

HLU Committee

From: gomes@aloha.net
Sent: Wednesday, June 5, 2024 5:06 PM
To: HLU Committee
Cc: Keoni Gomes
Subject: Re: HLU-1(1), Resolution 24-94, further amending Resolution 18-150 to recognize revisions to the Affordable Workforce Housing Project by Waikapu Development Venture LLC and to extend the deadline for the completion of the construction of the 80 residentia
Attachments: WAIKAPU DEVELOPMENT VENTURE 201H (HLU-1(1))_5.30.2024 Responses.pdf
Importance: High

Aloha e HLU Chair Kama and Members of the HLU Committee,

Please find attached responses to HLU Committee May 30, 2024 letter regarding the Waikapu Development Venture 201H project.

Should you have any questions, please feel free to contact me.

Mahalo,
Keoni Gomes
Waikapu Development Venture LLC
(808) 870-4566
gomes@aloha.net

> On May 30, 2024, at 2:03 PM, HLU Committee <HLU.Committee@mauicounty.us> wrote:
>
> Aloha Mr. Gomes:
> Please see the attached letter from Councilmember Tasha Kama. Please respond by June 5, 2024.
> Mahalo,
> HLU Committee Staff
>

Waikapu Development Venture 2018 - 2024 Budget Comparison ¹				
INCOME	2018	Avg Per Home 2018	2024	Avg. Per Home 2024
Net Sales Revenue	\$ 41,788,640	\$ 522,358	\$ 43,328,736	\$ 541,609
EXPENSE				
Land, holding costs to date	\$ 1,875,000	\$ 23,438	\$ 2,500,000	\$ 31,250
Entitlements	\$ 412,500	\$ 5,156	\$ 550,000	\$ 6,875
Project Management	\$ 750,000	\$ 9,375	\$ 1,000,000	\$ 12,500
Project Design, Engineers, Architects	\$ 750,000	\$ 9,375	\$ 1,000,000	\$ 12,500
Marketing, Legal, Survey	\$ 750,000	\$ 9,375	\$ 1,000,000	\$ 12,500
Cultural, Archeological Studies and Monitoring	\$ 637,500	\$ 7,969	\$ 850,000	\$ 10,625
Water Meters, DOE Fees, HECO	\$ 1,500,000	\$ 18,750	\$ 2,000,000	\$ 25,000
Interest, Insurance, RPT, Holding Costs	\$ 1,500,000	\$ 18,750	\$ 2,000,000	\$ 25,000
Off Site (waterline extension, sidewalk)	\$ 900,000	\$ 11,250	\$ 1,200,000	\$ 15,000
On Site Improvements	\$ 5,475,000	\$ 68,438	\$ 7,300,000	\$ 91,250
Home Construction	\$ 21,000,000	\$ 262,500	\$ 28,000,000	\$ 350,000
Landscape, soils stabilization	\$ 637,500	\$ 7,969	\$ 850,000	\$ 10,625
Contingency	\$ 618,750	\$ 7,734	\$ 825,000	\$ 10,313
	\$ 36,806,250	\$ 460,078	\$ 49,075,000	\$ 613,438
Profit	\$ 4,982,390	\$ 62,280	\$ 4,907,500	\$ 61,344
Total cost	\$ 41,788,640	\$ 522,358	\$ 53,982,500	\$ 674,781
Surplus (Shortfall)	\$ 0		\$ (10,653,764)	\$ (133,172)
County Grant	\$ -		\$ 10,650,000	\$ 133,125
	\$ 0		\$ (3,764)	
<i>1 For apples to apples comparison, the 2018 budget numbers are based on the more efficient site plan presented to the LUC and Council in 2024</i>				
Grant				
Off-Site Infrastructure			\$ 1,200,000	
On-Site Infrastructure			\$ 7,200,000	
Planning, Design			\$ 750,000	
Water Meters (Reservation)			\$ 1,500,000	
			\$ 10,650,000	

Response to HLU May 30, 2024 Request: Question 1

Waikapu Development Venture 2018 - 2024 Sales Price Comparison ¹

Sales Price 100% AMI 3bd home	
2018	\$ 448,700
2024	\$ 461,300
3% sales price increase between 2018 and 2024	

WDV Unit Count & Maximum Sales Prices: 2018 Guidelines at 4% Interest								
Type of Home	No. of Units	AMI Range	Min Annual Household Income	Max Annual Household Income	1 Bedroom Home/Unit & Lot (max price)	2 Bedroom Home/Unit & Lot (max price)	3 Bedroom Home/Unit & Lot (max price)	4 Bedroom Home (max)
Multi-Family Units	12	70%-80%	\$ 56,980	\$ 65,120	\$ 197,890	\$ 240,295	\$ 282,700	\$ 325,105
Single Family Homes	12	80% to 100%	\$ 65,121	\$ 81,400	\$ 314,090	\$ 381,395	\$ 448,700	\$ 516,005
	40	101% to 120%	\$ 81,401	\$ 97,680	\$ 376,000	\$ 457,640	\$ 538,400	\$ 619,160
	16	121% to 140%	\$ 97,681	\$ 113,960	\$ 439,740	\$ 533,970	\$ 628,200	\$ 722,430
	80							

