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August 4, 2025

Tasha Kama, Chair
Housing and Land Use Committee
Maui County Council
200 S. High Street
Wailuku, Hawai'i 96793

SUBJECT: KAIAHALE 'O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT (HLU-1(1))

Dear Chair Kama:

Thank you for your letter dated July 31, 2025 (HLU-1(1)) regarding the Kaiahale 'o Kahiluhilu Affordable Rental Housing Project Resolutions 25-160 (Approving), 25-161 (Approving with Modification), and 25-162 (Disapproving). We greatly appreciate the opportunity to review and provide comments and clarifications.

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

The Maui County Council's Housing and Land Use Committee will consider the Kaiahale 'o Kahiluhilu Affordable Housing Rental Project on August 5, 2025, at 1:30 p.m.

Response: We look forward to attending the meeting on August 5, 2025, at 1:30 p.m.

May I please request that you and the applicant's project team review the attached resolutions and provide any comments to the Committee. In particular, please clarify the intent of Exemptions E.6 and F.1. If you have wording suggestions that more clearly state what each exemption is asking for, please provide that language, including the specific guidelines for which an exemption is being sought under F.1.

Response: Thank you for the opportunity to review the resolutions and provide comments to the Committee. The project team has reviewed the resolutions, including Exhibit B Exemptions.

Attached is a redline version of Exhibit B Exemptions showing suggested changes to clarify several of the requested exemptions.

Below are specific clarifications regarding the intent of Exemptions E.6 and F.1:

- **Exemption E6: (Permitting):** Revised to allow the project to qualify for expedited permit processing pursuant to MCC § 2.96.160 without executing a Residential Workforce Housing Agreement.

Given that the Project is proceeding under a Section 201H-38 process, which includes review and approval by both the State and Maui County Council, this exemption is appropriate and supports the timely delivery of affordable housing consistent with the County's housing policy goals.

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Ms. Tasha Kama, Chair

SUBJECT: KAIAHALE 'O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT (HLU-1(1))

August 4, 2025

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The exemption is intended to: 1) confirm that the Project is eligible for fast-track permitting under Section 2.96.160, MCC without executing a Residential Workforce Housing Agreement; and 2) clarify that the two non-revenue generating manager's units are included as "common area" within the Project, which is 100 percent residential workforce housing

- Exemption F1 (Complete Streets): Revised to add clarifying wording to limit required frontage improvements to preserve design flexibility where existing infrastructure is sufficient or full reconstruction would be cost-prohibitive. This approach supports walkability while aligning with the Project's funding constraints and affordable housing mission.

As it relates to the Real Property Tax exemption reflected under A.1, please note it was unclear from your submittal whether what was being requested was an exemption from the application process under Section 3.48.496, Maui County Code, or something else. Please advise whether the wording of A.1 accurately reflects your intent.

Response: Exemption A.1 (Real Property Tax): Revised to extend the exemption until the project no longer consists of 100% residential workforce housing units

Additional Exemption Requested

The Applicant would like to request an additional exemption be added to the exemption list:

- An exemption from Code Chapter 16.16C.C406.10 "Energy Code," is granted to exempt the Project from electric vehicle readiness requirements and compliance pathways as described under Code Section 16.16C.C406.10.1.

If granted, this exemption would clarify that the Applicant is not required to provide Electrical Vehicle Chargers in Place or Electrical Vehicle Capable stalls. However, the Applicant will provide 18 Electric Vehicle Charger Ready stalls.

Thank you for the opportunity to provide clarifications.

Sincerely,

PBR HAWAII



Tom Schnell, AICP
Vice President

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

Exhibit “A”
EXEMPTIONS
KAIAHALE 'O KAHILUHILU AFFORDABLE HOUSING RENTAL
PROJECT

The project is 100% affordable housing (residential workforce housing), including up to two on-site manager’s units considered “common area.”

A. Chapter 3.48, Maui County Code, “Real Property Tax”

1. An exemption from Code Chapter 3.48, "Real Property Tax," is granted to exempt the Project from real property taxes during ~~the Project's~~ construction ~~period~~ and for the duration of its operation as an affordable housing project without pursuing an application under the Section 3.48.496, "Very low income, low income, below moderate and moderate income housing exemption."

