

# REQUEST FOR LEGAL SERVICES

**Date:** November 8, 2023  
**From:** Tasha Kama, Chair  
Housing and Land Use Committee

**Memo to:** TRANSMITTAL  
**DEPARTMENT OF THE CORPORATION COUNSEL**  
Attention: Kristina Toshikiyo, Esq.

**Subject:** UPDATES ON THE KUIKAHI VILLAGE WORKFORCE HOUSING PROJECT  
(HLU-3(8))

**Background Data:** See attached.

**Work Requested:**  FOR APPROVAL AS TO FORM AND LEGALITY  
 OTHER:

Requestor's signature  Tasha Kama, Chair	Contact Person <u>Ana Lillis or Paige Greco</u> (Telephone Extensions <u>7669 and 7660, respectively</u> )
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ROUTINE (WITHIN 15 WORKING DAYS)  RUSH (WITHIN 5 WORKING DAYS)  
 PRIORITY (WITHIN 10 WORKING DAYS)  URGENT (WITHIN 3 WORKING DAYS)

SPECIFY DUE DATE (IF IMPOSED BY SPECIFIC CIRCUMSTANCES): \_\_\_\_\_  
REASON: For HLU Committee discussion.

## FOR CORPORATION COUNSEL'S RESPONSE

ASSIGNED TO:	ASSIGNMENT NO.	BY:
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TO REQUESTOR:  APPROVED  DISAPPROVED  OTHER (SEE COMMENTS BELOW)  
 RETURNING--PLEASE EXPAND AND PROVIDE DETAILS REGARDING ITEMS AS NOTED

COMMENTS (NOTE - THIS SECTION NOT TO BE USED FOR LEGAL ADVICE): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DEPARTMENT OF THE CORPORATION COUNSEL

Date \_\_\_\_\_

By \_\_\_\_\_

(Rev. 7/03)

hlu:ltr:003(8)acc01:alkl

Attachments

At its meeting of November 1, 2023, the Housing and Land Use Committee discussed updates on the Kuikahi Village Workforce Housing Project approved by Resolution 22-193, CD1, FD1. The developer presented the Committee with the attached proposed timeline (see page 9 of the presentation), indicating they would now like to proceed by amending the Resolution under chapter 2.97, Maui County Code.

May I please request your written response to the following:

1. Income distribution. Section 2.97.010, Maui County Code (MCC), states: “The purpose of this chapter is to establish a process by which developers of 100 percent residential workforce housing projects may seek fast track development of their projects by applying for County exemptions from this code.” Section 2.97.080, MCC, provides that “Projects developed under this chapter shall comply with subsection 2.96.040(C) of this title, income group distribution.”

Section 2.96.040(C)(2) applies to rental units<sup>1</sup> and divides into thirds the number of rental units for “very low income” and “low income” residents, “below-moderate income” residents, and “moderate income” residents, as defined in section 2.96.020, MCC. No rental units in the above-moderate income group (more than 120 percent but not more than 140 percent) are authorized, although the section does allow for an exemption to be granted. Definitions for the income groups under section 2.96.020, MCC, are used to define a “residential workforce housing unit” (A “residential workforce housing unit” means a unit or lot to be sold or rented to residents within one of the following income groups as established by the department . . .”).

The developer is proposing to have 49 percent of the units (99 of the 202) in the amended project in the above-moderate income group, with 51 percent distributed among the income groups authorized for rentals. The developer indicates on page 10 of the presentation that they will seek a modification to the income group distribution requirement.

Section 2.97.120, MCC, states: “Notwithstanding any law to the contrary, an applicant may include in its application a request for exemption or modification of any section of this code, provided that

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<sup>1</sup> By contrast, section 2.96.040(C)(1), MCC, applies to ownership units, and allows for 20 percent of ownership units to be for “above-moderate income” residents, with gross annual family income of more than 120 percent but not more than 140 percent of the area median income.

the project still meets the minimum requirements for health and safety.”

May a developer proceed under chapter 2.97, MCC, if the project is not a “100 percent residential workforce housing project” based on the income group distribution that defines a residential workforce housing unit?

2. Does the Council have the authority to amend Resolution 22-193, CD1, FD1 to allow the approved Kuikahi Village Workforce Housing Project to become a rental project as described in their presentation? If so, please provide the relevant section in the MCC or legal analysis to support this authority.
3. If the Council is allowed to amend Resolution 22-193, CD1, FD1 for the above-mentioned purpose, please answer the following:
  - a. Which department will determine whether a new Environmental Assessment is required or whether the Environmental Assessment provided for the original project is sufficient?
  - b. Does the revised project need to restart the application process identified in chapter 2.97, MCC?
  - c. Will the development need to apply for an amendment with the Director of Housing and Human Concerns?
  - d. What criteria in chapter 2.97 apply to a project amendment?
  - e. Is there a 60-day deadline for the Council to decide on the project amendment proposal and if so, what is the trigger for the 60-day period?

# Resolution

**No. 22-193, CD1, FD1**

## APPROVING WITH MODIFICATIONS THE INDEPENDENT DEVELOPMENT OF THE KUIKAHI VILLAGE WORKFORCE HOUSING PROJECT UNDER CHAPTER 2.97, MAUI COUNTY CODE

WHEREAS, Kuikahi Properties, LLC, proposes the development of the workforce housing project known as the Kuikahi Village Workforce Housing Project (“Project”) on 14.97 acres of land located in Wailuku, Maui, Hawai‘i, identified for real property tax purposes as Tax Map Key (2) 3-5-002:003 (por.); and

WHEREAS, the proposed Project is a 100 percent workforce housing project, consisting of 202 for-sale multi-family, duplex, townhome, live-work, studio, and single-family units; and

WHEREAS, all units will be marketed to households earning between 51 and 140 percent of the area median income, as established by the U.S. Department of Housing and Urban Development; and

WHEREAS, the Project will provide needed residential workforce housing to meet the current and growing demand for housing in Maui County; and

WHEREAS, the Project is being independently developed under Chapter 2.97, Maui County Code; and

WHEREAS, under Chapter 2.97, the Council of the County of Maui (“Council”) may approve certain exemptions for the Project, and the requested exemption list is attached as Exhibit “A”; and

WHEREAS, under Section 2.97.170, Maui County Code, the Council must approve, approve with modifications, or disapprove the Project by resolution within sixty days after the Department of Housing and Human Concerns has submitted the preliminary plans and specifications for the Project to the Council, which occurred on August 15, 2022; and

WHEREAS, under Section 4-1 of the Revised Charter of the County of Maui (1983), as amended, the Council is authorized to act by resolution; now, therefore,

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

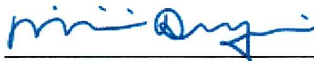
1. That based on the transmittals and representations of the Department of Housing and Human Concerns and Kuikahi Properties LLC, the Council approves the Project with the modifications specified in Exhibit “B,” including the Project’s

**Resolution No. 22-193, CD1, FD1**

preliminary plans and specifications as submitted to the Council on August 15, 2022, and supplemented on September 9, 2022, under Chapter 2.97, Maui County Code; except that Kuikahi Properties, LLC, must comply with all statutes, ordinances, charter provisions, and rules of governmental agencies relating to planning, zoning and construction standards for subdivisions, development and improvement of land, and the construction of units, unless exempted as specified in Exhibit "A";

2. The Project's final plans and specifications will be approved by the Council if the final plans and specifications do not substantially deviate, as determined by the Director of Housing and Human Concerns, from the preliminary plans and specifications submitted to the Council;
3. Any substantial deviation from the preliminary plans and specifications must be submitted to the Council for prior approval;
4. The Project's final plans and specifications constitute the zoning, building, construction, and subdivision standards for the Project;
5. In the event of any conflict between the plans and specifications of the Project and this Resolution, the terms of this Resolution and any exhibits will control; and
6. That certified copies of this Resolution be transmitted to the Director of Public Works, the Planning Director, the Director of Housing and Human Concerns, and Kuikahi Properties, LLC.

