2) 3-5-036:057.

Your Committee voted 4-0 to recommend adoption of the revised proposed resolution relating to properties identified as tax map keys (2) 3-5-036:046 and 057, and filing of the communication. Committee Chair Crivello, Vice-Chair Carroll, and members Atay and Guzman voted "aye." Committee members Hokama, King, and White were excused.

Your Committee is in receipt of a revised proposed resolution, approved as to form and legality by the Department of the Corporation Counsel, entitled "AUTHORIZING THE PURCHASE OF THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY NUMBER (2) 3-5-036:046 AND AN UNDIVIDED INTEREST IN THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY NUMBER (2) 3-5-036:057 PURSUANT TO THE BUYBACK

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PROVISIONS CONTAINED IN THE WAIKAPU GARDENS PHASE II AFFORDABLE HOUSING AGREEMENT, AS AMENDED,” incorporating your Committee’s recommended revisions and nonsubstantive revisions.

Your Housing, Human Services, and Transportation Committee RECOMMENDS the following:

1. That Resolution _____, as revised herein and attached hereto, entitled “AUTHORIZING THE PURCHASE OF THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY NUMBER (2) 3-5-036:046 AND AN UNDIVIDED INTEREST IN THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY NUMBER (2) 3-5-036:057 PURSUANT TO THE BUYBACK PROVISIONS CONTAINED IN THE WAIKAPU GARDENS PHASE II AFFORDABLE HOUSING AGREEMENT, AS AMENDED,” be ADOPTED; and
2. That County Communication 18-180 be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



STACY CRIVELLO, Chair

Resolution

No. _____

AUTHORIZING THE PURCHASE OF THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY NUMBER (2) 3-5-036:046 AND AN UNDIVIDED INTEREST IN THE REAL PROPERTY IDENTIFIED AS TAX MAP KEY NUMBER (2) 3-5-036:057 PURSUANT TO THE BUYBACK PROVISIONS CONTAINED IN THE WAIKAPU GARDENS PHASE II AFFORDABLE HOUSING AGREEMENT, AS AMENDED

WHEREAS, the Council of the County of Maui, through Resolution 13-112, approved with modifications the Waikapu Gardens Phase II 201H project; and

WHEREAS, Chapter 201H, Hawaii Revised Statutes, for projects approved by the County of Maui, requires that for a period of ten years after purchase, if the purchaser desires to sell the property, the County shall have the first option to purchase the property; and

WHEREAS, the owner of the real property identified as Tax Map Key Number (2) 3-5-036:046, located at 95 Ohana Hana Loop, Wailuku, Hawaii 96793, desires to sell the property; and

WHEREAS, the owner also possesses an undivided one-half interest in the shared driveway identified as Tax Map Key Number (2) 3-5-036:057, which the County would also acquire; and

WHEREAS, the residential workforce housing agreement executed for the Waikapu Gardens Phase II project, and any amendments thereto ("RWHA"), sets

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the County's purchase price at the sum of the original purchase price, the cost of any improvements, and simple interest on the purchaser's cash equity at the rate of four percent per year; and

WHEREAS, the County's purchase price for the real property is FIVE HUNDRED NINETEEN THOUSAND EIGHT HUNDRED EIGHTY TWO AND 93/100 DOLLARS (\$519,882.93); and

WHEREAS, pursuant to the RWHA the County has ninety (90) days upon notice of owner's intent to sell to complete the purchase; and

WHEREAS, the County received notice from the owner on April 18, 2018, therefore the County has until July 17, 2018, to complete the purchase; and

WHEREAS, the Director of Finance did not obtain an appraisal for this acquisition as there was no negotiation in price, as purchase price was set by the terms of the RWHA; and

WHEREAS, Chapter 3.44, Maui County Code, requires Council authorization for any purchase of real property where the purchase price exceeds TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000); now, therefore,

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

1. That it finds this acquisition of real property is in the public interest;
- and
2. That it authorizes the acquisition of the real property identified as


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Tax Map Key Number (2) 3-5-036:046 and the undivided one-half interest in Tax Map Key Number (2) 3-5-036:057 for FIVE HUNDRED NINETEEN THOUSAND EIGHT HUNDRED EIGHTY TWO AND 93/100 DOLLARS (\$519,882.93) along with any applicable closing costs; and

3. That it hereby authorizes the Mayor or the Mayor's duly authorized representative, to execute all necessary documents to effectuate the intent of this Resolution; and

4. That certified copies of this Resolution be transmitted to the Mayor and the Director of Housing and Human Concerns.

APPROVED AS TO FORM
AND LEGALITY:


MIMI DESJARDINS
Deputy Corporation Counsel
County of Maui
hht:misc:041reso01:ssm