

HHT Committee

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Councilmember Stacy Crivello, Chair
Councilmember Robert Carroll, Vice Chair

Housing, Human Services and Transportation Committee

Maui County Council

Lance D. Collins, Ph.D
Law Office of Lance D. Collins

Thursday, November 16, 2017
Support for Resolution under HHT Item No. 39

Mahalo for the Council's unwavering support of affordable housing. I strongly urge your Committee to recommend to the Council approve of this resolution with amendments. I would recommend amending the following paragraph

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

to

WHEREAS, the owner, Front Street Affordable Housing Partners, asserts a loophole in the Internal Revenue Service tax code allows it to remove Front Street Apartments from the affordable rental market; and

While the owner has asserted with the assistance of the Hawai'i Housing Finance & Development Corporation that it may terminate the affordability requirement of this project after fifteen years pursuant to some provision of the IRC, that assertion has not yet been confirmed by a court of competent jurisdiction or the Internal Revenue Service. The developer of this project made many representations to the Maui County Council when it obtained fast track approval to build the project as well as generous federal and state tax credits by promising the 51 year affordability restriction.

There is no reason for the County Council to accept the owner's unsupported assertions simply because the Hawai'i Housing Finance & Development Corporation has resigned itself to accept such an assertion.

Mahalo for this opportunity to testify.

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