APPROVED AS TO FORM AND LEGALITY:



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Department of the Corporation Counsel  
County of Maui

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**Resolution No. 22-193, CD1, FD1**

INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "Chris Lee", is written over a horizontal line.

Upon the request of the Mayor.

**EXHIBIT “A”**

**KUIKAHI VILLAGE WORKFORCE HOUSING PROJECT**

All title, chapter, section, and subsection references are to the Maui County Code. The following exemptions are approved for the Kuikahi Village Workforce Housing Project:

**1. EXEMPTIONS**

**A. Partial exemption from Section 2.97.160, “Timing of completion”:**

A partial exemption from Section 2.97.160 is granted to clarify that bonding to ensure construction completion is in the form of a material bond.

**B. Partial exemption from Chapter 2.80B, “General Plan and Community Plans”:**

A partial exemption from Chapter 2.80B is granted to permit the Project to proceed without obtaining a community plan amendment.

**C. Exemption from Section 8.04.050, “Disposal charges”:**

An exemption from Section 8.04.050 is granted to exempt the Project from disposal fees during construction.

**D. Exemption from Section 12.04.025(A), “Permit fee”:**

An exemption from Section 12.04.025(A) is granted to exempt the Project from fees for the approval of a County highways permit to construct improvements and install off-site utilities on Kuikahi Drive.

**E. Partial exemption from Chapter 12.24A, “Landscape Planting and Beautification”:**

A partial exemption from Chapter 12.24A is granted to exempt the landscape plan from Arborist Committee review and the preparation and processing of a Landscape Planting Plan application. Landscaping will follow Chapter 12.24A in accordance with the Conceptual Landscape Plan attached as Exhibit “1.”

**F. Exemption from Section 12.24A.070(D), “Street trees; Subdivisions”:**

An exemption from Section 12.24A.070(D) is granted to allow consistency with Chapter 18.20. Landscaping will follow Chapter 12.24A in accordance with the Conceptual Landscape Plan attached as Exhibit “1.”

**G. Exemption from Section 14.07.030, “Water system development fee schedule”:**

An exemption from Section 14.07.030 is granted to exempt the Project from water system development fees.

**H. Exemption from Section 14.10.040, “Temporary meter charges,” and Section 14.06A.060(B)(3), “Stages of water shortage”:**

An exemption from Section 14.10.040 is granted to exempt the Project from fees for a temporary construction water meter. An exemption from Section 14.06A.060(B)(3) is granted to exempt the Project from restrictions on water use of the temporary meter during Project construction.

**I. Partial exemption from Chapter 16.04C, “Fire Code”:**

A partial exemption from Chapter 16.04C is granted to exempt the Project from Fire Code fees.

**J. Partial exemption from Section 18.16.020, “Compliance”:**

A partial exemption from Section 18.16.020 is granted to exempt the Project from the need to obtain a change in zoning or community plan amendment to enable subdivision approval; allow for the Project to be developed to the standards outlined in this Exemptions list; and allow for flexible design standards for the proposed roundabout on Kuikahi Drive at the Kehalani Mauka Parkway intersection.

**K. Exemptions from Sections 18.16.050, “Minimum right-of-way and pavement widths,” and 18.16.060, “Widening of existing rights-of-way”:**

Exemptions from Sections 18.16.050 and 18.16.060 are granted for the Project’s internal roadways. The Project’s internal roadways will have a 20-foot-wide right-of-way.

**L. Exemption from Section 18.04.030, “Administration”:**

An exemption from Section 18.04.030 is granted to exempt the Project from the need to obtain a change in zoning or community plan amendment



to enable subdivision approval and allow for the Project to be developed to the standards outlined in this Exemptions list.

**M. Exemption from Section 18.20.080, “Curbs and gutters”:**

An exemption from Section 18.20.080 is granted to allow grass swales within the Project instead of curbs and gutters.

**N. Partial exemptions from Titles 14, “Public Services,” 16, “Buildings and Construction,” and 18, “Subdivisions”:**

Partial exemptions from Titles 14, 16, and 18 are granted to authorize the Director of Public Works to defer various subdivision requirements or limitations, or both; approve the initial subdivision application for the parcel identified as TMK (2)3-5-002:003, 148.01 acres (“Original Parcel”); and create a 14.97-acre site for the Project.

The Developer represented that no new or additional water service will be required or requested for the purposes of the initial subdivision. Therefore, the initial two-lot subdivision is determined to be exempt from Chapter 14.12.

Additionally, the two-lot subdivision is granted a deferral of subdivision requirements from Chapter 14.05 and Section 16.04C.470 - Subsection 18.4.6 until the parcels are developed, further subdivided, or water service is requested.

When the Project site is developed, further subdivided, or water service is requested, the Developer, or its successor, must comply with the subdivision requirements only applicable to the Project site. When the remaining 133.04-acre parcel of the Original Parcel is developed, further subdivided, or water service is requested, the Developer, or its successor, must comply with the subdivision requirements only applicable to the 133.04-acre parcel.

**O. Partial exemptions from Section 19.04.050, “Fees,” and Section 19.510.010(B), “General application procedures; Fees”:**

Partial exemptions from Section 19.04.050 and Section 19.510.010(B) are granted to exempt the Project from building permit resubmittal fees.

**P. Exemption from Chapter 19.30A, “Agricultural District”:**

An exemption from Chapter 19.30A is granted for the Project site.

The following development standards will be utilized for the Project:

Permitted principal uses: single-family dwellings, multi-family dwellings, parks amenities such as pavilions, gazebos, playgrounds and play courts, and home-based businesses, as defined by Chapter 19.67.

Permitted accessory uses: carports, private garages, small-scale energy systems, fences and walls, and storage sheds.

Minimum lot size:

Dwellings: 4,500 square feet

Parks: 1,250 square feet

Building height as measured from natural or finished grade, whichever is lower:

Dwellings: The maximum building height is limited to three stories and 42 feet.

Park structures: The maximum building height is limited to two stories and 30 feet.

Retaining walls: Retaining walls may not exceed eight feet in height.

