

HLU Committee

From: Tom Schnell <tschnell@pbrhawaii.com>
Sent: Monday, August 4, 2025 5:56 PM
To: HLU Committee
Cc: Tasha A. Kama; Carla M. Nakata
Subject: HLU-1(1), Relating to Kaiahale 'o Kahiluhilu Affordable Housing Rental Project
Attachments: 2025-08-04 DPW Response Letter.pdf

Chair Kama and HLU Committee Staff,

In a letter dated July 25, 2025, the Department of Public Works's (DPW) provided comments on the Kaiahale 'o Kahiluhilu Affordable Housing 201H Application.

Attached with this email is our response to DPW's comments, submitted on behalf of the Applicant, HKI Kahului Kaiahale LLC.

Tom Schnell, AICP
Vice President



PBR HAWAII

Phone: 808-521-5631

Mobile: 808 561-7978

Email:

tschnell@pbrhawaii.com



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Principal Emeritus

W. FRANK BRANDT, FASLA
Founding Partner

1001 Bishop Street, Suite 650
Honolulu, Hawai'i 96813-3484
Tel: (808) 521-5631
Fax: (808) 523-1402
E-mail: sysadmin@pbrhawaii.com

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August 4, 2025

Jordan Molina, Director
County of Maui
Department of Public Works
110 Alaihi Street, Suite 214
Kahului, Hawai'i 96732

SUBJECT: KAIAHALE 'O KAHILUHILU AFFORDABLE HOUSING APPLICATION FOR CHAPTER 201H, HRS EXEMPTIONS PURSUANT TO § 201H-38, HRS AND APPROVAL PURSUANT TO THE OFFICE OF THE GOVERNOR, STATE OF HAWAII, ELEVENTH PROCLAMATION RELATING TO AFFORDABLE HOUSING (DATED FEBRUARY 4, 2025, OR AS AMENDED UNDER FUTURE PROCLAMATIONS) (201H/EP APPLICATION)– 153 WEST KA'AHUMANU AVENUE, MAUI (TMK (2) 3-7-004: 003 (PORTION))

Dear Mr. Molina:

Thank you for the Department of Public Works's (DPW) letter dated July 25, 2025 regarding the Kaiahale 'o Kahiluhilu Affordable Housing Application for: Chapter 201H, HRS Exemptions Pursuant to § 201H-38, HRS and Approval Pursuant to the Office of the Governor, State of Hawai'i, Eleventh Proclamation Relating to Affordable Housing (dated February 4, 2025, or as amended under future proclamations) (201H/EP Application). HKI Kahului Kaiahale LLC is the Applicant. As the Applicant's planning consultant, PBR HAWAII is responding to DPW's comments.

Our responses are organized to follow the comments provided in your letter:

B. Exemptions from Title 12, MCC, Streets, Sidewalks, and Public Places

1. Exemption from Driveway Permits fees. No objection.

Please be advised that the project team should research county laws and have awareness of fee waivers already provided for by law. Ordinance 5816, which established the Fiscal Year 2026 Budget for the County of Maui already provides a waiver from driveway permit fees for any agency of the state government (see Exemption 2 on page 46 of Appendix B Rates and Fees).

Response: The Applicant acknowledges that several of the requested exemptions may already be available under other provisions of the Maui County Code, the Fiscal Year 2026 Budget for the County of Maui or based on administrative practice. In addition, because the Project anticipates the use of County funding, it is also likely eligible for certain fee exemptions.

However, the Applicant respectfully requests formal Council approval of these exemptions pursuant to Chapter 201H, HRS. Obtaining a single Council-adopted resolution will provide clear and consistent confirmation of the Project's exemption status for all County departments, permitting agencies, lenders, investors, contractors, third parties, and the public. This consolidated approval will reduce ambiguity, improve coordination among stakeholders, and streamline regulatory approvals.

Mr. Jordan Molina, Director

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2. *Exemption from driveway spacing for fire access driveway on Vevau Street. The Department opposes this exemption pending further clarification.*

The Department requests clarification of whether the fire access driveway will always be available for access or used only during emergencies. If the driveway will be used for regular access, the Department opposes the exemption due to safety concerns of project traffic conflicting with the bus traffic from the adjacent driveway access the County's Kahului Transit Center.

