



DEPARTMENT OF
HOUSING AND HUMAN CONCERNS
COUNTY OF MAUI

MICHAEL P. VICTORINO
Mayor

WILLIAM R. SPENCE
Acting Director

LORI TSUHAKE
Deputy Director

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OFFICE OF THE MAYOR

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January 3, 2019

Honorable Michael P. Victorino
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Kelly T. King, Chair
and Members of the Maui County Council
200 S. High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Michael P. Victorino 1/6/19
Mayor Date

Dear Chair King and Members:

SUBJECT: AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF HOUSING AND HUMAN CONCERNS TO MODIFY THE REQUIREMENTS OF CHAPTER 2.96, MAUI COUNTY CODE, IN RELATION TO THE COUNTY'S PURCHASE OPTIONS FOR THE KAIWAHINE PROJECT AND ACKNOWLEDGING THAT TWO OF THE UNITS IN THE PROJECT WILL BE MANAGER'S UNITS

I am transmitting a proposed resolution entitled "AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF HOUSING AND HUMAN CONCERNS TO MODIFY THE REQUIREMENTS OF CHAPTER 2.96, MAUI COUNTY CODE, IN RELATION TO THE COUNTY'S PURCHASE OPTIONS FOR THE KAIWAHINE PROJECT AND ACKNOWLEDGING THAT TWO OF THE UNITS IN THE PROJECT WILL BE MANAGER'S UNITS".

The purpose of the proposed resolution is to authorize the Director of the Department of Housing and Human Concerns to modify the requirements of Chapter 2.96, Maui County Code, relating to the County's purchase options for the Kaiwahine project. The developer is not able to comply with sections 2.96.070.B.2.a and 2.96.070.B.3 and therefore intends to record a 65 year deed restriction to ensure the long-term affordability of the project.

In addition, the proposed resolution acknowledges that two (2) of the units in the project shall be designated as manager's units.

COUNTY COMMUNICATION NO. 19-56

Honorable Kelly T. King, Chair
and Members of the Maui County Council
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I respectfully request that this matter be referred to the appropriate Council committee for review, discussion, and action.

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at Ext. 7805.

Sincerely,



WILLIAM R. SPENCE
Acting Director of Housing and Human Concerns

Attachment
xc: Housing Division

Resolution

No. _____

AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF HOUSING AND HUMAN CONCERNS TO MODIFY THE REQUIREMENTS OF CHAPTER 2.96, MAUI COUNTY CODE, IN RELATION TO THE COUNTY'S PURCHASE OPTIONS FOR THE KAIWAHINE PROJECT AND ACKNOWLEDGING THAT TWO OF THE UNITS IN THE PROJECT WILL BE MANAGER'S UNITS

WHEREAS, Resolution 11-23 approved with modifications the Kaiwahine Village project ("Project"); and

WHEREAS, Resolution 16-32 approved a two-year time extension to the construction initiation date imposed by Modification 4 of Resolution 11-23, with construction to begin by March 18, 2018, and be completed by March 18, 2021; and

WHEREAS, Resolution 18-25 authorized a variation from the plans and specifications approved in Resolution 11-236 to allow the one hundred and twenty (120) residential workforce housing units in the Project to be rental units approved a time extension with construction to begin by September 30, 2018, and be completed by September 30, 2021; and

WHEREAS, Resolution 18-25 did not specify that two (2) of the one hundred and twenty (120) units in the Project will be utilized by resident, on-site managers to help ensure the efficient management of the Project; and

WHEREAS, Section 2.96.070(B)(2)(a), Maui County Code, requires that the owner grant the County a first right to purchase the development to owner in the event the owner decides to sell during the deed restricted period; and

WHEREAS, Section 2.96.070(B)(3), Maui County Code, requires that within ninety (90) days of the expiration of the thirty (30) year deed restricted period, the owner shall offer to sell the Project to the County at a price determined by the owner; and

WHEREAS, owner is unable to comply with these requirements allowing the County the first right to purchase as they are in conflict with various agreements that were necessary to finance the project; and

WHEREAS, a sixty-five (65) year deed restriction is being recorded against the Project pursuant to the Maui County Code; and

Resolution No. _____

WHEREAS, the owner is willing to comply with Section 2.96.070(B)(2)(b), Maui County Code, requiring that any new owner during the deed restricted period is required to comply with the deed restrictions; and

WHEREAS, in accordance with Section 2.96.030(D), Maui County Code, the Director of the Department of Housing and Human Concerns is requesting that the requirements of Sections 2.96.070(B)(2)(a) and (B)(3), Maui County Code, be waived; now, therefore;

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

1. The Council acknowledges that two (2) of the one hundred and twenty (120) units in the Project will be utilized by resident, on-site managers, which two (2) units will not be subject to affordability restrictions; and
2. The Council authorizes the Director of the Department of Housing and Human Concerns to waive the requirements of Sections 2.96.070(B)(2)(a) and (B)(3), Maui County Code, provided that the Project is subject to a sixty-five (65) year deed restriction (to be recorded promptly after adoption of this resolution) and the requirements of Section 2.96.070(B)(2)(b); and
3. All other requirements of Resolutions 11-23 and 18-25 remain in full force and effect; and
4. That certified copies of this resolution shall be transmitted to the Department of Housing and Human Concerns and the owner of the Project, A0578 Kihei, L.P., a Hawaii limited partnership, and A0688 Kihei, L.P., a Hawaii limited partnership.

APPROVED AS TO FORM
AND LEGALITY:



JEFFREY MEOKA
Deputy Corporation Counsel
County of Maui

2011-0108

2018-11-06 Proposed Resolution for Management Units