Fences and other walls: Fences and other walls may not exceed six feet in height.

Setbacks:

Single-story dwellings up to 15 feet in height: Front: 15 feet; Side and rear: six feet.

Two- and three-story dwellings above 15 feet in height: Front: 15 feet; Side and rear: 10 feet.

Parks structures: 0 feet.

**Q. Partial exemption from Section 19.36B.080, “Landscaping”:**

A partial exemption from Section 19.36B.080 is granted to allow for flexibility in the location of landscaping and to exempt the Project from submitting a Landscape Planting Plan application. The Project will provide the required number of shade trees and will otherwise comply with Section 19.36B.080 in effect at the time of Project application to the Council. Refer to Exhibit “1.”

**R. Exemption from Chapter 19.510, “Applications and Procedures”:**

An exemption from Chapter 19.510 is granted to enable the District Boundary Amendment to proceed directly to the Council for referral to the Maui Planning Commission for review as required under Section 8-8.4 of the Revised Charter of the County of Maui (1983), as amended.

**2. WAIVERS**

Under Section 2.97.150, the project is granted waivers of the following fees:

- A. Driveway permit fee under Section 12.08.050(D).
- B. Wastewater assessment fees for facility expansion for the Wailuku-Kahului regional wastewater treatment system under Section 14.35.080(B).
- C. Impact fees for traffic and roadway improvements in Wailuku-Kahului, Maui, Hawaii under Section 14.76.120(A)(6).
- D. Grubbing and grading permit fees under Section 20.08.090(D).
- E. Plumbing permit fees under Section 16.20B.103.4.1.3.
- F. Electrical permit fees under Section 16.18B.107-1(C).
- G. Building permit fees under Section 16.26B.108.2(2).
- H. Park dedication and assessment fees under Section 18.16.320(I)(5).

**3. FEE REIMBURSEMENT**

For any fee waivers approved by this Resolution, except those itemized in Section 2 of this Exhibit, the Affordable Housing Fund or another fund will be used to reimburse the following:

- A. Any fund that would have otherwise received revenue from the waived fees; or
- B. The Developer, if the Developer pays the fees in anticipation of being reimbursed.

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## Plant Palette

### Trees:

- Milo
- Pink Tecoma
- Rainbow Shower
- Plumeria
- Avocado
- Mango
- Plumeria
- Jatropha
- Foxtail Palm
- Loulu Palm
- Yew Pine

### Shrubs:

- Hau
- El Dorado
- Queen Emma Lily
- Plumbago
- Firecracker
- Areca Palm
- Ape
- Akia
- Kalo
- Croton

### Ground Cover:

- Pohinahina
- Kupu Fern
- Ilima Papa
- Nehe
- Lauae Fern
- Ruellia
- Golden Glory
- El Toro Zoysia Grass

## Exhibit 1



# KUIKAHI AFFORDABLE HOUSING

Wailuku, Maui, Hawaii

### PLANTING CONCEPT PLAN

-  Medium Flowering Canopy Tree
-  Large Flowering Canopy Tree
-  Medium Shade Tree
-  Small Flowering Tree
-  Palms
-  Grass
-  Shrubs & Ground Cover
-  Native Shrubs & Ground cover
-  Buffer Shrubs

6-15-21



**EXHIBIT “B”**

**KUIKAHI VILLAGE WORKFORCE HOUSING PROJECT**

**MODIFICATIONS**

1. The Developer must commence construction of the Kuikahi Village Workforce Housing Project within two years of enactment of Bill 127 (2022) and must complete construction within five years of enactment of Bill 127 (2022). Resolution 22-193, inclusive of exhibits, automatically lapses and becomes void if construction has not commenced within two years of enactment of Bill 127 (2022), except that an extension may be granted by Council by resolution.
2. The Developer must develop and manage the Project in substantial compliance with all representations made to the Council and its Affordable Housing Committee, and in its Project application, to obtain approval of this Resolution. The County has the right to deny the issuance of permits if, and as long as, the Developer is in breach of any of these modifications.
3. To the extent permitted by law, the applicants selected by lottery must be ranked by the total length of time each has been a resident of the County. The workforce housing units must then be offered in the order of the rankings.
4. The Developer must record in the State of Hawai'i Bureau of Conveyances a deed restriction for each residential unit within the Project site to remain owner-occupied in perpetuity. This requirement must be listed in the homeowners' association ("HOA") governing documents. Violations of this requirement will be subject to fines paid to the HOA.
5. The HOA must restrict animals allowed within the Project to indoor cats and dogs in enclosed areas. Feeding feral cat colonies and feral chickens is prohibited. The HOA must provide bait stations for rodents and mongooses, including covered trash receptacles.
6. The HOA must provide areas and receptacles for plant composting and recycling.
7. The Developer must construct sidewalks, gutters, and curbs on all frontage streets, and may seek reimbursement from the County for all reasonable associated construction costs. The County intends to reimburse the Developer with funds from the Affordable Housing Fund, or another fund, for all reasonable costs related to frontage street sidewalk, gutter, and curb construction.

8. In addition to Section 2.97.190, Maui County Code, the Developer and the County, in accordance with terms approved by the Department of the Corporation Counsel, must execute a Hold Harmless Agreement that indemnifies the County against any claims of loss or damage caused by any failure of Wailuku Water Company Reservoir #10 (MA-0151) (“Reservoir #10”) due to structural defects or negligence related to its operation, maintenance, upkeep, or necessary repair for which the Developer is found liable or responsible as the landowner. In the event the Developer, as the landowner, is found responsible for ensuring compliance with the conditions contained in the Notice of Deficiency (“NOD”), dated September 4, 2021, issued by the State of Hawai‘i Department of Land and Natural Resources (“DLNR”), none of the Project’s units may be occupied until the DLNR confirms in writing that all remediation actions have been completed.
  
9. The Developer must disclose to all potential Project homebuyers that Reservoir #10 received a NOD and a High Hazard Potential dam classification by the DLNR on September 4, 2021, and must disclose to the potential Project homebuyers at the time of the sale of each unit of the most current status of compliance with the conditions set forth in the NOD.