Response: The Kāne Street driveway is designed as the primary access point to the Kaiahale 'o Kahiluhilu Affordable Housing Project (Project) because it provides a direct connection to Ka'ahumanu Avenue and the most convenient route to Project building entries and parking areas. The Vevau Street driveway is included as part of the Project to meet Fire Department requirements by providing a secondary point for emergency vehicle access. Although physically unobstructed, the internal circulation to Vevau follows a longer, looped route that offers no meaningful time advantage under normal conditions, making it less desirable for everyday use.

The Applicant's traffic engineer, WSP USA, proposes that the Kāne Street driveway be configured to allow all turning movements, eliminating any operational need for the proposed Vevau Street driveway to function as regular access. Thus, potential conflicts with the adjacent Kahului Transit Center driveway from the Project will be minimal. In context with the Project, it is appropriate to evaluate the Vevau driveway as a fire and emergency access point rather than as a full-access or shared-use driveway.

3. *Exemption from Street Trees. The department opposes this exemption.*

Please clarify the extent to which street trees will be provided. Please note that a stated benefit of the project is that it is "within walking distance of jobs, schools, recreation, and shopping". Street trees are central to making sidewalks safe, healthy, comfortable and sustainable. The proposal to eliminate street trees undermines the project's purported value of being in a walkable location.

Response: Along the Ka'ahumanu Avenue frontage, installing street trees within the State of Hawai'i Department of Transportation right-of-way is not feasible due to existing overhead utility lines. MECO requires a minimum 10-foot horizontal clearance between tree canopies and overhead lines for safety and maintenance. Because these lines extend the entire length of the frontage, planting street trees in the Ka'ahumanu Avenue right-of-way is not possible.

Along the Kāne Street frontage, the Applicant will plant four canopy trees to create a high-quality pedestrian environment. The trees will be planted close to the sidewalk to provide shade and visual relief while maintaining proper setbacks from utilities.

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Although utility limitations prevent traditional street tree placement in some areas, the Project design creates a walkable character through compact, mixed-use development within close proximity to transit, shopping, employment, and civic amenities.

D. Exemption from Title 16, MCC, Buildings and Construction

3. Exemption from Electrical Permit fees. *No objection.*

Please be advised that the project team should research county laws and have awareness of fee waivers already provided for by law. Ordinance 5816, which established the Fiscal Year 2026 Budget for the County of Maui already provides a waiver from electrical permit fees for any project that is funded in whole or in part by the County. (see Exemption 1 on page 43 of Appendix B Rates and Fees).

Response: We acknowledge that DPW has no objection to the exemption from electrical permit fees

4. Exemption from Plumbing Permit fees. *No objection.*

Please be advised that the project team should research county laws and have awareness of fee waivers already provided for by law. Ordinance 5816, which established the Fiscal Year 2026 Budget for the County of Maui already provides a waiver from plumbing permit fees for any project that is funded in whole or in part by the County. (see Exemption 1 on page 45 of Appendix B Rates and Fees).

Response: We acknowledge that DPW has no objection to the exemption from plumbing permit fees.

5. Exemption from Building Permit and Plan Review fees. *No objection.*

Please be advised that the project team should research county laws and have awareness of fee waivers already provided for by law. Ordinance 5816, which established the Fiscal Year 2026 Budget for the County of Maui already provides a waiver from building permit fees for any project that is funded in whole or in part by the County. (see Exemption 4 on page 35 of Appendix B Rates and Fees). The plan review fee is also waived because of the building permit fee being waived.

Response: We acknowledge that DPW has no objection to the exemption from building permit and plan review fees.

6. Exemption from improvements to public streets for (1) construction of curb, gutter, sidewalk, and (2) placement of underground utilities. *The Department opposes this exemption.*

The project must construct these improvements and apply the County funding it already received towards these costs or request additional funding from the County. Please note that a stated benefit of the project is that it is "within walking distance of jobs, schools,

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recreation, and shopping". Eliminating the improvements to the pedestrian ways and removal of the obstructions caused by overhead utility poles undermines the project's purported value of being in a walkable location.

The Department requests an off-site improvement plan be submitted for review and comment. The improvements to Kane St should be consistent with the improvement made by the neighboring Kahului Lani Apartments and include road widening to achieve an ultimate right-of-way width of 80 feet, 6-foot wide sidewalks, realignment of curb and gutters as necessary to accommodate road widening, and relocation of overhead utilities underground. At the project's Kane St. driveway, the Department will also need to evaluate the need for a left-turn lane into the project, crosswalks, streetlighting, and other traffic safety improvements that are necessary to meet the minimum requirements for public health and safety as required by HRS 201H-38.