WDV Unit Count & Maximum Sales Prices: 2024 Guidelines at 6.5% Interest; 30%								
Type of Home	No. of Units	AMI Range	Min Annual Household Income	Max Annual Household Income	1 Bedroom Home/Unit & Lot (max price)	2 Bedroom Home/Unit & Lot (max price)	3 Bedroom Home/Unit & Lot (max price)	4 Bedroom Home (max)
Single Family Homes	12	70%-80%	\$ 77,560	\$ 88,640	\$ 226,030	\$ 274,465	\$ 322,900	\$ 371,335
	12	80% to 100%	\$ 88,641	\$ 110,800	\$ 322,910	\$ 392,105	\$ 461,300	\$ 530,495
	40	101% to 120%	\$ 110,801	\$ 132,960	\$ 387,520	\$ 470,560	\$ 553,600	\$ 636,640
	16	121% to 140%	\$ 132,961	\$ 155,120	\$ 452,060	\$ 548,930	\$ 645,800	\$ 742,670
	80							

2018 guidelines, 100% AMI (\$81,400); 4% Interest (pre bill 107)

	2 bds	3 bds	4 bds	Totals		
70% - 80% AMI (MFR)		4	4	4	12	\$ 3,392,400
100% AMI		0	4	8	12	\$ 5,922,840
120% AMI		0	10	30	40	\$ 23,958,800
140% AMI		0	4	12	16	\$ 11,181,960
		4	22	54	80	\$ 44,456,000
						\$ 2,667,360
						less closing costs (.5%) & commissions (5.5%)
						\$ 41,788,640 net sales

2024 guidelines, 100% AMI (\$100,400); 6.5% Interest (bill 107)

	2 bds	3 bds	4 bds	Totals		
70% - 80% AMI (MFR)		4	4	4	12	\$ 3,874,800
100% AMI		0	4	8	12	\$ 6,089,160
120% AMI		0	10	30	40	\$ 24,635,200
140% AMI		0	4	12	16	\$ 11,495,240
		4	22	54	80	\$ 46,094,400
						\$ 2,765,664
						less closing costs (.5%) & commissions (5.5%)
						\$ 43,328,736 net sales

WAIKAPU DEVELOPMENT VENTURE 201H

	Reso. 18-150	Reso. 20-107	Reso. 24-94
Effective Date	9/17/2018	7/24/2020	
Commencement Date	9/17/2020	9/17/2022	Started 8/2022
Completion Date	9/17/2022	9/17/2024	9/7/2029
Units	68 Single-Family 12 Duplex		80 Single-Family
Income Groups	12 Duplex: 70-80% AMI 12 SF Units: 81-100% AMI 40 SF Units: 101-120% AMI 16 SF Units: 121-140% AMI		12 SF Units: 70-80% AMI 12 SF Units: 81-100% AMI 40 SF Units: 101-120% AMI 16 SF Units: 121-140% AMI

Significant Amendments to the Exemption List:

Add A.2:

Exemption from Section 2.96.090.A, MCC, to the extent necessary for Waikapu Development Venture LLC and the Department of Housing and Human Concerns, or successor entity charged with overseeing Chapter 2.96, MCC, to develop an applicant selection process.

Add A.3:

Exemption from Section 2.96.090.A, MCC, to the extent necessary for Waikapu Development Venture LLC and the Department of Housing and Human Concerns, or successor entity charged with overseeing Chapter 2.96, MCC, to develop an applicant selection process.

Add A.4:

Exemption from Section 2.96.090.D.3.c, MCC, to require that any residential workforce housing units that remain unsold after being offered to the “above-moderate” income group shall be offered for sale to the County at the original sales price for a period of thirty (30) days and the County shall be required to close the sale within thirty (30) days of electing to purchase. In the event that County does not elect to purchase said residential workforce housing unit or fails to close in a timely manner, Waikapu Development Venture LLC may sell said unit on the open market without deed restrictions.

Amend C.1:

Remove maximum driveway width exemption.

Amend C.2:

An exemption from Chapter 12.24A, MCC, Landscape Planting and Beautification, shall be granted to exempt the Project from compliance with the Landscape Planting Plan to allow for a tree to be planted anywhere on the lot after subdivision approval but prior to conveyance of the lot to the homeowner.

Response to HLU May 30, 2024 Request: Question 2 (continued)

Add D.3:

An exemption from Title 14, MCC, Public Services, shall be granted to the extent necessary to allow for the issuance of building permits in accordance with Section 18.28.030, MCC, Building permits, provided that the requirements of Section 18.20.190, MCC, Final approval prior to completion of construction, have been met, so that the construction of the homes may be done concurrently with the construction and acceptance of the subdivision improvements.

Remove E.3:

An exemption from Section 16.04C.440, MCC, Fire Code, as it pertains to dimensions in Subsection 18.2.3.6.1 shall be granted to exempt the Project from providing an Unobstructed Width of twenty (20) feet for the Interior Subdivision Roadways (Roadways C and D) (Please refer to Exhibit 3 -Typical Section of Roadways C and D).

Remove F.2:

Exemptions from Section 18.16.050, MCC, Minimum Right-of-Way and Pavement Widths, shall be granted to allow the Internal Subdivision Roadways (Roadways C and D) to have a Minimum Right-of-Way Width of Thirty-Six (36) feet and Minimum Pavement Width of Twenty (20) feet (Please refer to Exhibit 3 - Typical Section for Roadways C and D).

Remove F.3:

An exemption from Section 18.16.070(A), MCC, Intersection Angles, shall be granted to allow the right-of-way lines at intersections to have a minimum corner radii of fifteen (15) feet.

Amend F.4:

Exemption from 18.20.070, MCC, to remove ability to require sidewalks on both sides of the streets.

Amend G:

Remove references to “duplex” standards.