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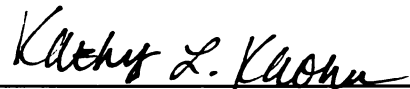
**COUNCIL OF THE COUNTY OF MAUI**

**WAILUKU, HAWAII 96793**

**CERTIFICATION OF ADOPTION**

It is **HEREBY CERTIFIED** that **RESOLUTION NO. 22-193, CD1, FD1** was adopted by the Council of the County of Maui, State of Hawaii, on the 7th day of October, 2022, by the following vote:

<b>MEMBERS</b>	<b>Alice L. LEE Chair</b>	<b>Keani N. W. RAWLINS-FERNANDEZ Vice-Chair</b>	<b>Gabriel JOHNSON</b>	<b>Natalie A. KAMA</b>	<b>Kelly T. KING</b>	<b>Michael J. MOLINA</b>	<b>Tamara A. M. PALTIN</b>	<b>Shane M. SINENCI</b>	<b>Yuki Lei K. SUGIMURA</b>
<b>ROLL CALL</b>	<b>Aye</b>	<b>Aye</b>	<b>Excused</b>	<b>Aye</b>	<b>Aye</b>	<b>Aye</b>	<b>Aye</b>	<b>Aye</b>	<b>Aye</b>



COUNTY CLERK



# Kuikahi Workforce Housing

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Wailuku, Maui

November 1, 2023





## Recent News Headlines

MORTGAGE RATES AT 8% MAKE A BRUTAL US HOUSING MARKET EVEN WORSE

**BLOOMBERG**  
Oct 28, 2023

US MORTGAGE RATES NEARS 8%, FURTHER SUPPRESSING HOUSING DEMAND

**BLOOMBERG**  
Oct 25, 2023

MORTGAGES WILL REMAIN SKY-HIGH IN 2024, PUSHING EXISTING HOME SALES TO A 3-DECADE LOW, GOLDMAN SACHS SAYS

**INSIDER BUSINESS**  
Oct 23, 2023

THERE'S NEVER BEEN A WORSE TIME TO BUY INSTEAD OF RENT

**WALL STREET JOURNAL**  
Oct 22, 2023

HOME SALES AT LOWEST POINT SINCE 2010 AS HIGH MORTGAGE RATES SQUEEZE MARKET

**WALL STREET JOURNAL**  
Oct 19, 2023

HERE'S WHAT 8% MORTGAGE RATES WILL DO TO THE HOUSING MARKET

**BLOOMBERG** Oct 18, 2023

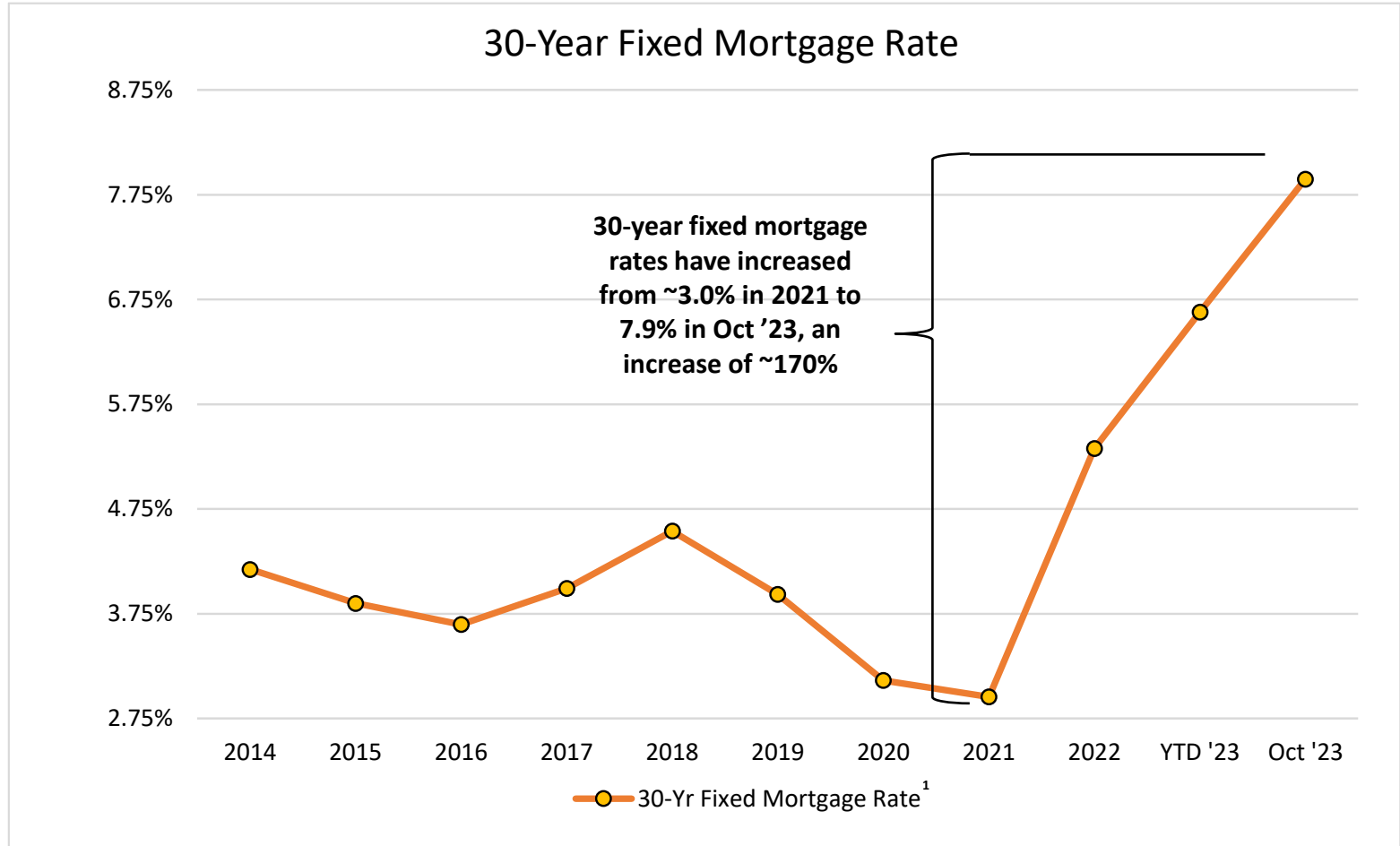
THE 30-YEAR FIXED MORTGAGE RATE JUST HIT 8% FOR THE FIRST TIME SINCE 2000 AS TREASURY YIELDS SOAR