Response: Thank you for the direction that improvements to Kāne Street should be consistent with the improvements made by the neighboring Kahului Lani Apartments and include road widening to achieve an ultimate right-of-way width of 80 feet, 6-foot-wide sidewalks, realignment of curb and gutters as necessary to accommodate road widening, and relocation of overhead utilities underground.

From the Mobility Analysis Report prepared by traffic engineering firm Fehr and Peers (included as Exhibit 32 of the 201H application) and from more recent discussions the Applicant's traffic engineer, WSP USA, had with DPW staff, the Applicant's understanding was that DPW was considering three concepts for Complete Streets improvements on Kāne Street from West Ka'ahumanu Avenue to West Kamehameha Avenue.

The Applicant's understanding is that all alternatives were proposed to occur within the existing 80-foot right-of-way (ROW) for Kāne Street. The Project boundaries and design respect the existing 80-foot ROW boundary and, therefore, the Project does not preclude any of these concepts. In addition, since the ROW of Kāne Street along the Project site is already 80 feet, improvements similar to those made by the neighboring Kahului Lani Apartments are not precluded either.

Regarding underground utilities, the Applicant's electrical engineer confirmed that MECO does not require the existing overhead electrical lines along Kāne Street to be placed underground.

The Applicant also notes that Project may already qualify for an exemption under Maui County Code §16.25.201, which exempts projects using County funds from curb, gutter, sidewalk, and underground utility requirements. The Applicant is therefore requesting that this exemption be confirmed under Chapter 201H to ensure clarity for all County departments and permitting agencies.

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Finally, the Applicant's traffic engineer is inquiring with HDOT and DPW if extending the existing left-turn lane into the Project from Kāne Street is warranted. If not, the Project will operate without extending the left-turn lane.

E. Exemption from Title 18, MCC, Subdivision

1. *Exemption from providing complete streets improvements. **The Department opposes this exemption.***

The project site plan fails to describe the bicycle and pedestrian improvements proposed by the project. The project must construct complete street improvements and apply the County funding it already received towards these costs or request additional funding from the County. Please note that stated benefit of the project is that it is "within walking distance of jobs, schools, recreation, and shopping". Eliminating complete street improvements undermines the project's purported value of being in a walkable location.

Response: The Applicant supports complete streets principles and is providing substantial onsite pedestrian and bicycle improvements as part of the project. The development will include continuous internal pedestrian circulation that connects to existing or future pedestrian facilities along the public right-of-way, ensuring safe access within the site and to surrounding destinations. The project will also provide 218 bicycle parking spaces, including 196 long-term spaces for residents and 22 short-term spaces for visitors.

The requested exemption is not intended to remove or reduce pedestrian or bicycle infrastructure. Rather, the Applicant seeks flexibility from certain provisions of the County's Street Design Manual to accommodate existing site conditions, including functional curb and gutter infrastructure that does not require replacement. This approach allows for reasonable adaptation to site-specific circumstances while maintaining complete streets objectives.

These onsite improvements support the project's transit-oriented location and uphold its stated benefit of being within walking distance of jobs, schools, recreation, and shopping. The internal pedestrian circulation and bicycle facilities are designed to promote multimodal transportation and support active lifestyles while responding appropriately to the site's existing conditions and context.

Granting this flexibility allows the Applicant to prioritize resources toward affordable housing production while still delivering meaningful pedestrian infrastructure that supports connectivity to adjacent transit, retail, and community amenities.

3. *Exemption from constructing curbs, gutters, and sidewalks along the project frontages (MCC 18.20.040). **The Department opposes this exemption.***

The project must construct these improvements and apply the County funding it already received towards these costs or request additional funding from the County. Please note that stated benefit of the project is that it is "within walking distance of jobs, schools,

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recreation, and shopping". Eliminating the improvements to the pedestrian ways undermines the project's purported value of being in a walkable location.

Response: As outlined in our response above, the Applicant is providing meaningful onsite pedestrian and bicycle improvements that support the project's transit-oriented goals and walkability benefits.

The requested exemption responds to specific existing conditions along the project frontages. Along West Ka'ahumanu Avenue, curbs, gutters, and sidewalks are already present. However, a historic stone wall from the Works Progress Administration (WPA) era between Project site and the public right-of-way will be preserved, limiting options for frontage modifications along West Ka'ahumanu Avenue.

