

COUNCIL OF THE COUNTY OF MAUI
AFFORDABLE HOUSING COMMITTEE

March 5, 2021

Committee
Report No. _____

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

Chair and Members:

Your Affordable Housing Committee, having met on February 22, 2021, makes reference to County Communication 20-609, from the Budget Director, transmitting the following:

1. A proposed resolution entitled "APPROVING THE ACQUISITION OF REAL PROPERTY AT THE KAHOMA RESIDENTIAL SUBDIVISION, LAHAINA, MAUI, HAWAII, IDENTIFIED AS TAX MAP KEY NUMBER (2)4-5-037-013 PURSUANT TO THE BUYBACK PROVISIONS CONTAINED IN THE AGREEMENT REGARDING RESIDENTIAL WORKFORCE HOUSING REQUIREMENTS (244 KOMO MAI STREET, LOT 50)."

The purpose of the proposed resolution is to approve the acquisition of real property located at 244 Komo Mai Street, Lahaina, Maui, Hawaii.

2. A proposed resolution entitled "AUTHORIZING THE GRANT OF THE REAL PROPERTY LOCATED AT 244 KOMO MAI STREET, LAHAINA, MAUI, HAWAII, TO HOUSING AND LAND ENTERPRISE OF MAUI DBA NA HALE O MAUI."

The purpose of the proposed resolution is to authorize the grant of real property located at 244 Komo Mai Street, Lahaina, Maui, Hawaii, to Housing and Land Enterprise of Maui dba Na Hale O Maui.

3. A proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO

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PART II, SPECIAL PURPOSE REVENUES – SCHEDULE OF
REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2021,
AFFORDABLE HOUSING FUND (KAHOMA RESIDENTIAL
SUBDIVISION).”

The purpose of the proposed bill is to amend Appendix A, Part II of the Fiscal Year 2021 Budget by adding a proviso under the Affordable Housing Fund for \$707,258, including related costs, for the acquisition of the Kahoma Residential Subdivision property located at 244 Komo Mai Street, Lahaina, Maui, Hawaii.

Your Committee notes the proposed resolution relating to the acquisition of 244 Komo Mai Street, Lahaina, Maui, Hawaii (“Property”) was adopted by the Council at its meeting of December 18, 2020 (Resolution 20-177). Your Committee further notes the proposed bill relating to the acquisition of the Property under the Affordable Housing Fund passed on second reading at its meeting of January 15, 2021 (Bill 136 (2020)).

Your Committee received public testimony largely in support of the proposed resolution authorizing the grant of the Property to Na Hale O Maui.

Your Committee notes the Property consists of a four-bedroom, three-bathroom, single-family home located in the Kahoma Residential Subdivision. The Property was first sold in 2017 for \$666,425 as a residential workforce housing unit with a 10-year deed restriction. After the 10-year deed restriction ends, the Property can be sold at market price.

By correspondence dated February 10, 2021, the Director of Housing and Human Concerns transmitted an appraisal report by Island Appraisals determining the Property’s value at \$925,000. The Director also transmitted Na Hale O Maui’s application to the County for an in-kind grant of the Property.

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Your Committee notes the following information from the grant application submitted by Na Hale O Maui:

- It is a non-profit organization founded in 2006 with a mission to secure and preserve a permanent supply of affordable housing alternatives for low-income and moderate-income households in Maui County.
- It serves qualified households earning 80 percent to 140 percent area median income.
- It manages a portfolio of 46 properties, including 12 homes in the Kahoma Residential Subdivision.
- Its community land trust model uses a shared appreciation formula for the resale of homes, which allows sellers to receive a fair return on their investment while keeping the price affordable to buyers.

Your Committee also notes the grant would release the County from the responsibility of holding the Property, including any necessary rehabilitation, marketing, contracting, or transactional and other fees.

A Member of your Committee noted there was no discussion on the matter during the meeting.

Your Committee relied on comprehensive information received relating to the grant of the Property, including the Council's prior approvals for the acquisition of the Property, in determining that the grant supports the efficient and timely disposition of a residential workforce housing unit, and preserves the County's investment in the unit from the Affordable Housing Fund and other subsidies.

Your Committee voted 8-1 to recommend adoption of the revised proposed resolution and filing of the communication. Committee Chair Johnson, Vice-Chair Molina, and members Kama, King, Lee, Paltin,

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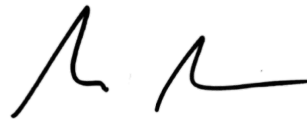
Sinenci, and Sugimura voted “aye.” Councilmember Rawlins-Fernandez voted “no.”

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 GRANT OF REAL PROPERTY LOCATED AT 244 KOMO MAI STREET, LAHAINA, MAUI, HAWAII, TO HOUSING AND LAND ENTERPRISE OF MAUI, DBA NA HALE O MAUI,” incorporating your Committee’s nonsubstantive revisions.

Your Affordable Housing Committee RECOMMENDS the following:

1. That Resolution _____, as revised herein and attached hereto, entitled “AUTHORIZING THE GRANT OF REAL PROPERTY LOCATED AT 244 KOMO MAI STREET, LAHAINA, MAUI, HAWAII, TO HOUSING AND LAND ENTERPRISE OF MAUI, DBA NA HALE O MAUI,” be ADOPTED; and
2. That County Communication 20-609 be FILED.

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



GABE JOHNSON, Chair

ah:cr:21003aa:ans

Resolution

No. _____

AUTHORIZING THE GRANT OF REAL PROPERTY LOCATED AT 244 KOMO
MAI STREET, LAHAINA, MAUI, HAWAII, TO
HOUSING AND LAND ENTERPRISE OF MAUI, DBA NA HALE O MAUI

WHEREAS, the County of Maui owns the property located at 244 Komo
Mai Street, Lahaina, Maui, Hawaii 96793, identified as Tax Map
Key (2) 4-5-037:013 (“the Property”); and

WHEREAS, Housing and Land Enterprise of Maui, doing business as Na
Hale O Maui, has submitted a County of Maui In-Kind Grant Application,
attached as Exhibit “A”; and

WHEREAS, the County desires to grant the Property in fee simple to
Na Hale O Maui; and

WHEREAS, in accordance with Section 3.44.020, Maui County Code
(“MCC”), the Council may authorize the disposition of real property in fee simple;
and

WHEREAS, in accordance with Section 3.44.030, MCC, the Council may,
if it finds that it is in the public interest, dispose of real property in a manner
other than by public auction; and

WHEREAS, in accordance with Section 3.36.090, MCC, the Council may
authorize the grant of real property by resolution; and

Resolution No. _____

WHEREAS, in accordance with Section 3.44.070, MCC, the Council may waive the appraisal requirement for disposition of real property; now, therefore;

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

1. That it finds it is in the public interest to grant the Property to Housing and Land Enterprise of Maui, doing business as Na Hale O Maui;
2. That it waives the appraisal requirement;
3. That it authorizes the grant of the fee simple interest in the Property to Na Hale O Maui;
4. That it authorizes the Mayor, or the Mayor's duly authorized representative, to execute all necessary documents to further the intent of this Resolution; and
5. That certified copies of this Resolution be transmitted to the Mayor, the Finance Director, and the Director of the Department of Housing and Human Concerns.

APPROVED AS TO FORM AND LEGALITY

/s/ Mimi Desjardins

MIMI DESJARDINS
Deputy Corporation Counsel
County of Maui