**CNBC** Oct 18, 2023

MORTGAGE COST SURGE MAKES IT CHEAPER TO RENT IN TOUGH US MARKET

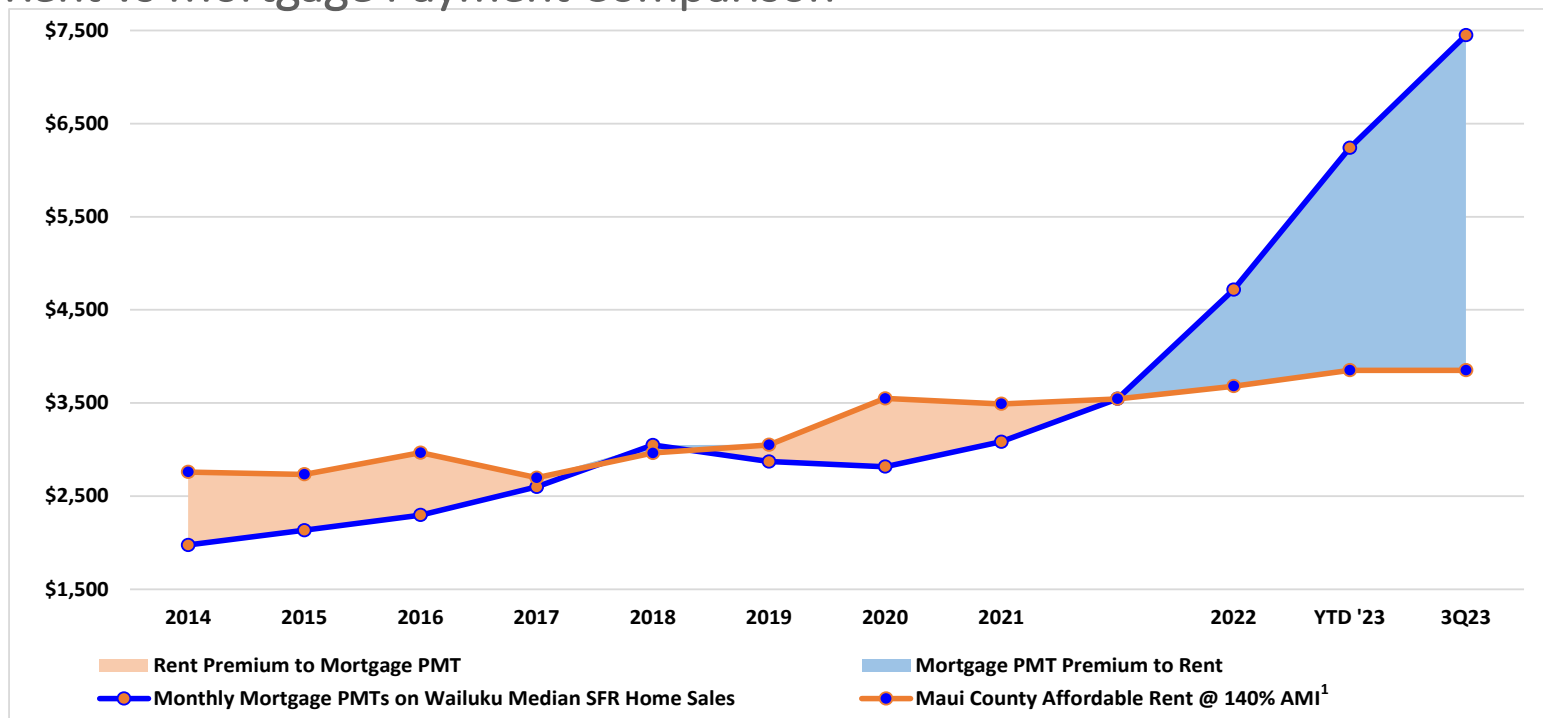
**BLOOMBERG** Oct 13, 2023

# Mortgage Rate Impact on Home Affordability



1. Based on Freddie Mac historical 30-year fixed mortgage rates

# Monthly Rent vs Mortgage Payment Comparison



Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD '23	3Q23
Wailuku Median Home Price	446,507	501,006	553,066	598,377	658,384	667,887	725,325	810,453	925,248	1,070,444	1,138,833
Down Payment	(44,651)	(50,101)	(55,307)	(59,838)	(65,838)	(66,789)	(72,532)	(81,045)	(92,525)	(107,044)	(113,883)
Mortgage Loan Amount	401,856	450,906	497,759	538,539	592,546	601,098	652,792	729,408	832,723	963,400	1,024,950
30-Yr Fixed Mortgage Rate	4.2%	3.8%	3.6%	4.0%	4.5%	3.9%	3.1%	3.0%	5.3%	6.6%	7.9%
<b>Monthly Mortgage Payment</b>	<b>\$1,976</b>	<b>\$2,133</b>	<b>\$2,297</b>	<b>\$2,599</b>	<b>\$3,049</b>	<b>\$2,871</b>	<b>\$2,815</b>	<b>\$3,084</b>	<b>\$4,716</b>	<b>\$6,239</b>	<b>\$7,449</b>
<b>Affordable Rent @ 140% AMI</b>	<b>\$2,759</b>	<b>\$2,734</b>	<b>\$2,967</b>	<b>\$2,697</b>	<b>\$2,963</b>	<b>\$3,050</b>	<b>\$3,549</b>	<b>\$3,491</b>	<b>\$3,680</b>	<b>\$3,851</b>	<b>\$3,851</b>
Mortgage PMT Premium (\$)	(\$784)	(\$600)	(\$670)	(\$98)	\$86	(\$179)	(\$734)	(\$407)	\$1,036	\$2,388	\$3,598
Mortgage PMT Premium (x)	0.7x	0.8x	0.8x	1.0x	1.0x	0.9x	0.8x	0.9x	1.3x	1.6x	1.9x

- Rents based on Maui County affordable guidelines using 3-bedroom at 140% AMI (e.g. highest affordability level since historic market rents were not available)

# Kuikahi Workforce Housing – Layout Plan Comparison

## For-Sale Housing Plan



## Workforce Rental Housing Plan





# Kuikahi Workforce Housing – Elevation



BOARD & BATTEN 1



BOARD & BATTEN 2



LAP SIDING 1



LAP SIDING 2



ROOF



DOORS



TRIM



**Front Elevation**



**Rear Elevation**



\* Subject to change

L36 A

# Multifamily Project Comparison

## Unit Size Comparison

Property	Kuikahi Workforce	Kaulana Mahina (Wailuku)		Kaiaulu o Kukuia (Lahaina)		Kaiaulu o Kupuohi (Lahaina)		Kaiwahine Village (Kihei)		Kenolio Apartments (Kihei)		Hale o Piikea I (Kihei)	
	Unit Area	Unit Area	% Larger	Unit Area	% Larger	Unit Area	% Larger	Unit Area	% Larger	Unit Area	% Larger	Unit Area	% Larger
Studio	589	447	132%	-	-	-	-	-	-	-	-	-	-
1-Bed	696	570	122%	-	-	696	100%	-	-	679	102%	528	132%
2-Bed	1,017	809	126%	939	108%	964	105%	736	138%	984	103%	722	141%
3-Bed	1,320	947	139%	1,094	121%	1,105	119%	1,104	120%	1,141	116%	1,046	126%