B. Chapter 8.04, Maui County Code, "Refuse Collection and Landfills"

1. An exemption from Code Section 8.04.040, "Disposal permits Application and suspension," is granted to exempt the Project from disposal permit fees, special handling fees, and the requirement of acquiring a disposal permit.
2. An exemption from Code Section 8.04.050, "Disposal charges," is granted to exempt the Project from special handling fees and disposal charges during construction.

C. Title 12, Maui County Code, “Streets, Sidewalks, and Public Places”

1. An exemption from Code Chapter 12.08 “Driveways,” is granted to exempt the Project from driveway permit and inspection fees.
2. An exemption from Code Chapter 12.08.10 “Standards and Specifications,” Standard Details for Public Works Construction, Standard Detail R-49, Driveway Layouts for Concrete Curb Streets is granted to exempt the Project’s temporary fire access driveway on Vevau Street from the requirement that driveways be separated by a minimum distance of 45 feet. ~~The Project fire access driveway on Vevau Street will be approximately five feet from the Kahului Transit Center driveway.~~
3. An exemption from Code Chapter 12.24A, “Landscape Planting and Beautification,” is granted to exempt the Project from the required

number, species, and location of street trees along Ka‘ahumanu Avenue, Vevau Street, and Kāne Street.

D. Title 14, Maui County Code, “Public Services”

1. An exemption from Code Chapter 14.07, "Water System Development Fees," is granted to exempt the Project from water system development fees.
2. An exemption from Code Chapter 14.12, "Water Availability," is granted to exempt the Project from the County's water availability policy.
3. An exemption from Code Chapter 14.35, "Wastewater Assessment Fees for Facility Expansion for the Wailuku / Kahului Wastewater Treatment System," is granted to exempt the Project from wastewater assessment fees.
4. An exemption from Code Chapter 14.76, "Impact Fees for Traffic and Roadway Improvements in Wailuku-Kahului, Maui, Hawai'i," is granted to exempt the Project from traffic impact fees, if traffic impact fees are established before Project completion.
5. An exemption from Code Title 14, "Public Services," is granted to the extent necessary to allow for the issuance of building permits in accordance with Code Section 18.28.030, "Subdivisions with major improvements," if the requirements of Code Section 18.20.190, "Final approval prior to completion of construction," have been met, so that buildings may be constructed concurrently with the construction and acceptance of subdivision improvements.

E. Title 16, Maui County Code, "Buildings and Construction"

1. An exemption from Code Chapter 16.04E, "Fire Code," is granted to exempt the Project from plan review fees, permit fees, and inspection fees required for Fire Code compliance.
2. An exemption from Code Chapter 16.13, "Commercial Signs," is granted to exempt the Project from filing fees.
3. An exemption from Code Chapter 16.16C.C406.10 “Energy Code,” is granted to exempt the Project from electric vehicle infrastructure requirements and compliance pathways as described under Code Section 16.16C.C406.10.1.
- 3.4. An exemption from Code Chapter 16.18B, "Electrical Code," is granted to exempt the Project from permit and inspection fees required by the Electrical Code.

- 4.5. An exemption from Code Chapter 16.20C, "Plumbing Code," is granted to exempt the Project from permit and inspection fees required by the Plumbing Code.
- 5.6. Exemptions from Code Chapter 16.25, "Building Code Administrative and Supplemental Provisions," and Code Chapter 16.26C, "Building Code," are granted to exempt the Project from plan review, permit, and inspection fees required by the Building Code.
- 6.7. An exemption from Code ~~Section 16.25.105, "Permits," Chapter 2.96.160 "Fast track permitting"~~ is granted to ~~exempt~~allow the Project ~~from the standard permitting process to qualify for County permits needed to develop the Project, including subdivision applications, civil construction plans, fast track permitting without executing a Residential Workforce Housing Agreement and other plans and permits for Project development. The Project will be permitted under~~clarify that the two non-revenue generating manager's units are included as "common area" within this exemption to use the fast-track permit processing procedures under Code Section 2.96.Project, which is ~~100-~~percent residential workforce housing.
- 7.8. An exemption from Code Section 16.25.201, "Applicability and Scope," is granted to exempt the Project from the requirements of:
- Constructing sidewalks, curbs, and gutters; and
 - Placing utilities underground.

