

COUNCIL OF THE COUNTY OF MAUI
PUBLIC SERVICES COMMITTEE

January 15, 2010

Committee
Report No. _____

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

Chair and Members:

Your Public Services Committee, having met on October 14, 2009 and December 16, 2009, makes reference to County Communication No. 09-280, from the Director of Housing and Human Concerns, transmitting a proposed resolution entitled "APPROVING THE DISPOSITION OF REAL PROPERTY AT THE VILLAS AT KENOLIO, KIHEI, MAUI, HAWAII (65 HALILI LANE, UNIT 10H) THROUGH NEGOTIATION WITHOUT AN APPRAISAL".

The purpose of the proposed resolution is to approve the sale of an affordable housing unit in Kihei, Maui, and ensure that the subject property remains affordable by (1) approving the disposition of the subject unit through negotiation pursuant to Section 3.44.050.A, Maui County Code (MCC); (2) giving public notice of the County's intention to sell the unit through negotiation; and (3) waiving the appraisal required pursuant to Section 3.44.070.A, MCC, for any disposition of fee simple real property.

Your Committee notes that the County's acquisition of the subject property was approved by the Council pursuant to Resolution No. 09-70. The Director of Housing and Human Concerns stated that the 2009 assessed value of the subject property was \$367,800. The repurchase price is calculated at \$207,877 plus interest. The Administration's stated objective is to purchase and then re-sell the subject property as an affordable housing unit.

By correspondence dated October 9, 2009, the Department of the Corporation Counsel transmitted a revised proposed resolution to change the period in which the unit shall remain affordable, from "in perpetuity" to a term equal to the remainder of the original ten-year owner-occupancy period, pursuant to the Affordable Housing Agreement effective October 21, 2004.

Your Committee stated its intent that the County keep the subject property affordable for as long as possible. The Deputy Director of Housing and Human Concerns stated that the Department would be willing to offer the property for sale for 30 days with a requirement that the buyer keep the unit affordable in perpetuity. If a buyer is not found

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during that initial 30-day period, the property would be offered again with a requirement that the buyer keep the unit affordable for the remainder of the original ten-year term.

Your Committee further revised the proposed resolution to express the view that the subject property shall remain an affordable housing unit for “at least” the remainder of the existing ten-year owner-occupancy period.

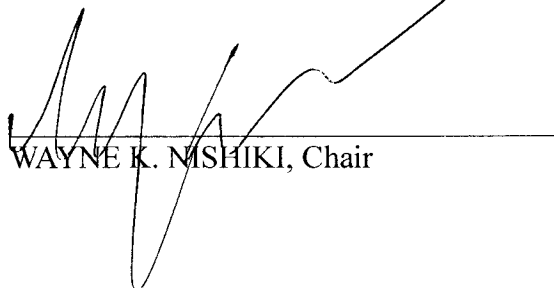
Your Committee voted 5-0 to recommend adoption of the revised proposed resolution and filing of the communication. Committee Chair Nishiki, Vice-Chair Pontanilla, and members Kaho’ohalahala, Mateo, and Victorino voted “aye”. Committee members Johnson and Medeiros were excused.

Your Committee is in receipt of a revised proposed resolution, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee’s recommended revisions.

Your Public Services Committee RECOMMENDS the following:

1. That Resolution No. _____, as revised herein and attached hereto, entitled “APPROVING THE DISPOSITION OF REAL PROPERTY AT THE VILLAS AT KENOLIO, KIHEI, MAUI, HAWAII (65 HALILI LANE, UNIT 10H) THROUGH NEGOTIATION WITHOUT AN APPRAISAL”, be ADOPTED; and
2. That County Communication No. 09-280 be FILED.

This report is submitted in accordance with Rule 7 of the Rules of the Council.



WAYNE K. NISHIKI, Chair

Resolution

No. _____

APPROVING THE DISPOSITION OF REAL
PROPERTY AT THE VILLAS AT KENOLIO, KIHEI, MAUI, HAWAII
(65 HALILI LANE, UNIT 10H) THROUGH NEGOTIATION
WITHOUT AN APPRAISAL

WHEREAS, the County of Maui wishes to encourage the provision of affordable housing and suitable living environments for residents of low to moderate income; and

WHEREAS, the County of Maui wishes to ensure that the affordable housing unit located at the Villas at Kenolio, 65 Halili Lane, Unit 10H, Kihei, Maui, Hawaii, and more particularly identified as Tax Map Key Number (2) 3-9-001:160, CPR#0084 (hereinafter the "unit") remains an affordable housing unit for a term equal to at least the remainder of the original ten-year owner-occupancy period pursuant to an Affordable Housing Agreement; and

WHEREAS, ensuring that the unit remains affordable for a term equal to at least the remainder of the original ten-year owner-occupancy period pursuant to an Affordable Housing Agreement would be in the public interest; and

WHEREAS, disposing of the unit through negotiation pursuant to Maui County Code Section 3.44.050.A by giving public notice of the County of Maui's intention to sell the unit through negotiation and establishing reasonable criteria which would further the goal of ensuring the unit remains affordable for a term equal to at least the remainder of the original ten-year owner-occupancy period pursuant to an Affordable Housing Agreement; and

WHEREAS, pursuant to Maui County Code Section 3.44.070.A, an appraisal is required for any disposition of real property in fee simple, unless waiver of such an appraisal is authorized by council resolution; and

WHEREAS, the Council finds that waiver of the appraisal requirement is appropriate in this instance where the 2009 real property assessed value (attached as Exhibit "A") for the unit

Resolution No. _____

is \$367,800 and the County of Maui's repurchase price as of May 31, 2009 was \$207,877 plus interest at the rate of seven percent per year for any period between May 31, 2009 and the date of closing; and now, therefore,

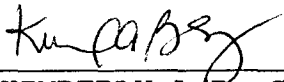
BE IT RESOLVED by the Council of the County of Maui:

1. That, pursuant to Maui County Code Section 3.44.050.A, the Council hereby finds that the disposition of the unit through negotiation is in the public interest and hereby approves such disposition by two-thirds of its members; and

2. That, pursuant to Maui County Code Section 3.44.070.A, the Council hereby waives the requirement that an appraisal be obtained for the sale or other disposition of the unit; and

3. That certified copies of this Resolution be transmitted to the Mayor, the Director of Finance, and the Director of the Department of Housing and Human Concerns.

APPROVED AS TO FORM
AND LEGALITY:



KIMBERLY A.B. SLOPER
Deputy Corporation Counsel
County of Maui

390011600084

65 HALILI LN

2009 Assessed Values

Property Class	IMPROVED RESIDENTIAL
Land Value	\$20,300
Land Exemption	\$0
Net Taxable Land Value	\$20,300
Building Value	\$347,500
Building Exemption	\$300,000
Net Taxable Building Value	\$47,500
Total Assessed Value	\$367,800
Total Net Taxable Value	\$67,800
Homeowner Class	HOMEOWNER