## Unit Mix & Affordability Target

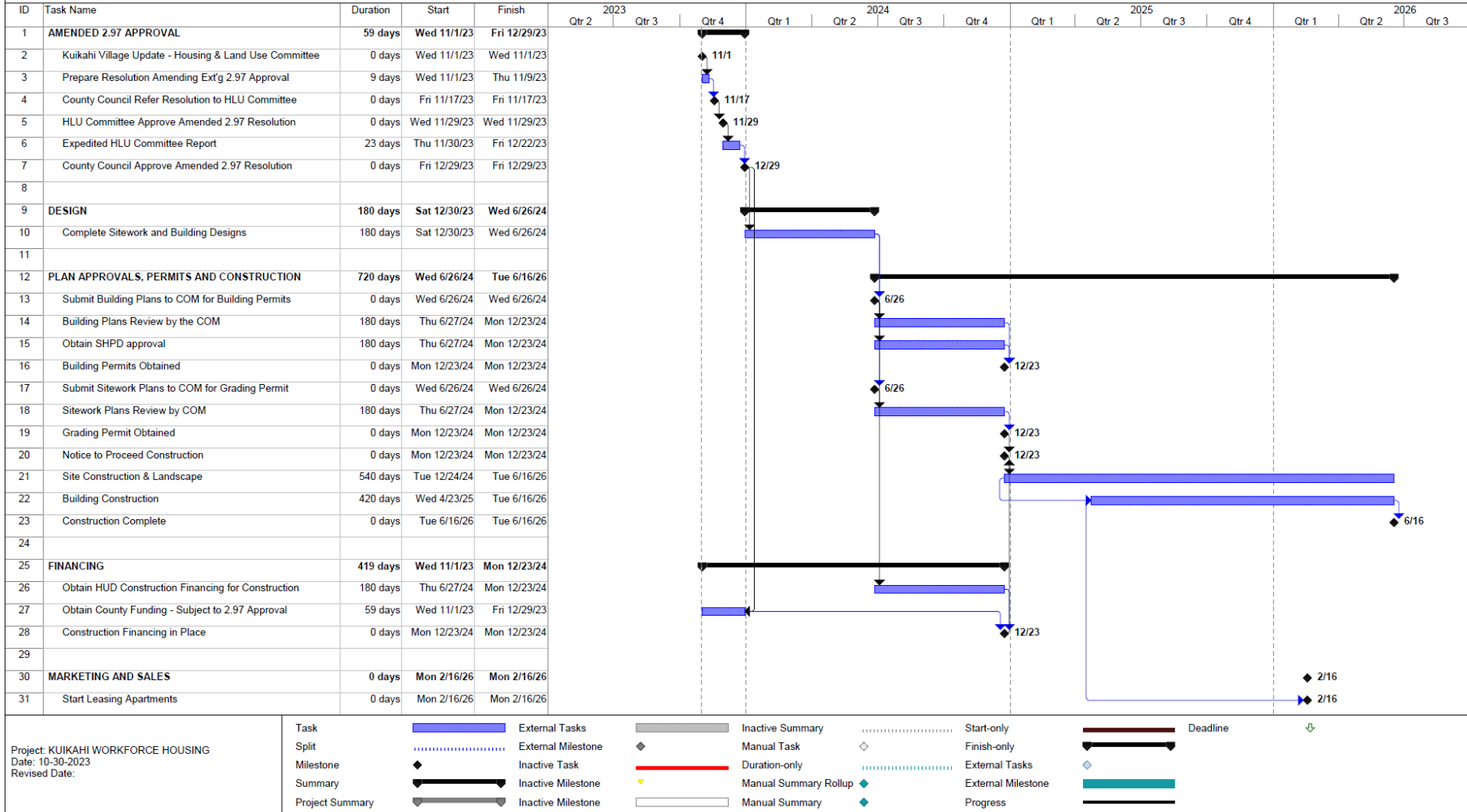
Type	% of AMI	Kuikahi Workforce Housing				Wailuku Apartments				
		Square Feet	# of Units	Net Rent Per Month	Net Rent PSF	Square Feet	# of Units	Net Rent Per Month	Net Rent PSF	
Studio	80%	589	7	\$1,273	\$2.16	447	27	\$1,383	\$3.09	
Studio	100%	589	5	\$1,644	\$2.79					
Studio	120%	589	5	\$2,014	\$3.42					
Studio	140%	589	3	\$2,384	\$4.05					
Studio	Mkt									
<b>Studio Subtotal</b>			<b>20</b>	<b>\$1,718</b>	<b>\$2.92</b>		<b>27</b>	<b>\$1,383</b>	<b>\$3.09</b>	
1-Bed	80%	696	14	\$1,353	\$1.94	570	28	\$1,467	\$2.58	
1-Bed	100%	696	14	\$1,750	\$2.51	570	55	\$1,901	\$3.34	
1-Bed	120%	696	14	\$2,147	\$3.08	570	14	\$2,336	\$4.10	
1-Bed	140%	696	40	\$2,543	\$3.65					
1-Bed	Mkt					570	11	\$2,726	\$4.79	
<b>1-Bed Subtotal</b>			<b>82</b>	<b>\$2,137</b>	<b>\$3.07</b>		<b>108</b>	<b>\$1,929</b>	<b>\$3.39</b>	
2-Bed	80%	1,017	12	\$1,599	\$1.57					
2-Bed	100%	1,017	13	\$2,075	\$2.04					
2-Bed	120%	1,017	13	\$2,551	\$2.51	809	41	\$2,774	\$3.43	
2-Bed	140%	1,017	42	\$3,027	\$2.98	809	30	\$3,295	\$4.07	
2-Bed	Mkt					809	64	\$3,356	\$4.15	
<b>2-Bed Subtotal</b>			<b>80</b>	<b>\$2,580</b>	<b>\$2.54</b>		<b>135</b>	<b>\$3,165</b>	<b>\$3.91</b>	
3-Bed	80%	1,320	1	\$1,814	\$1.37					
3-Bed	100%	1,320	2	\$2,364	\$1.79					
3-Bed	120%	1,320	3	\$2,914	\$2.21					
3-Bed	140%	1,320	14	\$3,464	\$2.62					
3-Bed	Mkt					947	54	\$3,579	\$3.78	
<b>3-Bed Subtotal</b>			<b>20</b>	<b>\$3,189</b>	<b>\$2.42</b>		<b>54</b>	<b>\$3,579</b>	<b>\$3.78</b>	
<b>Total</b>			<b>202</b>	<b>\$2,375</b>	<b>\$2.78</b>		<b>324</b>	<b>\$2,674</b>	<b>\$3.65</b>	
								Premium (\$)	\$299	\$0.87
								Premium (%)	13%	31%

## Affordability Target Comparison

Property	Kuikahi Workforce		Kaulana Mahina	
	Units	% of Units	Units	% of Units
<= 80% AMI	34	16.8%	55	17.0%
<= 100% AMI	34	16.8%	55	17.0%
<= 120% AMI	35	17.3%	55	17.0%
<= 140% AMI	99	49.0%	30	9.3%
<b>Workforce</b>	<b>202</b>	<b>100.0%</b>	<b>195</b>	<b>60.2%</b>
Market	0	0.0%	129	39.8%
<b>Total</b>	<b>202</b>	<b>100.0%</b>	<b>324</b>	<b>100.0%</b>

# Kuikahi Workforce Housing – Preliminary Development Schedule

## KUIKAHI WORKFORCE HOUSING (202 UNITS - APARTMENTS) WAILUKU, MAUI, HAWAII PRELIMINARY DEVELOPMENT SCHEDULE



Project: KUIKAHI WORKFORCE HOUSING  
Date: 10-30-2023  
Revised Date:

Task		External Tasks		Inactive Summary		Start-only		Deadline	
Split		External Milestone		Manual Task		Finish-only		Duration-only	
Milestone		Inactive Task		Manual Summary Rollup		External Tasks		External Milestone	
Summary		Inactive Milestone		Manual Summary		Progress			
Project Summary		Inactive Milestone							