F. Title 18, Maui County Code, "Subdivisions"

1. An exemption is granted from ~~Department of Public Works guidelines~~any requirement to provide ~~bicycle and pedestrian improvements in excess of~~beyond those required under Code Title 18, "Subdivisions," ~~is granted to exempt the Project from providing bicycle and pedestrian~~ ("Subdivision"), including any such improvements that fully comply with the County's ~~may otherwise be imposed pursuant to Maui County Resolution No. 12-34 (Complete Streets Policy), the County's (Complete Streets) Street Design Manual, or other related County policies, programs, or administrative interpretations. This exemption is intended to allow the Project to accommodate existing County improvements along adjacent streets and provide internal~~ pedestrian connectivity improvements ~~will be provided according to~~consistent with the Project site plan.

2. An exemption from Code Section 18.16.320, "Parks and playgrounds," is granted to exempt the Project from park dedication requirements and assessment fees. The Project includes 14,696 square feet of onsite recreation facilities, which is 61,054 square feet less than the 75,750 square feet required by Code Section 18.16.320.
3. An exemption from Code Section 18.20.040, "Existing streets," is granted to exempt the Project from the requirement of constructing curbs, gutters, and sidewalks along frontages.
4. An exemption from Code Section 18.20.070, "Sidewalks," is granted to exempt the Project from the requirement of constructing sidewalks along frontages.
5. An exemption from Code Section 18.20.080, "Curbs and gutters," is granted to exempt the Project from the requirement of constructing curbs and gutters along frontages.

G. Title 19, Maui County Code, "Zoning"

1. An exemption from Code Chapter 19.18, "B-2 Community Business District," is granted to permit the development of a 2.2 Floor Area Ratio. Under Code Section 19.18.050, the maximum FAR is 2.0. The Project site is 148,241 square feet, making the maximum allowable FAR without an exemption 296,482 square feet. The exemption allows a maximum FAR of 326, 130 square feet.
2. An exemption from Code Section 19.36B.020, "Designated number of off-street parking spaces," is granted to allow 298 off-street parking spaces instead of the required 612 off-street parking spaces.
3. An exemption from Code Section 19.36B.060, "Size or dimensions of parking spaces," is granted to allow 146 compact parking spaces that will be 16 feet by 7.5 feet, which is smaller than the standard-sized spaces of 18 feet by 8.5 feet required by Code Section 19.36B.060. The remaining 152 parking spaces will meet the standard size requirements of Code Section 19.36B.060.

H. Chapter 20.08, Maui County Code, "Soil Erosion and Sedimentation Control"

1. An exemption from Code Section 20.08.090, "Grubbing and grading permit fees," is granted to exempt the Project from grubbing, grading, and excavation permit fees and inspection fees.

HLU Committee

From: Tom Schnell <tschnell@pbrhawaii.com>
Sent: Monday, August 4, 2025 2:56 PM
To: Tasha A. Kama
Cc: Carla M. Nakata; HLU Committee
Subject: RE: HLU-1(1), Relating to Kaiahale 'o Kahiluhilu Affordable Housing Rental Project
Attachments: 2025-08-04 Response to Chair Kama Letter.pdf

Chair Kama,

Thank you for your letter dated July 31, 2025 (HLU-1(1) regarding the Kaiahale 'o Kahiluhilu Affordable Rental Housing Project Resolutions. Thank you for the opportunity to review the resolutions and provide comments to the Committee. The project team has reviewed the resolutions, including Exhibit B Exemptions. Our response to your letter is attached with this email.

Tom Schnell, AICP
Vice President



PBR HAWAII

Phone: 808-521-5631

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tschnell@pbrhawaii.com

From: HLU Committee <HLU.Committee@mauicounty.us>
Sent: Thursday, July 31, 2025 12:28 PM
To: Tom Schnell <tschnell@pbrhawaii.com>
Cc: HLU Committee <HLU.Committee@mauicounty.us>; Tasha A. Kama <Tasha.Kama@mauicounty.us>; Carla M. Nakata <Carla.Nakata2@mauicounty.us>
Subject: HLU-1(1), Relating to Kaiahale 'o Kahiluhilu Affordable Housing Rental Project

Aloha, Mr. Schnell, please refer to the attached letter from the Housing and Land Use Committee Chair, dated July 31, 2025.

Mahalo,
HLU Committee Staff