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 DEPARTMENT OF
HOUSING AND HUMAN CONCERNS
 COUNTY OF MAUI

HHT-7
 ALAN M. ARAKAWA
 Mayor

JAN SHISHIDO
 Deputy Director

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2015 JUL 17 AM 9:53

200 SOUTH HIGH STREET, WAILUKU, HAWAII 96793 • PHONE (808) 270-7805 • FAX 270-7165 • EMAIL director.hhc@mauicounty.gov

OFFICE OF THE
 COUNTY COUNCIL

OFFICE OF THE MAYOR

July 16, 2015

Honorable Alan M. Arakawa
 Mayor, County of Maui
 200 South High Street
 Wailuku, Hawaii 96793

For Transmittal to:
 Honorable Mike White, Chair
 and Members of the Maui County Council
 200 South High Street
 Wailuku, Hawaii 96793

RECEIVED
 2015 JUL 22 AM 11:29
 OFFICE OF THE
 COUNTY CLERK

APPROVED FOR TRANSMITTAL

Alan Arakawa 7/16/15
 Mayor Date

Dear Chair White and Members:

SUBJECT: AUTHORIZING REPAYMENT PLAN PROPOSED BY KA HALE A KE OLA HOMELESS RESOURCE CENTERS, INC.

I am transmitting a proposed resolution entitled "AUTHORIZING REPAYMENT PLAN PROPOSED BY KA HALE A KE OLA HOMELESS RESOURCE CENTERS, INC."

The purpose of the proposed resolution is to authorize a proposed repayment plan which was submitted by Ka Hale A Ke Ola Homeless Resource Centers, Inc. for the outstanding debt related to the construction of Hale Makana O Waiale Affordable Housing Rental Project.

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

Sincerely,

Jan Shishido

JAN SHISHIDO
 Deputy Director of Housing and Human Concerns

Attachment



Resolution

No. _____

AUTHORIZING REPAYMENT PLAN PROPOSED BY
KA HALE A KE OLA HOMELESS RESOURCE CENTERS, INC.

WHEREAS, Ka Hale A Ke Ola Homeless Resource Centers, Inc., has submitted a proposed repayment plan for the outstanding debt related to the construction of Hale Makana O Waiale Affordable Housing Rental Project ("HMOW"); and

WHEREAS, the proposal containing the general terms of repayment, as an offer of settlement, is attached hereto and made a part hereof as Exhibit "1"; and

WHEREAS, HMOW received approximately \$4,255,000 from the County of Maui as a loan; and

WHEREAS, a single payment of \$200,000 has been received by the County; and

WHEREAS, having reviewed the facts and circumstances regarding this offer of settlement, in accordance with Chapter 3.16, Maui County Code, the Council wishes to authorize the settlement; now, therefore,

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


1. That it hereby approves settlement of this claim under the terms set forth in an executive meeting before the Committee of the Whole; and

Resolution No. _____

2. That it hereby authorizes the Mayor to enter into a settlement agreement on behalf of the County under such terms and conditions as may be imposed, and agreed to, by the Corporation Counsel; and

3. That certified copies of this resolution be transmitted to the Mayor, the Director of Finance, the Director of the Department of Housing and Human Concerns, the Corporation Counsel, and Ka Hale A Ke Ola Homeless Resource Centers, Inc.

APPROVED AS TO FORM
AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel
County of Maui

LF 2015-4209



Ka Hale A Ke Ola Homeless Resource Centers, Inc.
 670 Waiiale Road, Wailuku, HI 96791
 (808) 242-7600 | www.khako.org

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Erin Fleming
 Chief Executive Officer

April 28, 2015

2015 APR 29 AM 9:04

Board of Directors

Steve Miller
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Michael Victorino
 Vice President

Dr. John Decker
 Secretary

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 Treasurer

Father Gary Colton
 Rory Frampton
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 Marc Chesick
 Alvin Tagomori
 Jim Worley
 Nicole Spalding
 Doug Wright

DHHC-DIRECTOR'S OFFICE
 COUNTY OF MAUI

JoAnn T. Ridao
 Director of Housing and Human Concerns
 County of Maui
 2200 Main Street, Suite 546
 Wailuku, HI 96793

Dear Ms. Ridao:

Ka Hale A Ke Ola Homeless Resource Centers is eager to move forward on our initial loan repayment proposal. Based on conversations with the Maui County Council, Department of Finance, Department of Corporation Counsel, and Department of Housing and Human Concerns, we are prepared to accept the following repayment terms:

1. **Forgiveness of all past due interest on loan.**
2. **Outstanding principal of \$4,055,000 shall cease accruing interest.**
3. **Quarterly loan payments of \$25,000 for five years commencing June 1, 2015.**
4. **Payment schedule and HMOW operations to be reviewed every five years to determine if quarterly payments can be adjusted upwards.**

Enclosed please find our first quarterly payment of \$25,000. Please also note that we are currently in the process of negotiating Sun America Housing Fund's exit from the partnership. I've also enclosed a draft copy of the redemption agreement for your assurances. I anticipate finalizing the agreement by June 1, 2015; however, the agreement will be effective as of January 1, 2015.

We look forward to working in partnership with the County of Maui in our joint mission to provide affordable housing to those in need. I'm available to answer any questions or concerns at 808-446-8133.

Very truly yours,

Erin L. Lowenthal
 Chief Executive Officer

Enclosures