# County Council Requests Related to Kuikahi Workforce Housing

## 1. Request a modification to the income group distribution for workforce rentals

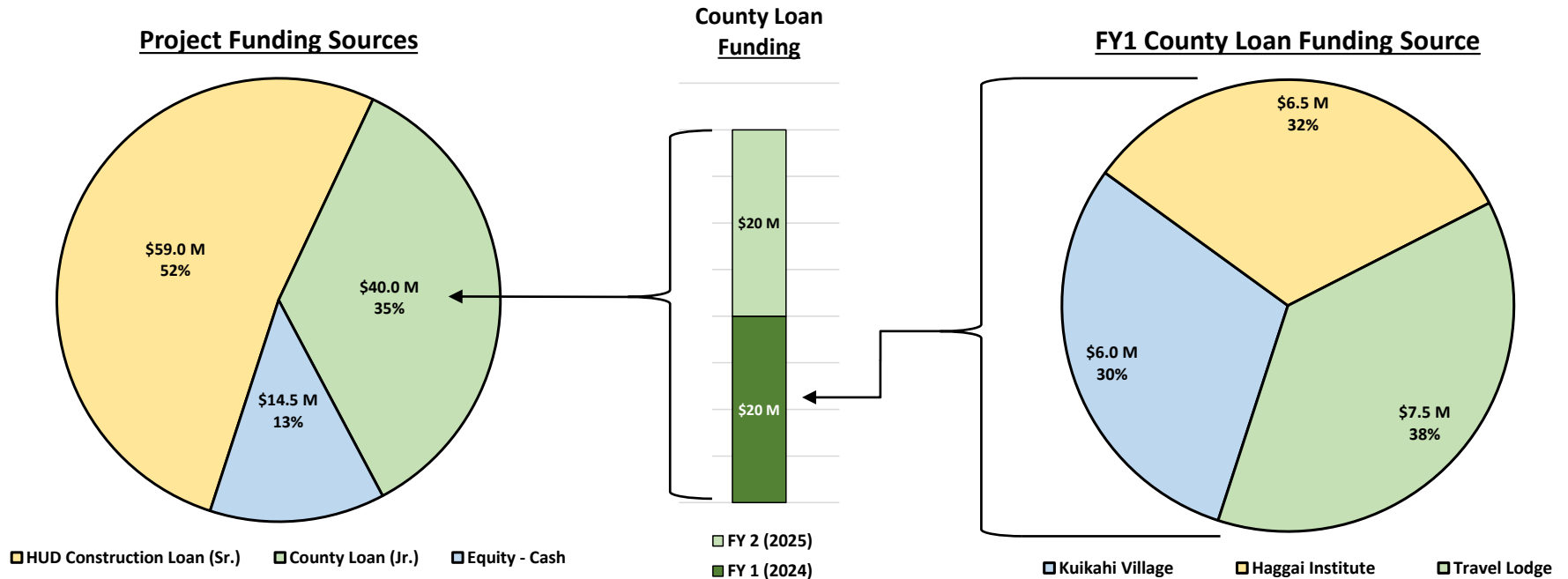
- 100% of units will be offered to households whose gross annual family income is less than 140% of AMI
- 51% of the units (103 units) will be equally distributed between the “Low”, “Below Moderate” and “Moderate” income groups (all 120% AMI and below)
- 49% of the units (99 units) will be for the “Above Moderate” income group (120% AMI – 140% AMI).

Income Group		% of Total	# of Units
"Low"	<= 80% AMI	16.8%	34
"Below Moderate"	>80% & <=100% AMI	16.8%	34
"Moderate"	>100% & <=120% AMI	17.3%	35
"Above Moderate"	>120% & <=140% AMI	49.0%	99
		<b>100.0%</b>	<b>202</b>

## 2. County financial support structured as a low-interest rate loan instead of a grant

- Loan Amount: \$40,000,000
- Loan Interest Rate: A rate per annum equal to 0.25% (25 basis points)
- Loan Term: A period equal to the County’s desired affordability period tied to the project
- Loan Amortization: The loan shall be interest-only for a period of 10 years and thereafter fully amortized over the remaining affordability period
- Junior & Non-Recourse: The Loan will be junior to any first mortgage loan and is non-recourse to the borrower

# County Council Requests Related to Kuikahi Workforce Housing (Cont.)



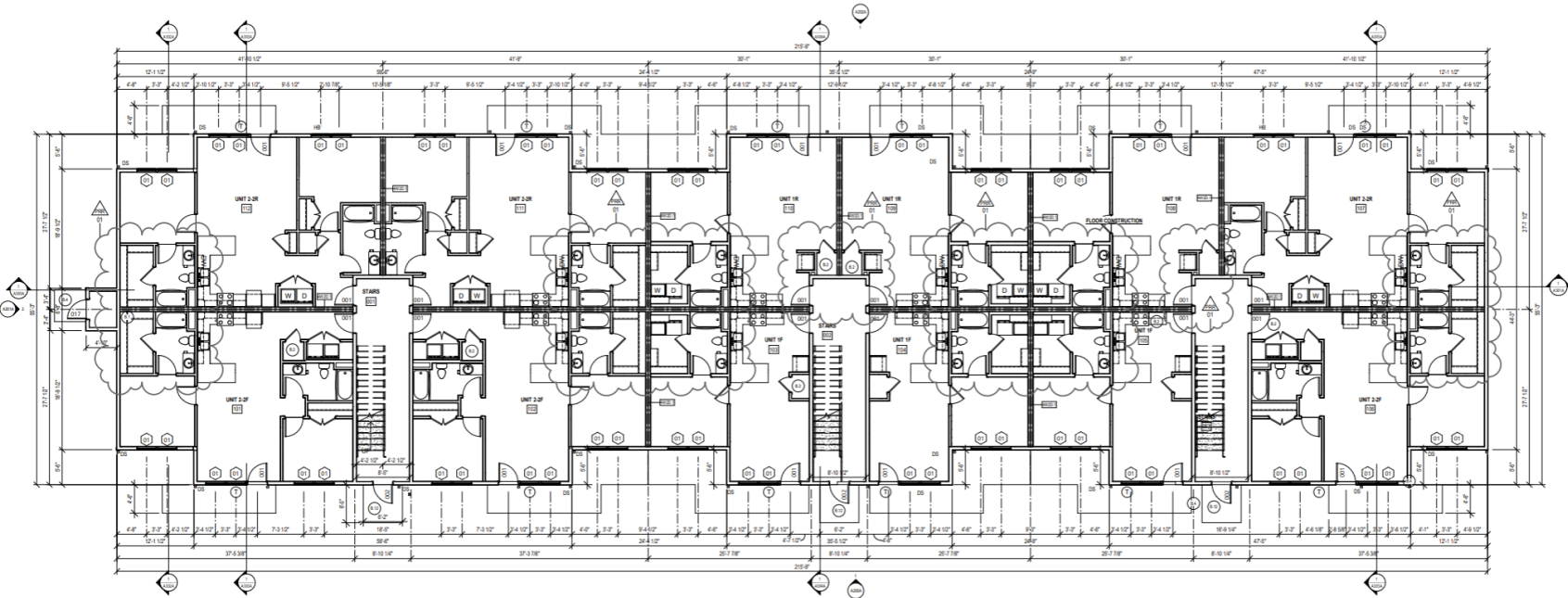
- County loan of \$40.0 M can be funded in two, \$20.0 M installments in fiscal years 2024 and 2025
- Potential funding sources for the first \$20.0 M installment may include:
  - \$6.0 M appropriated for Kuikahi Village
  - \$6.5 M appropriated for Haggai Institute
  - \$7.5 M appropriated for Travel Lodge

