

Low Income Housing Tax Credit Project for Sale under a Qualified Contract Request in Accordance with Section 42 (h) (6) of the Internal Revenue Code

Project Information and Summary:

Project Name:	Front Street Apartments
Location:	2001 Kenui Place aka 1056 Front Street Lahaina, HI 96761
TMK:	(2) 4-5-003-013
Project Owner:	Front Street Affordable Housing Partners, L.P.
Land Tenure:	Leasehold Fee Owner: 3900 Corp
Qualified Contract Period Expiration	August 4, 2016
Qualified Contract Price: (As of December 31, 2014)	\$15,395,813
Appraised Value (as of July 22, 2015)	\$8,710,000
Units	142 Units
Affordability Breakdown:	70 Units at 50% Area Median Gross Income ("AMGI") 71 Units at 60% AMGI 1 Manager's Unit
Affordability Commitment:	<ul style="list-style-type: none"> • Low Income Housing Tax Credit ("LIHTC") Program • Affordability governed by a LIHTC Declaration of Restrictive Covenants dated August 9, 2002 • Affordability Commitment Expires on December 31, 2051

In accordance with Section 42 (h) (6) of the Internal Revenue Code ("IRC") Hawaii Housing Finance and Development Corporation ("HHFDC"), on behalf of Front Street Affordable Housing Partners, L.P., is seeking a purchaser for the Front Street Apartments ("Project") under a Qualified Contract Request.

Pursuant to the IRC, a Qualified Contract is a contract to acquire the non-low-income portion of the building for a fair market value and the low-income portion of the building for an amount not less than the Project's applicable fraction multiplied by:

1. The outstanding indebtedness secured by, or with respect to, the building; plus
2. The adjusted investor equity in the building; plus
3. Other capital contributions not reflected in the foregoing; less Cash distributions from (or available for distribution from) the Project.

The Project's minimum Qualified Contract Price as of December 31, 2014 is \$15,395,813. In addition to meeting the minimum Qualified Contract Price, the buyer must continue to operate the low-income portion of the building as "a qualified low-income building" in accordance with the IRC.

A prospective buyer wishing to purchase the Project, at no less than the Qualified Contract Price, is responsible for preparing and submitting a Qualified Contract to the Owner and a copy to HHFDC. The Qualified Contract must only clearly state the **intent** of the buyer to purchase the Project from the Owner **at no less than the Qualified Contract price**. Outside of the

Qualified Contract, the prospective buyer and the Owner must negotiate all other terms and conditions of the Project sale. Accordingly, despite the presentation to the Owner of a Qualified Contract, the Project is still contingent upon negotiation of other mutually agreeable terms and conditions.

In accordance with HHFDC's Qualified Allocation Plan, the following information is available through HHFDC for prospective buyers of the Project:

- a. copies of annual audited project financial statement for all years;
- b. copies of loan documents for all secured debt during the compliance period;
- c. copies of partnership agreement (original, current and all interim amendments);
- d. current title report (no more than 60 days old from the date of Qualified Contract Application);
- e. a physical needs assessment for the entire project (no more than 60 days from the date of Qualified Contract Application);
- f. an appraisal prepared by a qualified third party appraiser for the entire project (no more than 60 days from the Qualified Contract Application);
- g. a Phase I environmental report (no more than 60 days from the Qualified Contract Application); and
- h. other relevant documents.

HHFDC makes no representations or warranties about the Project, the property, any improvements thereon, or any information related to the Project that the Owner provided or prepared. All parties interested in entering into a Qualified Contract for the Project are responsible for their own research, due diligence, underwriting, and inspections.

HHFDC makes no representations regarding the availability or use of any financing resources that it administers to purchase the Project. Any party interested in using any financing program administered by HHFDC for the Project are subject to the same application, underwriting, and approval process as any other applicant.

HHFDC shall not be responsible for the payment of a real estate commission or other fees related to the sale of the Project.

Interested parties may contact the following HHFDC personnel regarding a Qualified Contract for the Project:

- Patrick Inouye – (808) 587-0797
- Jocelyn Iwamasa – (808) 587-0576
- Dean Sakata – (808) 587-0575