Along Kāne Street, a functional curb and gutter infrastructure exists that does not require replacement. The exemption request allows for flexibility in addressing these varying conditions while still providing meaningful pedestrian connectivity through the onsite improvements described in our previous response.

The Project's internal pedestrian circulation system will connect to existing and future pedestrian facilities and provide safe access to surrounding destinations, supporting walkability benefits while respecting both historic preservation requirements and existing functional infrastructure. This approach allows resources to be directed toward affordable housing production while maintaining appropriate pedestrian access and connectivity.

4. *Exemption from constructing sidewalks along the project frontages (MCC 18.20.070). **The Department opposes this exemption.***

The project must construct these improvements and apply the County funding it already received towards these costs or request additional funding from the County. Please note that stated benefit of the project is that it is "within walking distance of jobs, schools, recreation, and shopping". Eliminating the improvements to the pedestrian ways undermines the project's purported value of being in a walkable location.

Response: As detailed in our responses to complete streets and curbs/gutters/sidewalks exemption requests, the Applicant is committed to providing meaningful onsite pedestrian and bicycle improvements that support the project's transit-oriented location and walkability goals.

The requested sidewalk exemption addresses the same site-specific conditions previously described, including the existing sidewalk along West Ka'ahumanu Avenue and the historic WPA-era stone wall that must be preserved at the property line. Along Kāne Street, the exemption allows flexibility to work with existing functional curb and gutter infrastructure.

The onsite pedestrian circulation system will connect to existing and future pedestrian facilities and facilitate safe access to surrounding destinations, maintaining the Project's stated benefits

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while allowing resources to be directed toward affordable housing production. This approach delivers meaningful pedestrian connectivity while responding appropriately to existing conditions and preservation requirements.

5. *Exemption from constructing curbs and gutters along the project frontages (MCC 18.20.080).*
The Department opposes this exemption.

The project must construct these improvements and apply the County funding it already received towards these costs or request addition funding from the County. Please note that stated benefit of the project is that it is "within walking distance jobs, schools, recreation, and shopping". Curbs and gutters are necessary and integral components of constructing sidewalk improvements and road widening.

Response: As outlined in previous responses, the Applicant is providing meaningful onsite pedestrian and bicycle improvements that support the Project's transit-oriented goals while addressing existing site conditions along the project frontages.

The requested exemption acknowledges that along Kāne Street, functional curb and gutter infrastructure already exists. Along West Ka'ahumanu Avenue, existing infrastructure is present, though modifications are constrained by the historic WPA-era stone wall that will be preserved at the property line.

The onsite pedestrian circulation system described in our previous responses will provide meaningful connectivity to existing and future pedestrian facilities and surrounding destinations, supporting the Project's walkability benefits while allowing resources to be directed toward affordable housing production. This approach maintains pedestrian access appropriate to the site's existing conditions and preservation requirements.

H. Permitting

1. *Exemption from Section 16.25.105, MCC, Permits from standard permitting process of all County permits. **The Department opposes this exemption.***

The Department is unable to comprehend the exemption as written and will be unable to implement the exemption.

The exemption further states that the project intends to utilize the fast track permitting procedures under Section 2.96.160, MCC. Section 2.96.160, MCC, provides that a project qualifies for fast track permitting upon recordation of a fully executed residential workforce housing agreement between the developer and the County. If the project desires to modify the eligibility requirements for fast track permitting, then it should consult with the County Department of Housing and propose an exemption to Chapter 2.96, MCC accordingly.

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Response: Following receipt of this comment, the Applicant provided revised wording and clarification of this requested exemption in a letter to Housing and Land Use Committee Chair Kama.

The exemption is intended to confirm that the Project is eligible for fast-track permitting under Section 2.96.160, MCC notwithstanding (a) the inclusion of two non-revenue generating manager's units and (b) recordation of a regulatory agreement containing binding rent and income restrictions sufficient to ensure long-term affordability consistent with the purpose of Chapter 2.96 in lieu of the residential workforce housing agreement described in Section 2.96.080, MCC.

Thank you for your review of the 201H/EP Application.

Sincerely,

PBR HAWAII



Tom Schnell, AICP
Vice President

cc: Questor Lau, EAH Housing, EAH Housing
Stan S. Fujimoto, Hawai'i Housing Finance & Development Corporation