## Kuikahi Workforce Housing – Project Advantages

1. At current interest and mortgage rates, the original for-sale project is not feasible
2. County financial support structured as a low-interest rate loan instead of a grant
  - Sustainable and circular for County to help future workforce housing projects
  - Loan is fully repaid with interest, which will replenish County's affordable housing fund
3. Accelerated project timeline
  - Kuikahi Village is the closest to shovel ready workforce housing development on Maui
  - County offsite infrastructure ready to service project
  - Construction plans completed
4. Project affordability
  - Shift from for-sale to rental execution given recent rise in mortgage rates
    - Rent: ~\$2,375 per month<sup>1</sup>
  - Affordability tied to Maui County Affordable Rent Guidelines with affordability allocations set to that of Kaulana Mahina
  - Flexibility to switch to for-sale product in the future should mortgage rates decrease to affordable levels
5. Residents will be close to jobs, schools, medical facilities, police station, fire department, parks, grocery stores, etc
6. The efficiency of the rental project allows for more open space

*1. Average rent per month, net of utility allowance, based on Kuikahi Residential unit mix, Maui County Affordable Rent Guidelines*

# Kuikahi Workforce Housing - Floor Plans (L36)



**FIRST FLOOR - LEFT**  
SCALE: 1/8" = 1'-0"

NOTE: NORTH ARROW  
ORIENTATION VARIES AT EACH  
BUILDING. SEE DSSA.

PROPOSED DEVELOPMENT FOR:  
**KUIKAHI RESIDENTIAL PROJECT**  
WAILUKU, MAUI, HAWAII

Revisions  
09/01/2022 PLAN REVIEW  
RESPONSE 01

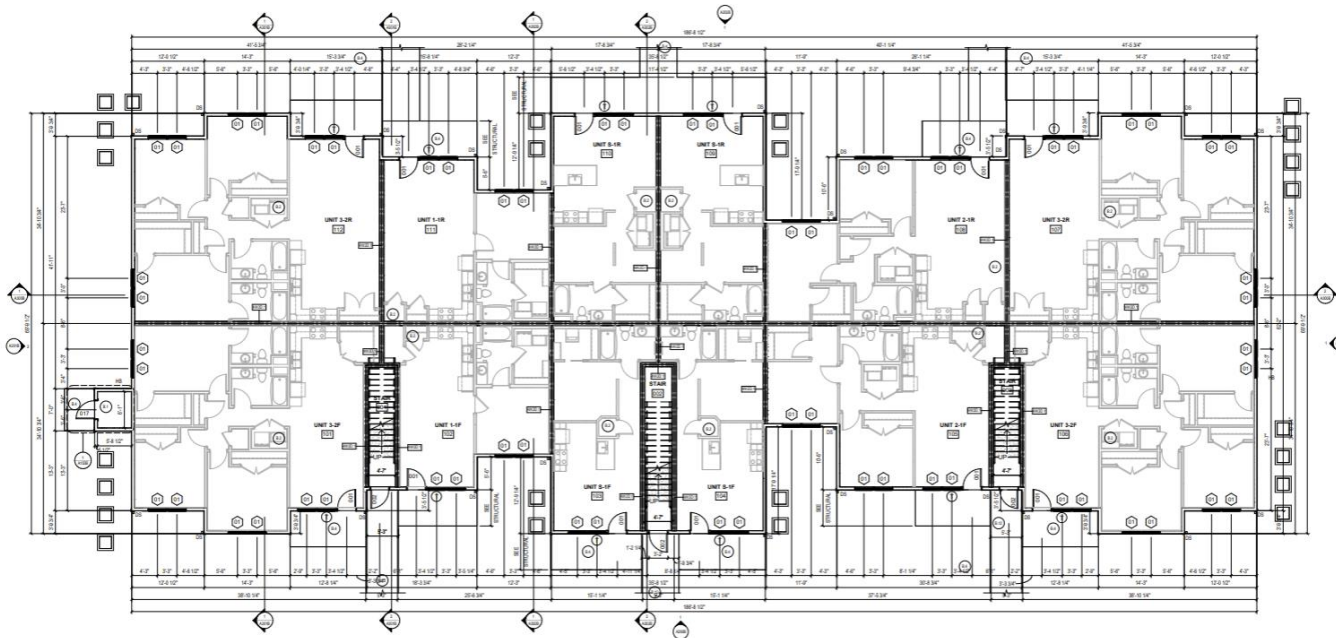
CONSTRUCTION  
DOCUMENTS

Drawing Date  
07/18/2022

**L36A APARTMENT  
BUILDING**

KUIKAHI RESIDENTIAL PROJECT  
T.M.K.: (2) 3-4-002; POR. 003  
WAILUKU, MAUI, HAWAII

# Kuikahi Workforce Housing - Floor Plans (L30)



FIRST FLOOR - LEFT  
SCALE: 1/8" = 1'-0"

NOTE: NORTH ARROW  
ORIENTATION VARIES AT  
EACH BUILDING, SEE C100B

<b>PROJECT INFORMATION</b> 	
<small>1514 NORTH EXECUTIVE PARKWAY                  MENOMONIE FALLS, WI 53051                  262.862.8888 FAX: 262.862.9322</small>	
<b>PROPOSED DEVELOPMENT FOR:</b> <b>KUIKAHI RESIDENTIAL PROJECT</b> WAILUKU, MAUI, HAWAII	
PROFESSIONAL SEAL	
<b>SHEET DATES</b>	
SHEET NO.	OCT. 3, 2023
REVISIONS	

Mahalo!

Questions?

## HLU Committee

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**From:** Jack Dowling <Jack@dowlingco.com>  
**Sent:** Tuesday, October 31, 2023 6:50 PM  
**To:** HLU Committee  
**Cc:** John Varel; lawrence@alaula.org; Everett Dowling; Darren Okimoto; Jeff Ueoka (jueoka@mrwlaw.com)  
**Subject:** Kuikahi Workforce Housing Rule 7b Updated Presentation Material (Wednesday, Nov. 1)  
**Attachments:** 23.11.01 - Kuikahi Workforce Housing Presentation (CC Meeting).pdf; 23.11.01 - Kuikahi Workforce Housing Presentation (CC Meeting).pptx

You don't often get email from jack@dowlingco.com. [Learn why this is important](#)

Aloha HLU Chair Kama and Committee Staff,

Please see attached updated materials for our Rule 7b Presentation on November 1st in Chair Kama's Housing and Land Use Committee.

We appreciate your time and support in this process.

**Jack Dowling**

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