



**FOR IMMEDIATE RELEASE**

**Thursday, August 13, 2020**

**Media Contact:**

Tom Helper  
Litigation Director  
Lawyers for Equal Justice  
D: (808) 369-2507  
tom@lejhawaii.org

**MAUI TENANTS WELCOME FEDERAL COURT DECISION PRESERVING  
LOW-INCOME HOUSING**

LAHAINA, Hawai'i — Tenants of the Lahaina Front Street Apartments low-income housing project welcomed a federal court decision this week that ensures that the project will stay affordable until 2051. The 40-page decision by Hawai'i federal District Court Judge Jill Otake rejected an attempt by the project developer, Front Street Affordable Housing Partners, to unilaterally end the restrictions that prevent the developer from sharply raising rents or selling the project unencumbered by the rent restrictions.

The Front Street project was built in 2001 to provide affordable rental housing to low income residents of Maui. Front Street is one of the few affordable housing complexes left on Maui. Currently, the maximum income for four is about \$55,000 to rent an apartment at Front Street. In return for \$15 million in state funded tax credits, the developer promised by covenant to keep the apartments affordable for 51 years.

However, after just 15 years, the developer asked the state's financing agency, the Hawai'i Housing Finance & Development Corporation (HHFDC), for permission to end the restrictions. HHFDC rubber-stamped the developer's request without complying with applicable law, according to attorneys representing the tenants. Without the court challenge, the ending of rent restrictions could have led to the doubling or tripling of rents and the eviction of low-income tenants who were unable to pay.

The court ruled that the developer was obligated to honor its commitment to keep rents affordable for the next 31 years, and that an attempted "release" of the low-income restrictions between the developer and HHFDC was unenforceable. The court explained, "under Hawai'i law, the Release is invalid because it was not done pursuant to a term in the Declaration and instead executed by agreement between" the developer and HHFDC "without any consent of beneficiaries like Plaintiffs."

Tenant Mike Tuttle, the lead plaintiff in the case, expressed relief at the decision. Tuttle (57), has lived at Front Street with his teenage daughters since 2015. Until March, when he was furloughed as a result of the COVID-19 pandemic, Tuttle worked as a Retail Sales Manager. “It’s almost impossible to find affordable housing on Maui,” said Tuttle. “It’s great to know that I will be able to keep a roof over my head and for my kids.”

The tenants were represented pro bono by Andrew Lillie, Joseph Lambert, and Cory Wroblewski of the international law firm of Hogan Lovells US LLP, Victor Geminiani and Tom Helper of the Honolulu nonprofit Lawyers for Equal Justice, and Maui attorney Lance Collins.

“We are very pleased with the decision,” said attorney Joseph Lambert of Hogan Lovells US LLP, lead counsel in the case. “The court’s ruling ensures that the Front Street Apartments will remain rent-restricted and affordable through 2051, which is what the developer originally promised it would do.”

Lawyers for Equal Justice attorney Tom Helper noted that the decision criticized the Hawai‘i Housing Finance and Development Corporation—which is supposed to protect low-income housing—for approving the developer’s attempt to end affordability restrictions. “HHFDC should have been on the side of the tenants in this dispute, not the developer,” Helper said.

Lance Collins explained that “when a developer gets substantial tax credits and zoning concessions on the promise that they will build a project for affordable housing, we must be keep them to the word.”

“Like many others at Front Street, I am retired and living on a fixed income,” said plaintiff Chi Guyer. “If the court hadn’t protected us from rent increases, I would not be able to afford to live on Maui.”